



Public Service Commission

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

DATE: July 28, 1997
TO: Division of Records and Reporting
 Division of Legal Services, Jennifer Brubaker
FROM: Division of Water & Wastewater, J. Travis Coker *JTC*
RE: Docket No. ~~970381~~-SU; Application for transfer of Wastewater Certificate No. 495-S from Sandalhaven Utility, Inc. to CHP Utility, Inc. for provision of wastewater service in Polk County.

Please include this information in the above mentioned docket file. If you have any questions concerning this memo, please contact me at 413-6997.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- DPC _____
- RCH _____
- SEC 1 (memo only)
- WAS _____
- DTH _____

DOCUMENT NUMBER-DATE

07671 JUL 29 5

FPSC-RECORDS/REPORTING

**ROBERT L. UNDERWOOD
LAW OFFICES**

Robert L. Underwood, III*
Carl A. Bertoch T, Of Counsel

Anne Underwood †

* Licensed in D.C. and Florida only

† Licensed in Florida & Ohio only

‡ Non Lawyer

Florida Public Service Commission
Director, Division of Records & Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

Re: CHP Utility, Inc. (formerly Sandalhaven Utility, Inc.)
Docket No. 970381-SU

Dear Mr. Coker:

Enclosed are the original and two copies of items for the completion of our application for transfer of certificate. The items are as follows:

- Exhibit A Response to Commission questions
- Exhibit B Statement as to transfer in the public interest
- Exhibit C Resumes of Manager and Plant operator and Management Contract
- Exhibit D Affidavit of published notice
- Exhibit E Insurance policies for the Utility
- Exhibit F Application for service
- Exhibit G Map of utility service territory (no copies provided)
- Exhibit H Proforma filed with IRS with Application for Exemption
- Exhibit I Developer/service agreements currently in place by the utility

Please contact me after you have had a chance to review these submissions. Thank you for your assistance in this matter.

Respectfully submitted,



Robert L. Underwood

1250 24th Street, N.W. Suite 300
Washington, D.C. 20037
Tel (202)835-1684/Fax (202)466-3079

537 East Park Avenue
Tallahassee, FL 32301
Tel (904)224-7040/Fax (904)224-2406

Pager: (800)386-7089
Main Tel: (800) 686-1615
Main Fax: (919)721-9663
Voice Mail (919)990-2662
Mobile: (407)341-1565
E-Mail: RLULAW@AOL.COM

CHP UTILITY, INC.
Docket No. 970381-SU
RESPONSES TO COMMISSION

- 1) Customers of Sandalhaven made no deposits for utility service and therefore none were transferred to CHP Utility.
- 2) Developer agreements are enclosed and these were assumed by CHP Utility.
- 3) Sample customer agreements are enclosed and these were assumed by CHP Utility.
- 4) The Utility has no debt other than trade payables and amounts due for taxes and annual fees to the PSC. These were not assumed by CHP Utility. The Seller(Sandalhaven) financed 100 percent of the purchase price paid by CHP Utility. This amount is a debt of CHP Utility.
- 5) There are no leases on any property by Sandalhaven or CHP Utility.
- 6) The Utility will be self funding in that the cash flow from utility operations will provide for all operating expenses, reserves, and debt service(see attached two-year proforma filed with IRS).

CHP UTILITY, INC.**Docket No. 970381-SU****STATEMENT AS TO TRANSFER IN THE PUBLIC INTEREST**

The transfer contemplated by this application is in the public interest because the ownership in a Not-for-Profit will provide the level of service required by the community, the new entity is controlled by the customers and they can be responsive to their own needs, regulatory costs of the utility will be substantially reduced(eliminated) and those funds can reduce rates or maintain/upgrade service, the uncertainties of private ownership(e.g. death, retirement of owner) are eliminated. The attached proforma provides that the cash flow will pay for the expenditures of the utility and provide adequate reserves. The utility is in compliance with all Florida Department of Environmental Protection rules and regulations. The new management has experience with operating businesses and utilities(also properly licensed).

In summary, utilities of this size are more capable of operating efficiently as Not-for-Profit member owned/controlled utilities.

SOUTHWEST WATER AND WASTE

10429 Sandrift Avenue
Englewood Florida 34224

June 5, 1997


To Whom It May Concern:

I have lived in Florida for 15 years and graduated from Sarasota Vo-Tech in 1984. I obtained my license for wastewater management 12 years ago, number 6256C.

Prior to working for Sandalhaven Utility I was employed by the Department of Environmental Protection and Gulf Coast Water and Waste:

Department of Environmental Protection
Division Florida Park Service
District 4 Administration
1843 S. Tamiami Trail
Osprey Florida (941)483-5944

Kyle James
(formerly Gulf Coast Water and Waste)
(941) 492-0762


Robert Offer

MANAGEMENT CONTRACT

THIS AGREEMENT, made and entered into this 1st day of April, 1997, by and between CHP Utility, Inc., a corporation not-for-profit, organized and existing under the laws of the State of Florida and hereinafter referred to as the "Utility", party of the first part, and S & F Utility Management, Inc., party of the second part and hereafter referred to as "Manager",

W I T N E S S E T H:

That for and in consideration of the mutual promises herein contained, the Utility does hereby engage the professional services of the Manager as a Contractor for a period of five years, commencing on April 1, 1997, upon the following terms and conditions:

1. The Manager, S & F Utility Management, Inc., shall report directly to the Utility's Board of Directors, and shall be available to perform the services hereinafter set forth as conditions may require.
2. The Manager shall be responsible for the day-to-day operation of the premises and services within the guidelines established and to be established from time to time by the Utility. Such administration shall include but not be limited to the following:
 - a. The hiring and supervision of personnel/contract maintenance companies as may be required to operate and maintain the facilities of the Utility in a proper and businesslike manner. The Manager agrees to supervise/hire maintenance employees/contractors of the Utility.
 - b. To make and keep all records as required by law and documents and such other records as may be required by the Utility. The Manager shall prepare and file all Federal, State and local tax returns within the times specified by statute or rule, except Federal Income Tax Forms, the Florida Corporation Income/Franchise and Emergency Excise Tax Return, which last mentioned-documents shall be the responsibility of the Utility unless the Manager is authorized, in writing by the Association, to hire a CPA or tax attorney to prepare and file such returns.
 - c. To inspect the property owned by the Utility and, at such periods of time as the Utility shall establish, report the findings of such inspections to the Association in writing. Any emergency matter adversely affecting the property which shall come to the knowledge of the Manager shall be immediately reported to the Board of Directors and the Manager shall take immediate action to minimize any damage that may occur until positive action may be taken. All report findings and all Utility correspondence are on file at the Utility office for Board member inspection.

d. The Manager and the employees, if any, assigned to receive monies, as well as the Directors who handle or control the receipt or disbursement of funds, shall furnish a fidelity bond in such amounts determined by law and the premium on such bonds shall be paid by the Utility. Further, it is understood by both parties hereto that the Utility shall carry, at Utility's own cost and expense, Property and Liability Insurance as well as Errors and Omissions coverage for Officers, Directors, and the Manager.

e. The Manager shall prepare checks in payment of services and materials furnished to the Utility and shall present them to the Treasurer or other authorized officer of the Utility at such time as may be required, properly supported by vouchers and indicating that the services were actually rendered and the materials actually delivered and accepted. Utility checks may be signed by the Manager and/or Directors.

f. Within thirty (30) days following the close of each Quarterly period, the Manager shall prepare and furnish to the Board of Directors a financial statement for the preceding Quarter.

g. The Manager shall work closely with the Board of Directors and shall consult with the President/Chairman or any other authorized member thereof on any matter concerning which there is doubt and in any case where no clear directive is evident.

h. The Manager shall prepare and submit to the Board of Directors a proposed budget at least forty-five (45) days before the end of each calendar year for the ensuing calendar year.

i. The Manager shall prepare and submit to the Board of Directors not later than fifteen (15) days after the close of each Quarter a list of the names and addresses of all members of the Utility who are delinquent in the payment of the Utility assessments properly fixed by the Utility.

3. The duties of the Manager as herein set forth shall not be deemed all inclusive. The Utility reserves the right at any time and from time to time to add to, alter or delete the duties of the Manager, who shall be notified in writing of such changes. If agreed upon in writing by the Manager, such changes shall then become a part of this contract, by written amendment signed by both parties, as though contained herein at the time of execution.

4. No action shall be taken by the Manager on any matter that is not routine or stated herein without prior approval of the Utility unless it is an emergency, in which event only such action as is required to take care of the immediate needs shall be taken in accordance with the provisions of the Utility by-laws applying to such situations, which said provisions are incorporated herein by reference.

5. As compensation for services, the Manager shall be paid an

annual fee of \$18,000.00¹ in monthly installments of \$1,500.00 in the form of a check to the order of S & F Utility Management, Inc. In addition, Manager shall be reimbursed for out-of-pocket expenses. Such expenses may include long distance telephone calls made on behalf of the Utility, travel expenses incurred on behalf of the Utility, or such other expenses as are agreed upon by the Board of Directors. In any event, all out-of-pocket expenses require pre-approval by the Board. Manager agrees to pay all federal and/or state taxes which may be payable as a result of payment for services rendered herein.

6. It is understood that the Utility is responsible for all expenses incurred in the conduct of the Association affairs including but not limited to: supplies, printing, materials, postage, telephone, and equipment, in accordance with the duly adopted budget for the current year. S & F Utility Management, Inc. will render monthly bills for these items.

7. Management Services (Schedule A), a copy of which will be incorporated by reference and shall be descriptive of duties of Manager as contemplated by this Agreement.

8. Except for willful acts or for breaches of duties constituting gross negligence, the Utility shall indemnify and hold Management harmless from any claims arising from actions taken or not taken by the Utility prior to the employ of Management. This indemnification should be written into the Utility's General Liability Insurance Policy.

9. This Agreement may be amended by the Parties by a written instrument, signed by both of the Parties setting forth such amendment.

10. This Agreement shall constitute the entire Agreement between the Parties and no variance or modification thereof shall be valid and enforceable, except by a writing, executed and approved in the same manner as this Agreement.

IN TESTIMONY WHEREOF, the Utility has caused these presents to be signed in its corporate name by its President of the Board, and attested by the Secretary, and S & F Utility Management, Inc. has caused these presents to be signed in its name by Raymond W. Flischel, its President, and attested by David M. Spade, its Vice President at Englewood, Florida this 1st day of April, 1997.

¹ This fee is based on 670 units at 2.24/unit. The management fee will be adjusted upward as each ten new units come into place (22.40) per escalation.

MANAGEMENT SERVICES

S & F Utility Management, Inc., a Florida Corporation, serving utilities in the Cape Haze area will provide the following fiscal and physical management services for the benefit of Cape Haze Peninsula Utilities, Inc.

FISCAL MANAGEMENT

Arrange with a bank for the deposit of utility payments in a Money Market account in the name of the utility and establish at the same bank a checking account for the payment of utility obligations. Funds are transferred from the Money Market account to the checking account when checks are issued. Funds are not commingled with other client's or S & F Utility Management, Inc. funds.

Maintain a separate record of customers' accounts and Utility's assets, liabilities, income and expenses. These records are open to examination by appointment at all reasonable times.

Issue checks in payment of all obligations of the Utility when due from funds of the Utility.

Furnish the Board of Directors with a monthly financial statement for their review.

Furnish an annual financial statement for submission to the Board of Directors and for audit if required.

Furnish a list of monthly disbursements to the Treasurer of the Utility and all Board Members, upon request.

Confer with the Treasurer at his request concerning all disbursements.

Prepare an annual Operating budget for review with the Budget Committee and/or the Board of Directors.

Maintain and update a list of current customers' names and addresses.

Follow-up on all delinquent utility bills. Assemble and submit to the Utility's Attorney information required to file liens on any uncollectible bills.

Prepare for filing with governmental agencies forms and reports. The preparation of Federal and State income tax returns is available.

FISCAL MANAGEMENT (con't)

Prepare as required, insurance specifications for proposals on insurance coverage. Review and schedule quotes for submission to the Board for their consideration and determination of coverage. File claims as required.

Provide typing, mailing and other office services as required and requested by Officers and Directors in the normal course of business. It is understood the Utility is responsible for all expenses incurred in the conduct of the Utility's affairs.

Administer the current and archived records of the Utility according to the Florida Statutes and Internal Revenue Code.

PHYSICAL MANAGEMENT

When appropriate, provide staffing, training and management of on-site personnel. Any on-site employees will be paid through Management's payroll service. Reimbursement from the Utility is on the basis of payroll, taxes, administration and insurances.

Purchase supplies and equipment needed in the maintenance of the property on behalf of the Utility.

Secure for submission to the Board for their approval, proposals, bids, and/or contracts for maintenance, repairs or betterment of the plant and facilities required and within the confines of the budget, using the best available independent contractors. Check on work in process and inspect finished job. There is no fee or commission received from contractor.

Inspect the property on a regular basis, as needed.

Review promptly the corrective action requests of users and take action when appropriate.

OTHER SERVICES:

Attend regularly scheduled monthly meetings of the Board of Directors.

Attend Annual Meeting and other members meetings.

Maintain an in-office staff of qualified professionals to assist in Board transition, contractual disputes, and all manner of Utility business.

FEE BASIS:

As compensation for services, S & F Utility Management, Inc. shall be paid a monthly fee of \$1,500 in the form of a check to the order of S & F Utility Management, Inc. In addition, S & F Utility Management, Inc. shall be reimbursed for out-of-pocket expenses. Such expenses may include long distance telephone calls made on behalf of the Utility, travel expenses incurred on behalf of the Utility, or such other expenses as are required by the Board of Directors. S & F Utility Management, Inc. agrees to pay all federal and/or state taxes which may be payable as a result of payment for services rendered herein.

It is understood and agreed that the Utility shall have the right, upon sixty days written notice to S & F Utility Management, Inc., and that S & F Utility Management, Inc. shall have the right, upon sixty days written notice to the Utility, to terminate this contract. It is the intention of both parties that a formal management contract be entered into at the end of sixty days.

IN TESTIMONY WHEREOF, the Utility has caused these presents to be signed in its corporate name by its President of the Board, and attested by the Secretary, and S & F Utility Management, Inc. has caused these presents to be signed in its name by Raymond W. Flischel, its President, and attested by David Spade, its Vice President, at Englewood, Florida this day of 1997.

ATTEST:

Secretary

By _____
President

ATTEST:

Vice President

By _____
President

S & F UTILITY MANAGEMENT, INC.

DAVID A. SPADE
80 Spyglass Alley
Cape Haze, FL 33946
813-697-2520 Home

OBJECTIVE: Seeking long term position with a financially sound organization in the development business located southwest Florida.

**EDUCATION
CERTIFICATION**

LICENSES: Colerain High School - Cincinnati, Ohio Graduate 1974

State of Florida Licenses include:
Certified General Contractor - Class A
Real Estate Salesperson
Community Association Manager

Continuing Education - all requirements are current

United States Coast Guard License

EMPLOYMENT:

1983-1994

FIDDLERS GREEN CONSTRUCTION INC.
Vice President and General Contractor

Responsibilities:

Permitting - Surveying - Competitive Bidding - Cost Estimating
Site Preparation: Clearing, Earthwork, Grading, Roadways
Underground Utilities: Installation of Sewer and Water Mains,
Lift Stations, and Cable TV,
Operation of Heavy Equipment

Work Experience:

Concrete Work - forming and pouring footers and structural slabs, steps, and partitions. Forming and pouring tie beams, and all steel work required. Pre-Stress, Epcore, and Filigree floor systems.
Carpentry Work - installation of pre-engineered floor systems, structural walls, structural bracing, stairs, erection of trusses, interior and exterior framing (metal and wood).
Plumbing - comparable to journeyman level.
Electrical - comparable to journeyman level.

Achievements:

Successfully completed over 300 multi-family units and amenities for four condominium associations which include 4 clubhouses, 4 commercial swimming pools, and 5 tennis courts.

**GOLDEN TEE CONDOMINIUMS INC.
President and License Manager**

Responsibilities:

Developing 104 unit project consisting of two and three story buildings currently in progress.

Securing financing for all construction loans.

Pursuing permitting for all phases of development.

Controlling and disbursing funds for the association.

Maintaining association records and collecting fees.

Negotiating maintenance contracts.

Coordinates maintenance services for the operation of the community association.

SANDALHAVEN UTILITIES

(150,000 GPD Waste Water Treatment Plant - 850 customers)

Vice President

Responsibilities:

Supervised and scheduled construction of the plant in 1987.

Constructed sand filters for the spraying of the effluent.

Continued maintenance on a day to day basis.

Troubleshooting.

Services 12 lift stations.

Order supplies and regulates chemicals.

1981-1983

**PERFORMANCE FEEDERS INC. - Clearwater, Florida
(Manufacturers of Automated Part Assembly Machines)**

Responsibilities:

Constructed all electrical panels.

Crafted, delivered and assembled machines.

Also included - milling, operation of lathe, and welding (mig, tig, heliarc).

1977-1981

**COMMODORES INTERNATIONAL YACHT CLUB - Dunedin, Florida
General Manager**

Responsibilities:

Managed Service Department, Wet and Dry Storage, Gas Dock and Ship Store. Delivered Boats. Operated Fork Lift.

REFERENCES: Available upon request



FLISCHEL & TOWNSEND, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

900 E. PINE ST., SUITE #126
ENGLEWOOD, FLORIDA 34223
(941) 475-7937

FAX TRANSMITTAL SHEET

TO: Robert L. Underwood, Esq. DATE: June 6, 1997

COMPANY: _____

FAX NUMBER: (919) 781-9663

TOTAL PAGES (including transmittal): 2

FROM: Raymond W. Flischel, C.P.A.

Phone: 941-475-7937

Fax: 941-475-1120

RE: _____

Enclosed please find a brief description of my experience over the past twenty plus years.

If you have any questions, please contact me.

RAYMOND W. FLISCHEL, C.P.A.

I have held a certified public accounting license in the State of Florida since March 7, 1975 and have been the accountant and consultant for Englewood Water District, Bocilla Utilities, Inc., Harbor Lakes Water System, Inc. and Gasparilla Island Water Association for various times ranging from 1975 until the present.

As the accountant for these associations, I have had the responsibility of physical management and rate setting policies. In addition, I have represented the private companies in their annual filings with Charlotte County and the Public Service Commission.

I have been in practice in the Englewood area since September 1, 1977 in various phases of accounting including not only utility consulting, but individual, estate and corporate tax planning.



A SUN COAST MEDIA GROUP, INC PUBLICATION

Printers and Publishers of
Charlotte Sun Herald
Englewood Sun Herald
DeSoto Sun Herald
PUBLISHER'S AFFIDAVIT OF PUBLICATION

STATE OF FLORIDA,
COUNTY OF CHARLOTTE

Before the undersigned personally appeared Wanda Goff
who an oath says he/she is clerk of the Charlotte Sun
Herald, Englewood Sun Herald, DeSoto Sun Herald a daily
newspaper printed at Charlotte Harbor in Charlotte County,
Florida; that the attached copy of advertisement being a
legal advertising in the matter of Public Notice was
published in said newspaper in the issues of:

June 14, 1997

Affiant further says that the said newspaper has heretofore been
continuously published in Charlotte County, Florida, Sarasota County,
Florida, and DeSoto County, Florida, each day and has been entered as Second-Class
mail matter at the Post Office in Punta Gorda, in said Charlotte County, Florida and at
additional mailing offices, for a period of one year next preceding the first publication of
the attached copy of advertisement; and affiant further says he/she has neither paid nor
promised any person, firm or corporation any discount, rebate, commission or refund for
the purpose of securing this advertisement for publication in the said newspaper.

Wanda Goff
(Signature of Affiant)

Sworn to and subscribed before me this 16th day of June, 1997.

Karen Perkins
(Signature of notary public)



MAREN PERKINS
Not Comm Exp. 7/20/97
Bonded By Service Inc
No. CC303389

Notary Public (Official)

Vertical text on the right side of the page, possibly a stamp or additional document reference, containing various numbers and dates.

LEGAL NOTICE

Notice is hereby given on June 16, 1997, pursuant to Section 367.071, Florida Statutes, of the application for transfer of Wastewater Certificate No. 495-5 from Sandalhaven Utility, Inc. to CHP Utility, Inc., providing service to the following described territory in Charlotte County, Florida.

Township 41 South, Range 20 East, Charlotte County, Florida.

Section 21

All that portion of the Southwest 1/4 of said Section 21 lying South of Buck Creek and East of Lemon Bay AND that portion of the Southwest 1/4 of the Southeast 1/4 lying south of Buck Creek and west of State Road 775 as it is now constructed.

Section 27

The West 2400 feet more or less of said Section 27.

Section 28

All that portion of said Section 28 lying East of Lemon Bay.

Section 33

All that portion of said Section 33 lying East of Lemon Bay.

Section 34

The West 2400 feet more or less of said Section 34.

Township 42 South, Range 20 East, Charlotte County, Florida

Section 3

All that portion of the Northwest 1/4 of said Section 3 lying East of Lemon Bay and North and West of an existing canal.

Any objection to the said application must be made in writing within thirty(30) days from this date to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. A copy of said objection should be mailed to the applicant whose address is:

SANDALHAVEN UTILITY, INC.
6800 PLACIDA ROAD
ENGLEWOOD, FL 34224

Auto-Owners

Page 1 . 3.3.97

EXHIBIT E

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

AGENCY KEY AGENCY, INC.
12-0246-00

INSURED SANDALHAVEN UTILITY INC
& CPH UTILITY INC

ADDRESS 6800 PLACIDA RD
ENGLEWOOD, FL 34224-7648

55055 (7-87)
Issued 01-21-1997

TAILORED PROTECTION POLICY DECLARATIONS

Change Endorsement Effective 12-31-1996

POLICY NUMBER 932312-20452988-96

POLICY TERM	
12:01 a.m.	12:01 a.m.
08-03-1996	to 08-03-1997

DESCRIPTION OF CHANGE

AMEND NAMED INSURED TO READ:
SANDAL HAVEN UTILITY INC & CPH UTILITY INC

11



TRANSACTION NUMBER: 002

ENDORSEMENT PREMIUM: NO CHANGE

\$.00

Renewal of Number
CFS005925

Policy Number
CFS090049

SCOTTSDALE INSURANCE COMPANY®
8877 North Gainey Center, Scottsdale, Arizona 85258
1-800-423-7500 / 602-225-9458

COMMON POLICY DECLARATIONS

NOTICE! THIS POLICY DOES NOT COVER FLOOD LOSS

Item 1. Named Insured and Mailing Address Name and Address

SANDAL HAVEN UTILITY, INC
6800 PLACIDA RD.
ENGLEWOOD, FL 34224

Surplus Ins Svc of FL, Inc.
1211 Semoran Boulevard
Suite 227
Casselberry
FL 32707
Agent No. 09010

Item 2. Policy Period From: 8/3/96 To: 8/3/97 Term: 1 Year

12:01 A.M., Standard Time at your mailing address.

Item 3. Retroactive Date

Coverage A of this insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here: NONE (Enter Date or "None" if no Retroactive Date applies)

Item 4. Business Description SEWER UTILITIES

Form of Business: Individual Corporation Partnership Other

Item 5. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)		Premium
Commercial Property Coverage Part	SURPLUS LINES AGENT Frances L. Brown LIC. #0116297227 1211 Semoran Blvd. Suite 227 Casselberry FL 32707	\$ 1,000.00
Commercial General Liability Coverage Part	Thomas M. Dignam	\$ NOT COVERED
Professional Liability Coverage Part	PROD AGT Key Ins Agency	\$ NOT COVERED
Commercial Crime Coverage Part	CITY Englewood, FL	\$ NOT COVERED
Boiler and Machinery Coverage Part	This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by Surplus Lines Carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of any insolvent unlicensed insurer.	\$ NOT COVERED
Commercial Inland Marine Coverage Part	FLS *	\$
Total Policy Premium	3rd	\$ 1,000.00
+ \$25. Fee, + \$40. Insp. + \$53.25 Tax + \$4. DOR SC		\$ 122.25
		\$ 1,122.25

Item 6. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:
CLS J-2 11-95, CPS-SD-1L 06-92

Countersigned: Casselberry, FL

Date: 9/19/96 JD/GS

By:

F. L. Brown

(Authorized Representative)

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

SCOTTSDALE INSURANCE COMPANY®
COMMERCIAL PROPERTY COVERAGE PART
SUPPLEMENTAL DECLARATIONS

Policy No. CFS090049

Effective Date: / /

Named Insured: SANDAL HAVEN UTILITY, INC.

12:01 A.M., Standard Time

Agent No. 09010

Item 1. Business Description: SEWER UTILITIES

Item 2. Premises Described: SAME

Item 3. \$250 Deductible unless otherwise indicated.

Item 4. Coverages Provided

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
1	1	BUILDING/SEWER PLANT	70,000.	SPECIAL	80%

Other Provisions

Agreed Value: Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard: %
 Reporting Extended
 Deductible: 1,000.AOP Earthquake Deductible: % Exceptions

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
1	1	BUILDING/PUMP HOUSE	15,000.	SPECIAL	80%

Other Provisions

Agreed Value: Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard: %
 Reporting Extended
 Deductible: 1,000.AOP Earthquake Deductible: % Exceptions

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.

Other Provisions

Agreed Value: Expires: Replacement Cost
 Business Income Indemnity: Monthly Limit Period: Maximum Inflation Guard: %
 Reporting Extended
 Deductible: Earthquake Deductible: % Exceptions

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:
 CPS-SP-5L 06-92, CP 00 10 (06-95), CP 00 90 (07-88), CP 01 25 (10-91), CP 02 99 (11-85), CP 10 30 (10-91), 1L 00 17 (11-85),
 1L 02 55 (07-94), UTS-9g (05-92), UTS-119g (08-94), UTS-183g (03-93)

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

 SCOTTSDALE INSURANCE COMPANY®

SCHEDULE OF MORTGAGE HOLDERS

Policy No. CFS090049

Effective Date: / /

Named Insured: SANDAL HAVEN UTILITY, INC.

12:01 A.M., Standard Time

Agent No. 09010

Prem. No.	Bldg. No.	Mortgage Holder Name and Mailing Address
1	1	FIRST UNION P.O. BOX 44215 JACKSONVILLE, FL 32231 <i>This mortgage was paid in full in 1996. There are no mortgages on the current plant & service lines.</i> <i>Robert [Signature]</i> <i>6/5/97</i>

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure,

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own, and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

USED IN PAST

FIVELAND INVESTMENTS, INC.

████████████████████
████████████████████
████████████████████
1-800-531-1409

OWNER
TENANT

ACCOUNT NO. _____

NAME _____ EFFECTIVE DATE _____
PRINT OR TYPE LAST NAME FIRST

SERVICE ADDRESS _____ LOT/BLOCK _____

PHONE _____

BILLING ADDRESS _____

PHONE # _____

DEPOSIT \$ _____ SERIAL NO. _____ METER SIZE _____

WATER CONNECTION FEE \$ _____ METER INSTALLATION FEE \$ _____

APPLICATION FOR WATER SERVICE AND METER INSTALLATION

I hereby request Utility to supply water service at the above premises until receipt of written notice from me requesting discontinuance of such water service.

I agree to pay for water service promptly each billing period at the rate or rates therefor established from time to time by Utility and abide by present and future rules and regulations for water service established by Utility, copies of which are available at the office of Utility.

ACCEPTED: FIVELAND INVESTMENTS, INC.

SIGNED: _____
CUSTOMER'S SIGNATURE

*Sandakhaven used a copy of application
to water utility for their application.*

RECEIVE CONFIRMATION OMNIFAX G35 APR-22-'97 10:37

NO.	DATE	ST. TIME	TOTAL TIME	#PGS	ID	STATUS	COM. CODE
---	APR-22	10:35	00'01'11	.02	G3		068C00000000

TERM ID:

P-9999

CURRENT

CHP UTILITY, INC.
6800 Placida Road
Englewood, Florida 34224

(941) 697-8454

Owner
Tenant

ACCOUNT NO. _____

NAME _____ EFFECTIVE DATE _____

SERVICE ADDRESS _____ LOT/BLOCK _____

PHONE _____

BILLING ADDRESS _____

PHONE # _____

DEPOSIT \$ _____ SERIAL NO. _____ METER SIZE _____

SEWER CONNECTION FEE \$ _____

APPLICATION FOR WASTE WATER SERVICE

I hereby request Utility to supply waste water service at the above premises until receipt of written notice from me requesting discontinuance of such waste water service.

I agree to pay for waste water service promptly each billing period at the rate or rates therefor established from time to time by Utility and abide by present and future rules and regulations for service established by Utility, copies of which are available at the office of Utility.

ACCEPTED: CHP UTILITY, INC.

SIGNED:

Customer

CHP UTILITY, INC.

59-3387941

EXHIBIT H

PROPOSED OPERATING BUDGET(12 MONTHS)

YEAR ONE

Income from Operations	
Wastewater Sales Revenue(735 ERC @\$23x12)	202,860
Hookup Fees(5@avg\$1500)	7,500
Futures Revenue(148 ERC @\$17x12)	<u>30,192</u>
Total Income from Operations	240,552
OPERATING EXPENSES	
Plant Operations	24,000
Field Operations	15,000
Water Testing	15,000
Repairs & Maintenance	15,000
Management Fee	15,000
Accounting Expense	10,000
Outside Consulting & Other	5,000
Office Expenses	2,000
Legal Expense	7,500
Billing Expense	3,000
Sludge Removal Expense	6,000
Purchased Power	6,000
Chemicals	8,500
Materials & Supplies	4,000
Transportation Expense	2,500
Insurance Expense	500
Miscellaneous Expense	1,800
Operating Contingency	1,200
Revenue Contingency	12,000
	<u>15,000</u>
Total Operating Expenses	154,000
OPERATING INCOME(LOSS) BEFORE DEBT SERVICE (Cash Flow)	<u>86,552</u>
OTHER EXPENSES	
Interest Expense	54,000
NET INCOME BEFORE DEPRECIATION (Cash Flow After Interest Expense)	<u>32,552</u>

CHP UTILITY, INC.

59-3387941

PROPOSED OPERATING BUDGET(12 MONTHS)

YEAR TWO

Income from Operations	
Wastewater Sales Revenue(735 ERC @\$24x12)	211,680
Hookup Fees(5@avg\$1500)	7,500
Futures Revenue(148 ERC @\$17x12)	<u>30,192</u>
 Total Income from Operations	 249,372
 OPERATING EXPENSES	
Plant Operations	24,000
Field Operations	15,000
Water Testing	15,000
Repairs & Maintenance	15,000
Management Fee	10,000
Accounting Expense	5,000
Outside Consulting & Other	2,000
Office Expenses	7,500
Legal Expense	3,000
Billing Expense	6,000
Sludge Removal Expense	6,000
Purchased Power	8,500
Chemicals	4,000
Materials & Supplies	2,500
Transportation Expense	500
Insurance Expense	1,800
Miscellaneous Expense	1,200
Operating Contingency	12,000
Revenue Contingency	<u>15,000</u>
 Total Operating Expenses	 154,000
 OPERATING INCOME(LOSS) BEFORE DEBT SERVICE	
(Cash Flow)	<hr/> 95,372
 OTHER EXPENSES	
Interest Expense	54,000
 NET INCOME BEFORE DEPRECIATION	
(Cash Flow After Interest Expense)	<hr/> 41,372

SANDALHAVEN UTILITY, INC./CHP UTILITY, INC.

SCHEDULE OF ASSETS SOLD

LAND	\$ 70,000
DEPOSITS(customers)	3,000
EASEMENTS	60,000
PERMITS & ENGINEERING	80,000
FRANCHISE	45,000
CIAC (12/27/96)	100,000
PLANT & LINES	380,000
ACCOUNTS RECEIVABLE AND UNBILLED REVENUE(customers) (Net of Accounts Payable)	15,000
LAND IMPROVEMENTS	100,000
BUILDING/STRUCTURE	<u>42,000</u>
	\$ 895,000

LESS: CAPACITY RESERVATION

	<u>Reservation #</u>	
Lemon Bay	34	@1250
Cape Haze Marina	67	@1020
Shamrock Shores	20	@1250
Charlotte Harbor Land Co	6	@1020
Golden Tee II	31	@1020

(\$ 162,000)

NET CONSIDERATION

\$ 733,000

SERVICE AGREEMENT

WASTEWATER

THIS AGREEMENT, made and entered into this 10 day
of Feb., 1989, by and between SANDALHAVEN ESTATES, INC.,
whose mailing address is P.O. Box 5043, Englewood, Florida 34224,
hereinafter called "Developer", and SANDALHAVEN UTILITY, INC., a
Florida corporation whose mailing address 6800 Placida Road, Englewood,
Florida, 34224, hereinafter called "Service Company".

WITNESSETH:

WHEREAS, Service Company operates a wastewater system pursuant
to a certificate issued by the Board of County Commissioners of Charlotte
County, Florida, and

WHEREAS, Developer owns certain real property in Charlotte County,
Florida, which is composed of approximately 8 1/4 acres, and is more
particularly described as follows:

SEE ATTACHED
LEGAL DESCRIPTION

hereinafter referred to as "Developer's Property", and is about to improve
said property (by developing a residential/multifamily/commercial land use,
together with ancillary improvements thereon), and

WHEREAS, Developer desires a connection to Service Company's WASTEWATER system, hereinafter called "Service Company's Utility System"; and

WHEREAS, Developer recognizes and agrees that Service Company's obligations to provide wastewater service to Developer are at all times subject to governmental regulations, prohibitions, limitations and restrictions and that these factors are beyond the control and responsibility of Service Company.

NOW, THEREFORE, in consideration of the promises, mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete wastewater system, including lift stations and force mains, necessary to provide wastewater utility service to the Developer's Property as shown on the approved engineering plans and specifications prepared by Developer's professional engineer. Developer's specifications and the installation of Developer installed utility system must be in strict accordance with the latest revision of Service Company's Rules and Regulations, Service Availability Policy and Underground Construction Specifications. In case of conflicts with County Codes, the County Codes shall in all instances govern.

2. All engineering plans and specifications, prepared by Developer's engineer as provided in paragraph 1 above, shall be reviewed and approved by Service Company prior to Developer submitting said plans and specifications to any governmental agencies.

3. Service Company shall have the right, but not the obligation, to review and accept or reject any General Contractor(s) and/or Subcontractor(s) who propose to install wastewater mains, services, equipment or other related appurtenances prior to Developer entering into a contract or agreement with such contractor.

4. Service Company shall have the right, but not the obligation, to make inspections of all utility work as installation progresses. Service Company shall have the right to refuse to accept title to Developer installed utility system or refuse to initiate any service until Developer installed utility system has passed tests arranged by Developer and witnessed by Service

Company or Service Company's representatives to determine whether Developer installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed upon completion of the system; upon completion of all buildings, roads, paving, drainage, or other construction within the right-of-way, easement areas or adjacent areas; and again prior to expiration of any warranty period.

5. In addition to the other costs herein described, Developer agrees to pay any and all costs of inspecting, testing, leak location and any repairs deemed necessary by Service Company found as a result of said tests.

6. Completion of all tests and forms required herein must take place prior to initial acceptance of Developer installed utility system. Initial acceptance shall be deemed to have occurred either upon Service Company's execution of the FDER Certificate of Completion or upon Service Company's written acknowledgement that all requirements have been met.

7. Service Company shall not be required to accept Developer installed utility system, will issue no certifications, nor render any service, until all manhole lids and valve boxes are exposed at proper finish grade, all valves are operational, and all other requirements listed herein are completed.

8. Service Company's obligations under this Agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental and regulatory agencies. Developer hereby assumes all risk or loss as a result of the denial or withdrawal of the approval of any concerned governmental agency, or caused by any act of any governmental or regulatory agency, which affects the ability of the Service Company to provide wastewater service to Developer not within the sole control of Service Company and which, by exercise of due diligence, Service Company could not overcome.

9. Developer shall not be liable to Service Company for the inability or failure of Developer either to obtain governmental approvals or permits, or to complete timely the construction of facilities required of Developer herein.

10. Developer shall provide to Service Company a bill of sale, recorded easements, lien waivers and releases together with the itemized list of materials showing the actual cost of Developer installed utility system.

At time of conveyance, Developer will pay to the Service Company an amount equal to all applicable federal and state income tax amounts, currently estimated to be 38.89% of the cost, resulting from the Service Company accepting conveyance of the Developer installed utility system. Developer must also furnish Service Company with two (2) copies of the Record Plat of the Developer's Property, if any, plus a mylar sepia and four (4) complete copies of "As Built" drawings acceptable to Service Company, showing specific locations, both horizontal and vertical, of all facilities, including all valves, wastewater laterals, and other fittings within Developer installed utility system. Service Company shall not certify, accept, or render any service until all requirements are completed in a manner acceptable to Service Company.

11. Developer installed utility system, installed and conveyed to Service Company pursuant to the terms hereof, shall at all times remain the sole, complete and exclusive property of Service Company, its successors and assigns, and under the complete control of Service Company. The conveyance instrument will be the Bill of Sale, as specified previously herein.

12. This Agreement shall not prohibit or prevent Service Company from extending Service Company's Utility System in or to areas not referred to herein to serve other developers or consumers, so long as said extensions and the furnishings of said services do not interfere with the furnishing of the services provided by this Agreement.

13. The provisions of this Agreement shall not be construed as establishing a precedent in connection with the amount of any rates, fees, charges or contributions made by Developer, other customer, or other third party, or the acceptance thereof, on the part of Service Company for other wastewater utility extensions that may be required hereafter by Developer, other customer, or other third party and are not the subject of this Agreement.

14. Developer warrants that Developer installed utility system will be constructed in accordance with the approved engineering plans and specifications referred to herein and that the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of initial acceptance by Service Company of Developer installed utility system.

15. Final acceptance and release of surety will be given by Service Company following completion of a one (1) year reinspection and correction of any deficiencies found at that time.

16. Developer agrees to pay all costs and expenses incurred by Service Company by reason of any breach of the warranties referred to in the previous paragraph.

17. Developer agrees to grant, at no cost to Service Company, any and all easements and restrictive covenants as required for the operation, maintenance and extension of Developer installed utility system. The easements for wastewater mains shall be shown on the engineering plans, documented on the appropriate forms and recorded in the Public Records of Charlotte County, Florida, by Developer. Copies of the recorded easement instrument(s) shall be furnished to Service Company prior to initial acceptance of any Developer installed utility system.

18. The wastewater capacity to be reserved by this Agreement is 6105 Gallons Per Day (GPD) per Equivalent Residential Connection (ERC) as determined in accordance with Service Company's approved Rules, Regulations and Service Availability Policy as amended by Charlotte County Ordinance No. 86-25. Based on information provided by Developer, and relied upon by Service Company, the number of ERC's has been determined to be 33.

The wastewater capacity reserved by this Agreement, therefore, is THIRTY-THREE

ERC's times 185 GPD/ERC - 6105 GPD. In consideration for reserving this capacity, Developer will pay Service Company a Connection Charge of ONE THOUSAND TWO HUNDRED FIFTY Dollars (\$1,250.00) per ERC plus any applicable federal and state income tax amount. The total Capacity Fee payment is FORTY-ONE THOUSAND TWO HUNDRED FIFTY Dollars (\$41,250.00). The federal and state income tax amount is Sixteen Thousand Forty Two and 13/100 Dollars (\$16,042.13)

19. The parties further agree and recognize that certain contributions, fees, amounts and charges collected, and rules, regulations and operating procedures followed, by Service Company are subject to continuing approval and modification by the Board of County Commissioners of Charlotte County or other governmental or regulatory authorities. Developer hereby agrees that it will pay to Service Company all contributions, fees, amounts and other charges in accordance with, and be bound by all other provisions of, the Tariff approved for Service Company by the Board of County Commissioners of Charlotte County Governmental or regulatory authority as being applicable

at the time that connections are made, services are provided or other actions are taken by Service Company, except as otherwise provided in this Agreement. Developer further agrees that it will comply with all rules, regulations and operating procedures of Service Company approved for Service Company by the Board of County Commissioners of Charlotte County or other governmental or regulatory authority as being applicable at the time that actions are to be taken by Developer or Service Company.

20. In no event shall Service Company be obligated to provide service to Developer's Property in excess of the wastewater treatment capacity as described in paragraph 18 above. In the event that all or part of Developer's Property requires additional wastewater treatment capacity, or facilities, to provide service to the Developer's Property, a new Service Agreement shall be negotiated and executed prior to granting the additional capacity or the installation of the additional facilities. Any such new Agreement shall be properly executed and conform to the Rules and Regulations in effect at the time of the execution of the new Agreement. Service Company reserves the right to deny additional capacity reservation.

21. Developer shall pay to Service Company the full, actual amount of the surveying, engineering, legal, administrative, inspection, and review costs incurred by Service Company in preparing and executing this Agreement; in extending the certificated area of Service Company to include all of Developer's Property; in conducting the review of the engineering plans and specifications; and in conducting observations, inspections and tests for the installation of developer installed and utility facilities to serve Developer's Property. A five hundred dollar (\$500.00) nonrefundable minimum deposit toward these costs shall be paid not later than the date of execution of this Agreement. The full amount of these costs shall be paid by Developer to Service Company when they are known and prior to the rendering of service to Developer's Property. The final billing by Service Company for these charges shall credit any deposits paid.

22. All amounts payable to Service Company are due upon receipt of billing and will be considered delinquent if payment in full is not received by Service Company within thirty (30) calendar days of the date of the invoice. Developer agrees to pay late charges of one and one half percent (1.5%) per month on any billings for delinquent or past due amounts.

Developer hereby acknowledges that any delinquent amount constitutes grounds for Service Company to withhold service from any portion of Developer's project.

23. Service Company agrees to abide by the terms and conditions of its franchise and to use reasonable diligence at all times in order to be able to meet its obligations under the terms and conditions of this Agreement.

24. Developer and Service Company agree to conform to, and be bound by, the then current terms and conditions of the documents itemized below as they may be amended from time to time.

- a) Schedule of Rates, Fees, and Charges, effective December 19, 1984 pursuant to an Order of the Board of County Commissioners of Charlotte County, issued February 20, 1985.
- b) Rules and Regulations, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.
- c) Service Availability Policy, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.

25. Charlotte County Ordinance No. 86-25, including any amendments thereto, is incorporated by reference in this Agreement.

26. Deposit in the first class mails of the United States by either party shall be deemed to be adequate service for all notices required by or arising out of this Agreement.

27. If there is any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

28. This Agreement may not be assigned without the express written consent of Service Company and shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

29. This Agreement supersedes any and all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company and made in respect to the matters contained

herein, and when duly executed by all parties hereto, constitutes the complete Agreement between Developer and Service Company.

30. This Agreement is at all times subject to review and alteration by the Board of County Commissioners of Charlotte County.

31. In the event that any provision of this Agreement is declared void by any Court or competent jurisdiction, such declaration shall in no way affect the validity of the remainder of this Agreement which shall remain in full force and effect.

Signed, sealed and delivered
in the presence of:

Kenneth C. Koles

By: Bernard L. Grossky

As to Developer

Betty Clemens

By: R. H. [Signature]

Linda Taylor
As to Service Company

EXHIBIT A

Monies Payable by Developer under this Agreement:

APPLICATION	AMOUNT	DATE DUE
Engineering & Inspection (Paragraph 21)	\$ 500.00 Paid <i>check 5960</i> <i>10/25/88</i>	Upon Request
Capacity Fees (Paragraph 18)		Upon Execution of Agreement
33 ERC's @ \$1,250	\$41,250.00	
Tax Effect	\$16,042.13	

Date

Name

I N V O I C E

Site

Engineering and Inspection

\$ 500.00

Connection Charges

Income Tax Gross Up
on Connection Charges

Total Due Sandelhaven Utilities, Inc.

ADDENDUM

This is an Addendum to that certain Service Agreement (Agreement) dated the 10 day of February, 1989, between SANDALHAVEN ESTATES, INC., as Developer, and SANDALHAVEN UTILITY, INC., as Service Company, and in the event of conflict between the terms of this Addendum and said Service Agreement, the terms of this Addendum shall prevail.

1. It is agreed by the parties that the \$16,042.13 referred to in paragraph 18 of the Agreement as estimated Federal and State Income Taxes shall be placed in an interest bearing account in a federally insured bank designated as a trust account for Developer. The parties agree to cooperate in structuring the transaction, contemplated herein so as to avoid some or all of the Service Company's income tax liability arising out of the transaction and in the event they are successful, any remaining funds in said trust account not required to pay Service Company's income tax generated by this transaction shall be returned to Developer together with all interest accrued on said account.

2. It is agreed that in the event Service Company receives any payments from any other party for the use of the wastewater facilities paid for by Developer hereunder, Service Company will pay a portion of such third-party payments to Developer based upon the pro rata usage of such facilities by Developer's project and the third-party's usage of such facilities.

3. Paragraph 14 of the Agreement is amended to provide that, rather than Developer directly warranting to Service Company the various elements of the installed utility system, Developer agrees that contractor used in the construction of the utility system will agree to provide a one year warranty covering materials and workmanship, running directly from the contractor to the Service Company.

4. In connection with paragraph 21 of the Agreement, the Service Company does not intend to incur any surveying, engineering, legal, administrative, inspection or review costs in connection with the preparation and execution of the Agreement, unless some question or dispute as to the engineering, construction or inspection of the utility system as constructed arises between the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum to the Service Agreement this 10 day of February, 1989.

SANDALHAVEN ESTATES, INC.

By: Bernard L. Grossky

SANDALHAVEN UTILITY, INC.

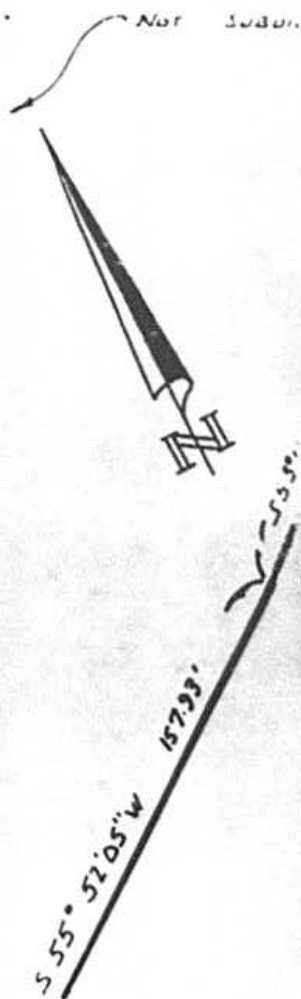
By: _____

LEGAL DESCRIPTION:

A parcel of land lying in Section 27, Township 41 South, Range 20 East, Charlotte County, Florida, being more particularly described as follows:

Beginning at a point being the most Northerly Corner of WILDFLOWER UNIT ONE, as recorded in Plat Book 15, Pages 28-A and 28-B of the Public Records of Charlotte County, Florida, also being the same as the most Westerly corner of WILDFLOWER UNIT THREE, as recorded in Plat Book 15, Pages 49-A and 49-B, of the Public Records of Charlotte County, Florida, said point located on the Westerly right-of-way line of Ginsing Lane (70 feet wide) and referring all bearings of this description to said Westerly right-of-way; thence N. $37^{\circ}39'53''$ E. along said Westerly right-of-way line of Ginsing Lane a distance of 230.73 feet; thence on a curve to the left (radius equals 3094.00 ft., long chord bears N. $56^{\circ}41'32''$ W. 470.11 feet) on an arc distance of 470.57 feet; thence N. $82^{\circ}47'03''$ W. 112.00 feet; thence S. $53^{\circ}16'25''$ W 101.72 feet; thence S. $55^{\circ}52'05''$ W. 157.93 feet; thence N. $83^{\circ}27'02''$ W. 176.90 feet to intersect the boundary of SANDALHAVEN ESTATES, as recorded in Plat Book 15, Pages 65-A and 65-B, of the Public Records of Charlotte County, Florida; thence on a curve to the right, said curve being concentric with and 6' Easterly of the Easterly line of Lots 15, 16, and 17 of the aforementioned SANDALHAVEN ESTATES, (Radius equals 161.00 feet, long chord bears S. $38^{\circ}51'25''$ W. 261.62 feet) on an arc distance of 305.39 feet to a point on the Northerly right-of-way line of Gasparilla Pines Boulevard (100 feet wide) as dedicated in said WILDFLOWER UNIT ONE; thence on a curve to the right along the Northerly right-of-way line of Gasparilla Pines Boulevard and the boundary of WILDFLOWER UNIT ONE (radius equals 2530.00 feet, long chord bears S. $61^{\circ}32'20''$ E. 809.32 feet) on an arc distance of 812.81 feet to a point on the Westerly right-of-way line of Ginsing Lane (70 feet wide) as dedicated in said WILDFLOWER UNIT ONE; thence N $37^{\circ}39'53''$ E along said Westerly right-of-way line and the boundary of WILDFLOWER UNIT ONE a distance of 333.27 feet to the Point of Beginning.

The above described parcel contains 9.77 acres more or less.



AGREEMENT

THIS AGREEMENT, made and entered into this 16th
day of August, 1983, by and between Fiddler's Green
Condo's Inc., whose mailing address is P. O. Box 432
Boca Grande, Florida, hereinafter called "Developer", and
Fiveland Investments, Inc., a Florida corporation, hereinafter
called "Service Company."

WITNESSETH:

WHEREAS, Developer owns certain real property in Charlotte
County, which is described as Tract A & B of Gasparilla Pines on which
will be constructed the first eight units of a 58 unit project being
Phase 1 of an approximate 214 unit condominium apartment project.

WHEREAS, Developer desires the extension of Service
Company's WATER system, hereinafter called "Service Company's
Utility System"; and

WHEREAS, Service Company is willing to expand Service Company's
Utility System and thereafter to operate such system so that the
first eight (8) units constructed on Developer's Property by, through,
or under Developer, may have an adequate water supply, subject to the
terms and conditions of this Agreement; and

WHEREAS, the Developer recognizes and agrees that the Service
Company's obligation to provide water service to the Developer are at
all times subject to governmental regulations, prohibitions, limita-
tions and restrictions and that these factors are beyond the control
and responsibility of the Service Company;

NOW THEREFORE, in consideration of the promises and the
mutual undertakings and agreements herein contained and assumed,
Developer and Service Company hereby covenant and agree as follows:

1. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company the complete water system including force mains, lines, pipes, fittings, meter boxes and all other appurtenances necessary to provide water service to the Developer's Property as shown on engineering plans and specifications to be prepared by Developer's engineer and approved by Service Company's engineer. Developer's specifications and the installation of Developer's Utility System must be in strict accordance with the latest revision of Service Company's standard specifications which are attached to this Agreement as Exhibit A. In case of any and all conflicts, Service Company's specifications shall govern.

2. All engineering plans and specifications prepared by Developer's engineer as provided in Paragraph 1 above shall be reviewed and approved by Service Company prior to Developer submitting said plans and specifications to any governmental agencies. Service Company shall have the right, but not the obligation, to make inspections as installation progresses.

3. Service Company shall have the right to refuse to accept title to Developer installed utility system or install any water services until Developer installed utility system has passed tests arranged by Developer and witnessed by Service Company or its representatives to determine whether the Developer installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed two times, the first test upon completion of the system and the second test upon completion of all roads, drainage, and construction within the right-of-way easement area. In addition to the cost herein described, Developer agrees to pay all costs of testing and leak location and any repair deemed necessary by Service Company as a result of any of said tests. Service Company shall not be required to accept Developer installed utility system and will issue no certifications until all meter boxes and valve boxes are exposed at proper finish grade and valves are operational.

4. Service Company's obligations under this Agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental agencies. Developer hereby assumes the risk or loss as a result of the denial or withdrawal of the approval of any concerned governmental agencies, or caused by any act of any governmental agency which affects the ability of the Service Company to provide water service to Developer not within the sole control of Service Company and which, by exercise of due diligence, Service Company could not overcome.

5. This agreement supersedes all previous agreements or representations either verbal or written heretofore in effect between Developer and Service Company and made with respect to the matters contained herein, and when duly executed constitutes the complete agreement between Developer and Service Company.

6. Developer shall not be liable to Service Company for the inability or failure of Developer either to obtain governmental approvals or permits or to complete timely the construction of facilities required of Developer herein.

7. Prior to the Service Company certifying and accepting Developer's Utility System, Developer shall provide to Service Company lien waivers, together with the breakdown of the actual cost of the Developer's Utility System. Developer must furnish Service Company with the plat of the Developer's Property, if any, and a mylar sepia copy of as-built drawings acceptable to Service Company showing specific locations of all facilities, including all valves, fittings and fire hydrants within the Developer's Utility System, before any service is issued by Service Company.

8. The Developer installed utility system installed and conveyed to Service Company pursuant to the terms hereof shall at all times remain the sole, complete and exclusive property of Service Company, its successors and assigns, and under the exclusive control of Service Company.

9. This agreement shall not prohibit or prevent Service Company from extending Service Company's Utility System in or to areas not referred to herein to serve other developers or consumers, so long as said extensions and the furnishing of said services do not interfere with the furnishing of the services provided by this Agreement.

10. The provisions of the Agreement shall not be construed as establishing a precedent in connection with the amount of connection fees or contributions made by a developer or other customer, or the acceptance thereof on the part of the Service Company for other water utility extensions that may be required hereafter by Developer and are not the subject of this Agreement.

11. Developer warrants that Developer installed utility system will be constructed in accordance with the plans and specifications referred to herein and the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of completion and final acceptance of Developer installed utility system.

12. Developer agrees to pay all costs and expenses incurred by the Service Company by reason of any breach of the warranties referred to in the previous paragraph.

13. Developer agrees to grant at no cost to Service Company any and all easements and restrictive covenants as required for the operation and maintenance of Developer installed utility system.

14. Developer shall pay the Service Company the costs of reviewing and approving the plans, including review by Service Company's engineering company, and inspecting and testing the utility system to be constructed by the Developer.

15. The Service Company agrees to abide by the terms and conditions of its franchise and to use reasonable diligence to at all times be able to comply with the terms and conditions of this Agreement to be performed by the Service Company.

16. Upon acceptance of this agreement by Developer, Developer will pay to Service Company a connection fee of \$975. and a meter fee of \$200. for each of the eight units to be constructed or a total of \$9400.00

17. Developer agrees to complete and request water for the eight units within a twelve month period. If the units are not completed, Developer may do either of the following:

(1) pay the monthly minimum service charge regardless of whether water is being received, or (2) release the capacity reserved for any units for which water has not been requested.

18. At any time within six months of the execution of this contract, Service Company may require that Fidler's Green Condos, Inc. pay in advance the capacity and meter fees (being charged at the time of the request) for the additional 50 units of Phase One of Fiddler's Green. After being notified, in writing, by Service Company, Developer shall be required to pay these fees within thirty days of the date of request. Payment of these additional fees will reserve the capacity for another 50 units on the same terms outlined in this contract for the first eight units, except that the capacity for the additional 50 units shall be reserved for twenty-four (24) months from the time that the request is made by Fiveland Investments, Inc., at which time if any units are not completed, Developer may do either of the following: (1) pay the monthly minimum service charge regardless of whether water is being received, or (2) release the capacity reserved for any units for which water has not been requested.

19. This Agreement shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

20. Time is of the essence of this Agreement. Contract must be accepted by both parties within thirty days.

EXHIBIT "A"

TECHNICAL SPECIFICATIONS

WATER DISTRIBUTION SYSTEM

1. GENERAL

1.1 This specification covers the material and installation requirements for piping, valves, hydrants, fittings, specials, crossings, connections, and sterilization and testing of the water distribution system. Excavation, trenching and backfill for piping installation shall be as specified in the Spec. for Excavation and Backfilling for Utility Systems.

1.2 Three copies of all required test reports shall be submitted to the Engineer. These shall include:

- a. Certified record of tests on pipe made by manufacturer or a commercial testing laboratory for each shipment of pipe. Tests shall be in accord with the procedure outlined in ANSI Standard A21.51 and ANSI A21.6 or A21.8.
- b. Reports on hydrostatic and leakage tests on butterfly valves in accordance with AWWA C504-70, Section 13.
- c. Reports on pressure and leakage tests.
- d. Reports of Bacteriological tests.

1.3 Shop drawings shall be submitted for all valves, boxes, hydrants and harnessing.

2. MATERIALS

2.1 Ductile Iron Pipe 4" through 16" Pipe

2.1.1 Ductile iron pipe for water mains installed underground and shall be manufactured in accord with American National Standard Institute, Standard A21.51-1971. Pipe shall be designed for thickness in accord with ANSI Standard A21.50-1971, subject to the following design criteria: 150 psi water pressure, ANSI laying condition B, trench width $d+2$ feet, and depth of cover as shown on the profile drawings. The depth of cover for water mains not shown in profile shall be a minimum of 3 feet. Where ductile iron pipe is threaded for flanges, the thickness shall be increased accordingly. In any case, the flanged pipe thickness shall not be less than Class 53. Push-on ductile iron pipe thickness shall be not less than .28" for 6" diameter, .30" for 8", .32" for 10", .34" for 12" and .37" for 16" diameter pipe.

2.1.2 The depth of cover for the pipe listed in the preceding paragraph 2.1.1 is specified as a minimum required depth. The pipe manufacturer shall determine additional wall thickness required where amount of cover exceeds the minimum requirement.

2.1.3 Pipe shall have cement lining and bituminous seal coat in accordance with ANSI Standard A21.4-1971. Pipe shall also be bituminous coated on the outside. Lining shall be standard thickness.

2.1.4 Joints for ductile iron pipe shall be push-on type designed in accordance with ANSI Standard A21.11-1972. Gasket lubricant for push-on joints shall be labeled with the trade name and the pipe manufacturer's name.

2.1.5 Ductile iron pipe shall be tested in accord with the procedure outlined in ANSI Standard A21.51 and certified records of the tests shall be submitted with each shipment of pipe.

2.1.6 Fittings for ductile iron pipe shall be manufactured of ductile iron or gray cast iron and shall conform to the requirements of ANSI Standard A21.10-1971. Fittings shall be designed so as to be compatible with the pipe and so as to provide at least equal resistance to internal and external loads on the pipe. The lining and coating of the fittings shall be as specified for the pipe. Joints for fittings shall be mechanical or push-on type except where otherwise shown on the drawings. The joint and bolts and nuts shall conform to ANSI A21.11. Shop drawings shall be furnished for harnessing. All harnessing rods, clamps, bolts and nuts shall be coated after assembly. The coating shall be a coal tar or asphalt base bituminous coating approved by the Engineer and applied to at least a 4 mil dry thickness.

2.2 Corrosion Protection

2.2.1 For protection against corrosive solids, in the locations as listed in the following paragraph and as directed by the Engineer, ductile iron pipe and fittings shall be enclosed in a polyethylene sheet or tube and each length joined with 2-inch wide polyethylene adhesive tape. The sheet or tube shall be made from polyethylene resin meeting the requirements of ASTM D1248-78 and shall be Type I, Class C, Category 5, Grade J-3 with minimum carbon black content of 2.5% and 8 mils thickness. The sheet or tube shall be as manufactured by Polytube Corp., Birmingham, Ala., or approved equal. The sheet or tube shall be in accordance with the provisions of ANSI A21.5 - AWWA C105-72. Methods shall be such as to minimize damage to the sheet or tube but where required the adhesive tape shall also be used to repair tears or punctures.

2.2.2 In the event any cathodically protected utilities are crossed, the new main shall be encased with loose polyethylene encasement for 20 feet minimum, both sides of crossing, and where cathodically protected main runs parallel to proposed main less than 10 feet distance laterally, the new main shall be encased the full length of the main.

2.3 Cast Iron Pipe 4" through 12" Pipe

2.3.1 Cast iron pipe for water mains shall be designed in accord with ANSI Standard A21.1, subject to the following design criteria: 150 psi water pressure, 3 feet depth of cover, trench condition B and trench width d+2 feet. Pipe shall be manufactured in accord with AWWA Specification C106-70 (metal molds) or C108-70 (sand-lined molds), except pipe shall have a minimum bursting tensile of 21,000 psi and minimum modulus of rupture of 45,000 psi. Thickness class shall be at least Class 22.

2.3.2. Pipe shall have cement lining and bituminous seal coat in accord with ANSI Standard A21.4-1971. Pipe shall also be bituminous coated on the outside. Lining shall be standard thickness.

2.3.3 Pipe joints shall be push-on type conforming to ANSI Standard A21.11-1971. Gasket lubricant shall be as furnished by the pipe manufacturer and labeled with trade name.

2.3.4 Cast iron pipe shall be tested in accord with procedures of AWWA C106 or C108 and certified records of the tests made by the manufacturer or by a reliable commercial laboratory shall be submitted with each shipment of pipe.

2.3.5 Fittings and corrosion protection shall be as specified for ductile iron pipe in Paragraphs 2.1.6 and 2.2. respectively.

2.4 PVC Pipe 4" through 12" Pipe

2.4.1 PVC pipe for water mains shall be Type I, Class 150 and meet the requirements of AWWA C900-75 for PVC pipe in cast iron pipe equivalent O.D., Class 150 having elastomeric gasket bell ends and elastomeric seals.

2.4.2 The joints for PVC water pipe shall be rubber ring type consisting of integral, thickened, solid wall bells which maintain the same D.R. as the pipe barrel. Joint lubrication shall be furnished by the manufacturer of the pipe and joints made in accordance with the manufacturer's instructions and recommendations.

2.4.3 Where necessary, adaptor fittings shall be furnished and installed where plastic pipe is connected to pipes or fittings of other materials. Ductile or cast iron pipe is required in all sleeved highway crossings. Polyethylene sleeve will not be required with PVC pipe.

2.4.4 In storing pipe, units shall be protected by damage in the same way they were protected while loaded on the truck. If pipe is to be stored outside longer than 30 days, the pipe shall be covered with canvas or other opaque material to protect it from prolonged exposure to the sun.

2.4.5 An affidavit of compliance from the manufacturer shall be submitted with each shipment of pipe, to the effect that the pipe complies with all applicable requirements of AWWA C900-75. Each length of pipe shall bear the U.L. label.

2.5 Plastic Service Pipe and Fittings

2.5.1 Plastic pipe for service pipe shall conform to ASTM D-2737-74 and shall be 160 psi pipe, SDR PR 9.

2.5.2 Polyethylene extrusion compound from which the polyethylene pipe is extruded shall comply with applicable requirements for PE-3406 ultra-high molecular weight polyethylene plastic material. Material shall be as described in ASTM D-1248-78 and shall comply with the following:

- a. Be of virgin quality approved for potable water service by the National Sanitation Foundation.
- b. Pipe resin shall have a minimum inherent viscosity of 2.5 when run according to ASTM D-1601-78.
- c. Exceed 1,000 hours on ESC as determined by ASTM D-1693-70.
- d. Have a specific gravity of between 0.950 and 0.955.
- e. Contain a minimum of 2% and a maximum of 3% of carbon black and shall produce a finish product that is uniformly black.
- f. Finished work shall satisfactorily flare to standard brass water works flare fittings when using the hot or cold flaring methods.

2.5.3 The polyethylene pipe shall be rated for use with water at 73.4°F at a hydrostatic design stress of 630 psi and a maximum working pressure of 160 psi.

2.5.4 The Standard Dimension Ratio (SDR) shall be 9 for copper tube size. The average inside diameters, minimum wall thickness for respective tolerances for any cross section shall be as hereinafter specified, when measured in accordance with ASTM D-2122-76. Copper Tube Size: SDR 9 dimensions and tolerances shall be as shown in ASTM D-2737-74, as follows:

<u>Nom. Pipe Size In.</u>	<u>Ave. Outside Diameter In.</u>	<u>Minimum Wall In.</u>	<u>Wall Tolerance In.</u>
1	1.125 ± .005	0.125	+0.012
1-1/2	1.625 ± .006	0.181	+0.018
2	2.125 ± .006	0.236	+0.024

2.5.5. The minimum burst pressure at 73.4°F determined in accordance with ASTM D-1599-74, latest revision, shall be 630 psi. The time of testing of each specimen shall be between 60 and 70 seconds.

2.5.6 The pipe shall not fail, balloon, burst or weep as defined in ASTM D-1598-76 when tested in accordance with the sustained pressure test method of ASTM D-2239-74 and ASTM D-2737-74 but under the test conditions hereinafter tabulated.

<u>Temperature</u>	<u>Time</u>	<u>Pressure</u>
73.4°F	1000 hrs.	350 psi
150°F	1000 hrs.	200 psi
190°F	300 hrs.	125 psi

2.5.7 The polyethylene pipe shall not show any loss of pressure in the six specimens tested for three hours in accordance with the requirements of ASTM D-2239-74 and ASTM D-2737-74 using the test pressure of 330 psi at 73.4°F. The PE pipe or tubing shall be homogenous throughout and free of visible cracks, holes, foreign inclusions or other injurious defects. It shall be uniform in color, opacity, density and other physical properties.

2.5.8 Marking on the pipe or tubing shall include at intervals of not more than five feet the nominal pipe or tubing size, the type of plastic material; i.e. PE 3406, the standard thermoplastic pipe dimension ratio or the pressure rating in psi for water at 73.4°F (160 psi), the ASTM designation with which the pipe complies, and manufacturer's name or trade mark and code. It shall also include the seal of approval (nsf mark) of the National Sanitation Foundation.

2.5.8.1 All coils of PE pipe or tubing shall be spirally wrapped in heavy water resistant kraft paper or packaged in cardboard boxes.

2.5.8.2 Each coil shall be labeled clearly to show the size, coil length and pressure rating of the pipe.

2.5.9 All PE pipe or tubing shall be rejected for failure to comply with any requirements of these specifications or additional tests that are specified in ASTM D-2239-74, ASTM D-2737-74 and ASTM D-1248-78.

2.6 Rigid Stainless Steel Liner

Rigid stainless steel liners shall be installed in PE service pipe at each coupling. Stainless steel liner shall be as manufactured by Mueller Co., Decatur, Ill., or approved equal.

2.7 Steel Pipe Sleeves

Pipe for sleeves to be jacked and bored under highways shall be steel conforming to ASTM A139-74, Grade A. Sleeve pipe shall be of the length and size shown on the drawings. The wall thickness shall be standard mil thickness for the required pipe diameter and as shown on the DOT permit.

2.8 Flexible Couplings

Flexible couplings shall be of cast iron for couplings installed underground and steel for above ground installation. Couplings shall be suitable for 150 psi working pressure. Flexible couplings shall be Style 53 and Style No. 38 as manufactured by Dresser Manufacturing Company, or Smith-Blair, or approved equal.

3. VALVES AND VALVE BOXES

3.1 Gate Valves

3.1.1 Gate valves for buried service shall be designed for a working pressure of not less than 150 psi. Gate valves, when fully open, shall have a clean waterway equal to the nominal diameter of the pipe. The valve shall open by turning to the left or counterclockwise when viewed from the stem. The operating nut shall have an arrow cast in the metal indicating the direction of opening. Each valve shall have the manufacturer's distinctive marking, pressure rating and year of manufacture cast on the body. Prior to shipment from the factory, each valve shall be tested by applying to it a hydraulic pressure equal to twice the specified working pressure.

3.1.2 Gate valves shall be iron body, fully bronze mounted, double disc with parallel seats. Valves shall conform to the specifications for Gate Valves or Ordinary Water Works Service, AWWA C500-61, and shall be fitted with an O-ring seal of standard manufacture. Valves to be located underground shall be the non-rising stem type designed for buried service with a 2-inch square operating nut. The valves shall have end connections to match the pipe.

3.2 Valve Boxes

Valve boxes shall be provided for all valves which are below finished grade elevations. Valve boxes shall consist of cast iron base and adjustable top section with cover which shall be marked "Water." Extensions shall be provided as required to grade.

3.3 Air Release Valves - Automatic

Air release valves shall be 1" through 16" diameter pipe and shall be the automatic type installed in a concrete box as shown on the drawing. Box and lid shall be of the necessary size to enclose the valve. Pipe, fittings and valves for the assembly shall be as specified in the preceding paragraphs. A corporation stop shall be tapped into the main using the procedures as recommended by the iron pipe manufacturer. The corporation stop shall be Mueller H-10045, or Hays 5284, or approved equal. The valve shall be Type N, Crispin, as manufactured by Multiplex Manufacturing Co., Berwick, Pa., or Model 200 APCO, as manufactured by Textron, Inc., Whittier, Calif., or approved equal.

4. FIRE HYDRANT ASSEMBLIES

4.1 Fire hydrant assemblies shall consist of the fire hydrant, the pipe connecting the hydrant to the water main, the gate valve between the hydrant and the water main, thrust blocking and gravel as shown on the drawing.

4.2 Fire hydrants shall be of the break-away traffic type construction, with a 6" pipe connection, 5-1/4" valve opening, two, 2-1/2" and one, 4-1/2" steamer connections. Hydrants shall be designed for 150 lb. working pressure and shall conform to AMMA Specification C502-73. All working parts shall be bronze. All hose threads shall be National Standard threads. The 2-1/2" outlets shall have 60° V-threads, 7-1/2 threads per inch and 3-1/16" outside diameter of the male thread. The 4-1/2" steamer nozzle shall have four threads per inch and 5-3/4" outside diameter of the male threads. Design, material and workmanship shall be of the latest stock pattern ordinarily produced by the manufacturer. Hydrants shall be painted one coat of red lead paint and two finish coats of an approved paint of the color as selected by the Owner.

4.3 Hydrants manufactured by the following are acceptable:

- a. Kennedy
- b. M & H
- c. American Darling

4.4 Fire hydrants shall be provided with a special lubricant sealed bonnet assembly to assure lubrication of operating parts and to seal operating thread from water when the hydrant is opened. Extension sections shall be provided as required to position break flange at finished grade.

5. CONNECTIONS TO EXISTING MAINS

Where connections are required between new work and existing water mains, the connection shall be made in a thorough and first class manner, using proper specials and fittings to suit the actual conditions. In case a connection is made to an existing fitting in the line, the Contractor shall schedule his work so that digging and locating the existing fittings can be completed prior to starting trench work on the line. Cut-ins into lines shall be done at a time approved by the Owner's representative. The Contractor shall verify the dimensions of all pipe before ordering special fittings and couplings. The Contractor shall not make connections or service taps into existing transmission mains until they have been tested and accepted by the County. Verify through the Owner's representative.

6. WATER MAIN INSTALLATION

6.1 Pipe and fittings shall be strung out along the route of construction with the spigots pointing in the direction of flow. Pipe shall be placed where it will cause least interference with traffic. Pipe shall be handled by mechanical equipment. Before the pipe is lowered into the trench, it shall be swabbed or brushed out to insure that no dirt or foreign material gets into the finished line. Trench waters shall be kept out of the pipe and the pipe kept closed by means of a test plug whenever work is not in progress. The Contractor shall provide the means for dewatering the trench and the cost thereof shall be included in the price for installing the pipe.

6.1.1 Where piping installations are in the State DOT right-of-way, the State will only allow pipe to be stored on site that can be installed in 30 days. The Department of Transportation requires that their right-of-way be cleaned and restored within three weeks of pipe installation.

6.2 Deflections from a straight line or grade made necessary by vertical curves or horizontal curves or offsets shall not exceed the pipe manufacturer's recommendations. If the specified or required alignment requires deflections in excess of those recommended, the Contractor shall either provide special bends as approved by the Engineer or for iron pipe a sufficient number of shorter lengths of pipe to provide angular deflections within the required limit. Deflection of PVC pipe by bending shall not exceed the manufacturer's specifications. Bending shall be accomplished after assembly and prior to installation of the pipe in the trench.

6.3 Excavation and backfill shall conform to the requirements of the Specification for Excavation and Backfilling for Utility Systems. Pipe shall be laid in a level trench. Irregularities shall be smoothed out or filled in with sand and tamped. Holes shall be scooped out where the joints occur leaving the entire barrel of the pipe bearing on the pipe bed.

6.4 Laying of the pipe shall be commenced immediately after the excavation is started, and every means must be used to keep pipe laying closely behind the trenching. The Engineer may stop the trenching when, in his opinion, the trench is open too far in advance of the pipe laying operation. Pipe may be laid in the best manner adapted to securing speed and good results. It shall, however, be in accordance with the manufacturer's instructions and recommendations. Damaged or unsound pipe or fittings will be rejected. Before jointing the pipe, all lumps, blisters, excess coating material and oil shall be removed from the bell and spigot ends of pipe.

6.5 Thrust blocks shall be installed at all bends, tees, crosses, plugs, wyes and reducers as shown in details of typical thrust block placements on the drawings. Where thrust-blocking is not practical or where the Contractor elects to provide harnessing in lieu of thrust blocks, harnessing detail shall be submitted for approval of the Engineer. Unsuitable backing materials shall be stabilized or replaced with gravel or limerock.

6.6 Where there is no adequate natural foundation upon which to construct a pipe bed, the pipe shall be constructed on a prepared stabilized subgrade or rock bedding. Unsuitable subgrade materials shall be replaced or stabilized as described in the Specification for Excavation and Backfilling for Utility Systems. Gravel or graded limerock used for pipe bedding, when ordered in writing, shall be paid for under the bid item for such material.

6.7 Installation of water mains shall be in strict conformance with the latest AWWA Specifications.

6.8 The Contractor shall furnish and install a plug at the end of the water main in the event an additive item or items does not become a part of the Contract.

6.9 Where water mains are stubbed out with a reducer and valve, in lieu of thrust blocks, the stubouts shall be harnessed from the valve back to the tee.

6.10 For the protection of exposed reinforcing in anchor blocks the Contractor shall furnish and apply two coats of Koppers Bitumastic No. 505 protective coating.

6.11 All joints shall be watertight and any leaks or defects discovered shall be immediately repaired to the satisfaction of the Engineer. Any pipe which has been disturbed after being laid shall be taken up, the joints cleaned and the pipe properly relaid. Any superfluous material inside the pipe shall be flushed or removed by means of an approved follower or scraper after joints are made. Installation of fittings and pipe joints shall be in strict accordance with the manufacturer's recommendations.

7. VALVE AND HYDRANT INSTALLATION

7.1 Before installing any valve, care shall be taken to see that all foreign material is removed from the interior of the body and the valve opened and closed to see that all parts are in proper working condition. Valves shall be set plumb with valve boxes placed directly over the operators. After being correctly positioned, fill shall be carefully tamped around the valve box for a distance of four feet on all sides of the box. In unpaved areas, a concrete pad shall be poured around the top of the box as shown in the standard details. Box shall be adjusted flush with the adjoining grade.

7.2 Fire hydrants shall be set so the break ring is flush with the surface of the existing ground and shall be connected to the mains with iron or PVC pipe as appropriate, and a grate valve, all part of the assembly. After connections are made, the hydrants shall be set at such elevations that the connecting pipe and the distributing mains shall have the same depth of cover. Each hydrant shall be thrust-blocked with concrete as shown on the detail drawing. A sheet of polyethylene or neoprene shall be placed between the bolted joints of the hydrant and the concrete. If the character of the soil is such that the hydrant cannot be securely thrust-blocked, then bridle rods and rod collars shall be used and shall be of at least 3/4" stock and shall be thoroughly protected by painting with acid-resisting paint. Around the base of each hydrant shall be placed not less than 2 cubic feet of crushed gravel to insure the complete drainage of the hydrant when closed. All backfill around hydrants shall be thoroughly compacted to the surface of the ground. Before installing any hydrant or valve, care shall be taken to see that all foreign material is removed from the interior of the barrel. Stuffing boxes shall be tightened and the hydrants or valve opened and closed to see that all parts are in proper working condition.

8. HIGHWAY CROSSINGS

8.1 All pipe crossing under highways shall be installed in accordance with the Department of Transportation requirements governing the method and materials of construction. The Contractor will be held responsible for any and all expense the Department of Transportation incurs in protecting its highway while pipes are being placed under same and for any damage to the highway. The Contractor shall arrange with the Department of Transportation for the proper bracing, shoring and other necessary protection of the highway before excavation beneath any of said highway. On State right-of-ways only such pipe can be stored as can be installed in 30 days. The Department of Transportation requires that in their right-of-ways, all restoration and clean-up be completed within 3 weeks of pipe installation.

8.2 The carrier pipe shall be installed in the sleeve on longitudinal, treated lumber supports. Each support shall be 2 to 3 feet long and of sufficient thickness to raise the bell off the sleeve. The wood supports shall be positioned 3 feet from the bell and at each end of the pipe. Similar spacers shall be positioned at the top and sides of the pipe and all secured by metal straps or bands.

9. METER BOXES

9.1 Meter boxes shall be cast iron meter boxes as manufactured by Russell Pipe & Foundry Company. Cast iron boxes for 5/8" and 3/4" meters shall be Rome model and for 1", 1-1/2" and 2" meters shall be Dekalb model.

9.2 Precast reinforced concrete meter boxes with cast iron reading lid may be furnished as an alternate. Boxes for 5/8" and 3/4" meters shall be Type 33H and for 1", 1-1/2" and 2" meters shall be Type 66S as manufactured by Brooks Concrete Products Company.

9.3 Meter boxes for 3" meters shall be Type 66S as manufactured by Brooks Concrete Products Company.

9.4 The meter and meter couplings will be furnished and installed by the Owner.

9.5 Plastic meter boxes and covers with a magnetic detecting disc embedded in an inspection lid built into the cover, as manufactured by Intercontinental Plastics Company, or an approved equal, may be furnished.

10. SERVICE CONNECTIONS

10.1 1-1/2" and 2" service connections shall be connected by use of a saddle. The Contractor shall provide corporation stops and curb stops installed in accordance with the detailed drawings and specifications.

10.1.1 The corporation stops shall be Mueller Type H-10141 or approved equal, with H-15428 coupling.

10.1.2 The curb stop shall be Mueller Type 10291 or approved equal, with H-14528 coupling.

10.1.3 Where terrain and coverage require Ford angle meter valves FV 43-666 or FV 43-777, as appropriate or approved equal shall be used.

10.2 The 5/8" through 1" service connections shall be tapped into the new water mains, as shown on the drawings and as specified from 6 inch diameter pipe and larger. Double strap saddles shall be used on 4 inch diameter and smaller.

10.2.1 The corporation stop and coupling shall be Mueller H-15008 using a compression outlet and Mueller thread inlet.

10.2.2 The curb stop shall be Mueller Oriseal Mark III H-1503-2 with compression inlet and I.P. thread outlet, or approved equal, with Mueller 15074, or approved equal coupling.

10.2.3 Where terrain and coverage require Mueller angle meter valve 14258 or approved equal shall be used.

10.3 Polyethylene piping for service connections shall be as specified in paragraph 2.5 of this Specification. Service pipe shall be jacked under pavement where practical. No payment for pavement replacement will be allowed in such cases.

11. BLOW-OFF ASSEMBLIES

11.1 The Contractor shall furnish and install blow-off assemblies in the locations shown on the drawings. Each assembly shall consist of a blow-off branch, gate valve, valve box, brass hose nipple, cap, chain, galvanized pipe and fittings, tapped plug and thrust blocking. Sizes shall be as shown in the detail drawings. Pipe, fittings and valves shall be as specified in the preceding paragraphs.

11.2 The brass hose nipple shall be Crane Company No. 91-A, and the brass hose cap shall be Crane Company No. 120-A or Mueller Corp., or Kennedy Valve Mfg. Co., or approved equal. Both nipple and cap shall be 2-1/2" I.D. with hose pipe threads. A chain one foot long shall be furnished, locking the cap to the hose nipple.

12. FIELD TESTING OF WATER SYSTEM

12.1 The Contractor shall furnish and install suitable temporary testing plugs or caps for the pipe, all necessary pressure pumps, hose, pipe connections, meters, gauges and other similar equipment, and all labor required, all without additional compensation for conducting pressure and leakage tests of the new water lines. The Owner may, at his own choice, furnish a water meter and a pressure gauge for use in conducting these tests. The Contractor shall procure and pay for all water required for tests.

12.2 Tests shall be made between valves and as far as practicable in sections of approximately one thousand (1,000) feet long or as approved by the Engineer. Potable water from an existing water distribution system shall be used. The test pressure for the water lines shall be 150 psi and this pressure shall be maintained for a period of not less than two (2) hours for uncovered pipes, and for not less than twenty-four (24) hours for pipes which have been backfilled before tests are made. The amount of water forced into the line during this time shall be determined and this amount shall be taken as a basis to compute the leakage for twenty-four (24) hours. Pressure shall not vary more than two pounds from the above during the two-hour test period. Allowable leakage shall be computed on the basis of Table 3, Section 13.7, AWWA Standard C600-64, or the applicable formula for other than 18-foot lengths.

12.3 All leaks evident at the surface shall be uncovered and repaired regardless of the total leakage as indicated by the test, and all pipes, valves and fittings and other materials found defective under the test shall be removed and replaced at the Contractor's expense. Tests shall be repeated until leakage has been reduced below the allowable amount.

13. STERILIZATION AND TESTS

13.1 General

Sterilization of all equipment, pipelines, tanks and other parts of the project with which water comes in contact and which have been contaminated by the Contractor's operations shall be accomplished after completion of construction and immediately before the system or unit is placed in operation. The Contractor shall procure and pay for all water required for sterilization and tests.

13.2 Sterilizing Agent

The sterilizing agent shall be liquid chlorine or sodium hypochlorite solution conforming to Federal Specification O-S-602b Sodium Hypochlorite, Grade D. Dry hypochlorite, similar or approved equal to "HTH" may also be used as the sterilizing agent.

13.3 Sterilization Methods

13.3.1 All new piping shall be thoroughly flushed and washed prior to the time of sterilization. Clean water shall be flushed through the system for at least one-half hour or until no traces of cuttings, lead, oil, dirt, or other foreign matter is visible. This water shall be wasted at the closest points available.

13.3.2 The piping shall be sterilized by introducing the sterilizing agent into the water, which is being pumped into the system, in such manner that the entire system will be filled with water containing a minimum chlorine concentration of 50 ppm at any point. This water shall be allowed to remain in the system for a minimum contact period of eight (8) hours before the system is flushed out.

13.4 Residual Chlorine Tests

After the sterilizing agents have been permitted to remain for the specified contact periods, the pipelines and valves shall be thoroughly flushed with water until the residual chlorine tests are less than .02 ppm in each instance. The determination of the amount of residual chlorine in the system shall be made at such points and in accord with standard tests by means of a standard orthotolidine test set.

13.5. Bacterial Tests

After the water system or any other units or portions of the project have been sterilized and thoroughly flushed, samples of water shall be taken from several points in suitable sterilized containers and the samples forwarded to the Florida Department of Environmental Regulation for bacterial examination. If repeated tests of such samples show the presence of coliform organisms, the sterilization shall be repeated or continued until tests indicate absence of pollution. Two consecutive daily samples shall be satisfactorily completed before the system is placed in operation.

SERVICE AGREEMENT

WASTEWATER

THIS AGREEMENT, made and entered into this 16th day of January, 1989, by and between Golden Tee a development of Fiddler's Green, whose mailing address is 600 Placida Rd. Englewood Florida, 34224; hereinafter called "Developer", and SANDALHAVEN UTILITY INC., a Florida corporation whose mailing address is 6800 PLACIDA ROAD, ENGLEWOOD, Florida, 34224, hereinafter called "Service Company".

WITNESSETH:

WHEREAS, Service Company operates a wastewater system pursuant to a certificate issued by the Board of County Commissioners of Charlotte County, Florida, and

WHEREAS, Developer owns certain real property in Charlotte County, Florida, which is composed of approximately 8.85 acres, is known as Golden Tee and is more particularly described as follows:

See Attached

hereinafter referred to as "Developer's Property", and is about to improve said property (by developing a residential/multifamily/commercial land use, together with ancillary improvements thereon), and

WHEREAS, Developer desires a connection to Service Company's WASTEWATER system, hereinafter called "Service Company's Utility System"; and

WHEREAS, Developer recognizes and agrees that Service Company's obligations to provide wastewater service to Developer are at all times subject to governmental regulations, prohibitions, limitations and restrictions and that these factors are beyond the control and responsibility of Service Company.

NOW, THEREFORE, in consideration of the promises, mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete wastewater system, including lift stations and force mains, necessary to provide wastewater utility service to the Developer's Property as shown on the approved engineering plans and specifications prepared by Developer's professional engineer. Developer's specifications and the installation of Developer installed utility system must be in strict accordance with the latest revision of Service Company's Rules and Regulations, Service Availability Policy and Underground Construction Specifications. In case of conflicts with County Codes, the County Codes shall in all instances govern.

2. All engineering plans and specifications, prepared by Developer's engineer as provided in paragraph 1 above, shall be reviewed and approved by Service Company prior to Developer submitting said plans and specifications to any governmental agencies.

3. Service Company shall have the right, but not the obligation, to review and accept or reject any General Contractor(s) and/or Subcontractor(s) who propose to install wastewater mains, services, equipment or other related appurtenances prior to Developer entering into a contract or agreement with such contractor.

4. Service Company shall have the right, but not the obligation, to make inspections of all utility work as installation progresses. Service Company shall have the right to refuse to accept title to Developer installed utility system or refuse to initiate any service until Developer installed utility system has passed tests arranged by Developer and witnessed by Service

Company or Service Company's representatives to determine whether Developer installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed upon completion of the system; upon completion of all buildings, roads, paving, drainage, or other construction within the right-of-way, easement areas or adjacent areas; and again prior to expiration of any warranty period.

5. In addition to the other costs herein described, Developer agrees to pay any and all costs of inspecting, testing, leak location and any repairs deemed necessary by Service Company found as a result of said tests.

6. Completion of all tests and forms required herein must take place prior to initial acceptance of Developer installed utility system. Initial acceptance shall be deemed to have occurred either upon Service Company's execution of the FDER Certificate of Completion or upon Service Company's written acknowledgement that all requirements have been met.

7. Service Company shall not be required to accept Developer installed utility system, will issue no certifications, nor render any service, until all manhole lids and valve boxes are exposed at proper finish grade, all valves are operational, and all other requirements listed herein are completed.

8. Service Company's obligations under this Agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental and regulatory agencies. Developer hereby assumes all risk or loss as a result of the denial or withdrawal of the approval of any concerned governmental agency, or caused by any act of any governmental or regulatory agency, which affects the ability of the Service Company to provide wastewater service to Developer not within the sole control of Service Company and which, by exercise of due diligence, Service Company could not overcome.

9. Developer shall not be liable to Service Company for the inability or failure of Developer either to obtain governmental approvals or permits, or to complete timely the construction of facilities required of Developer herein.

10. Developer shall provide to Service Company a bill of sale, recorded easements, lien waivers and releases together with the itemized list of materials showing the actual cost of Developer installed utility system.

At time of conveyance, Developer will pay to the Service Company an amount equal to all applicable federal and state income tax amounts, currently estimated to be 38.89% of the cost, resulting from the Service Company accepting conveyance of the Developer installed utility system. Developer must also furnish Service Company with two (2) copies of the Record Plat of the Developer's Property, if any, plus a mylar sepia and four (4) complete copies of "As Built" drawings acceptable to Service Company, showing specific locations, both horizontal and vertical, of all facilities, including all valves, wastewater laterals, and other fittings within Developer installed utility system. Service Company shall not certify, accept, or render any service until all requirements are completed in a manner acceptable to Service Company.

11. Developer installed utility system, installed and conveyed to Service Company pursuant to the terms hereof, shall at all times remain the sole, complete and exclusive property of Service Company, its successors and assigns, and under the complete control of Service Company. The conveyance instrument will be the Bill of Sale, as specified previously herein.

12. This Agreement shall not prohibit or prevent Service Company from extending Service Company's Utility System in or to areas not referred to herein to serve other developers or consumers, so long as said extensions and the furnishings of said services do not interfere with the furnishing of the services provided by this Agreement.

13. The provisions of this Agreement shall not be construed as establishing a precedent in connection with the amount of any rates, fees, charges or contributions made by Developer, other customer, or other third party, or the acceptance thereof, on the part of Service Company for other wastewater utility extensions that may be required hereafter by Developer, other customer, or other third party and are not the subject of this Agreement.

14. Developer warrants that Developer installed utility system will be constructed in accordance with the approved engineering plans and specifications referred to herein and that the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of initial acceptance by Service Company of Developer installed utility system.

15. Final acceptance and release of surety will be given by Service Company following completion of a one (1) year reinspection and correction of any deficiencies found at that time.

16. Developer agrees to pay all costs and expenses incurred by Service Company by reason of any breach of the warranties referred to in the previous paragraph.

17. Developer agrees to grant, at no cost to Service Company, any and all easements and restrictive covenants as required for the operation, maintenance and extension of Developer installed utility system. The easements for wastewater mains shall be shown on the engineering plans, documented on the appropriate forms, and recorded in the Public Records of Charlotte County, Florida, by Developer. Copies of the recorded easement instrument(s) shall be furnished to Service Company prior to initial acceptance of any Developer installed utility system.

18. The wastewater capacity to be reserved by this Agreement is 190 Gallons Per Day (GPD) per Equivalent Residential Connection (ERC) as determined in accordance with Service Company's approved Rules, Regulations and Service Availability Policy as amended by Charlotte County Ordinance No. 86-25. Based on information provided by Developer, and relied upon by Service Company, the number of ERC's has been determined to be 104. The wastewater capacity reserved by this Agreement, therefore, is 104 ERC's times 190 GPD/ERC = 19,760 GPD. In consideration for reserving this capacity, Developer will pay Service Company a Connection Charge of Twelve Hundred Fifty and 00/100----- Dollars (\$1,250.00) per ERC plus any applicable federal and state income tax amount. The total Capacity Fee payment is One Hundred Thirty Thousand and 00/100----- Dollars (\$130,000.00). The federal and state income tax amount is Approximately Forty-six Thousand if applicable Dollars (\$46,000.00). Approximately

19. The parties further agree and recognize that certain contributions, fees, amounts and charges collected, and rules, regulations and operating procedures followed, by Service Company are subject to continuing approval and modification by the Board of County Commissioners of Charlotte County or other governmental or regulatory authorities. Developer hereby agrees that it will pay to Service Company all contributions, fees, amounts and other charges in accordance with, and be bound by all other provisions of, the Tariff approved for Service Company by the Board of County Commissioners of Charlotte County governmental or regulatory authority as being applicable

at the time that connections are made, services are provided or other actions are taken by Service Company, except as otherwise provided in this Agreement. Developer further agrees that it will comply with all rules, regulations and operating procedures of Service Company approved for Service Company by the Board of County Commissioners of Charlotte County or other governmental or regulatory authority as being applicable at the time that actions are to be taken by Developer or Service Company.

20. In no event shall Service Company be obligated to provide service to Developer's Property in excess of the wastewater treatment capacity as described in paragraph 18 above. In the event that all or part of Developer's Property requires additional wastewater treatment capacity, or facilities, to provide service to the Developer's Property, a new Service Agreement shall be negotiated and executed prior to granting the additional capacity or the installation of the additional facilities. Any such new Agreement shall be properly executed and conform to the Rules and Regulations in effect at the time of the execution of the new Agreement. Service Company reserves the right to deny additional capacity reservation.

21. Developer shall pay to Service Company the full, actual amount of the surveying, engineering, legal, administrative, inspection, and review costs incurred by Service Company in preparing and executing this Agreement; in extending the certificated area of Service Company to include all of Developer's Property; in conducting the review of the engineering plans and specifications; and in conducting observations, inspections and tests for the installation of developer installed and utility facilities to serve Developer's Property. A five hundred dollar (\$500.00) nonrefundable minimum deposit toward these costs shall be paid not later than the date of execution of this Agreement. The full amount of these costs shall be paid by Developer to Service Company when they are known and prior to the rendering of service to Developer's Property. The final billing by Service Company for these charges shall credit any deposits paid.

22. All amounts payable to Service Company are due upon receipt of billing and will be considered delinquent if payment in full is not received by Service Company within thirty (30) calendar days of the date of the invoice. Developer agrees to pay late charges of one and one half percent (1.5%) per month on any billings for delinquent or past due amounts.

Developer hereby acknowledges that any delinquent amount constitutes grounds for Service Company to withhold service from any portion of Developer's project.

23. Service Company agrees to abide by the terms and conditions of its franchise and to use reasonable diligence at all times in order to be able to meet its obligations under the terms and conditions of this Agreement.

24. Developer and Service Company agree to conform to, and be bound by, the then current terms and conditions of the documents itemized below as they may be amended from time to time.

a) Schedule of Rates, Fees, and Charges, effective December 19, 1984 pursuant to an Order of the Board of County Commissioners of Charlotte County, issued February 20, 1985.

b) Rules and Regulations, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.

c) Service Availability Policy, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.

25. Charlotte County Ordinance No. 86-25, including any amendments thereto, is incorporated by reference in this Agreement.

26. Deposit in the first class mails of the United States by either party shall be deemed to be adequate service for all notices required by or arising out of this Agreement.

27. If there is any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

28. This Agreement may not be assigned without the express written consent of Service Company and shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

29. This Agreement supersedes any and all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company and made in respect to the matters contained

EXHIBIT A

Monies Payable by Developer under this Agreement:

<u>APPLICATION</u>	<u>AMOUNT</u>	<u>DATE DUE</u>
Engineering & Inspection (Paragraph 21)	\$ 500.00	Upon Request
Capacity Fees (Paragraph 18)	\$	Upon Execution of Agreement
ERC's @ \$1,250	\$	
Tax Effect	\$	

herein, and when duly executed by all parties hereto, constitutes the complete Agreement between Developer and Service Company.

30. This Agreement is at all times subject to review and alteration by the Board of County Commissioners of Charlotte County.

31. In the event that any provision of this Agreement is declared void by any Court or competent jurisdiction, such declaration shall in no way affect the validity of the remainder of this Agreement which shall remain in full force and effect.

Signed, sealed and delivered
in the presence of:

Betty Clemons

By:

Robert A. W. [Signature]

Linda Taylor
As to Developer

Betty Clemons

By:

Robert A. W. [Signature]

Linda Taylor
As to Service Company

OWNER/DEVELOPER

Robert Spade
6800 Placida Road
Englewood, Florida 34224

ENGINEER/SURVEYOR

DMK Group, Inc.
4315 McCall Road
Englewood, Florida 34224

BOUNDARY DESCRIPTION

PARCEL C: Commence at the NE corner of Section 28, Township 41 South, Range 20 East; thence S 0 01'10" W, 1002.71 feet; thence N 89 36'30" W, 1285.26 feet; thence S 00 55'00" W, 2602.74 feet to a P.C. of a curve to the left having a central angle of 90 40'40" and a radius point lying S 89 05'00" E, a radial distance of 25.00 feet from said point; thence SE'ly along the arc of said curve a distance of 39.57 feet from said point; thence S 89 45'40" E, 1263.53 feet to a P.C. of a curve to the right having a central angle of 62 36'17" and a radius point lying S 00 14'20" W a radial distance of 287.86 feet from said point; thence SE'ly along the arc of said curve distance of 314.54 feet from said point to a P.C. of a curve to the left having a central angle of 76 07'48" and a radius point lying N 62 50'37" E a radial distance of 25 feet from said point; thence NE'ly along the arc of said curve, 33.22 feet; thence N 76 42'49" E, 160.91 feet to a P.C. of a curve to the right having a central angle of 05 59'10" and a radius point lying S 13 17'11" E, a radial distance of 1180.00 feet from said point; thence NE'ly along the arc of said curve, 404.31 feet of the Point of Beginning; thence SE'ly along the arc of said curve, 260.00 feet; thence S 06 10'10" E, 535.82 feet; thence N 34 30'00" W, 514.63 feet; thence N 09 00'00" W, 484.13 feet; thence S 01 00'00" W, 425.00 feet to the Point of Beginning.

↑ 6.12 ↑

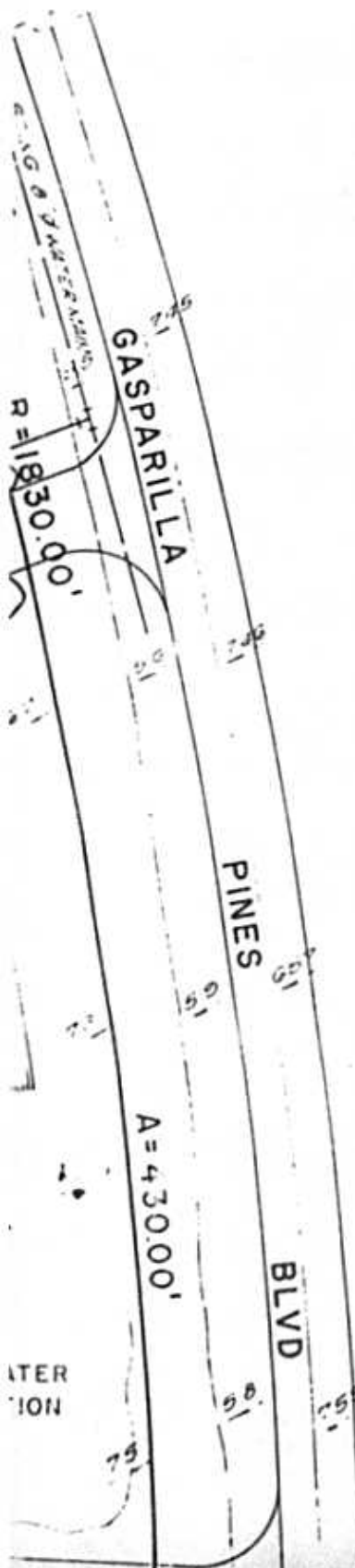
PARCEL D: Commence at the NE corner of Section 28, T41N, R20E; thence S00 01'10"W, 1002.71 feet; thence N89 36'30"W, 1285.26 feet; thence S00 55'00"W, 2602.74 feet to a P.C. of a curve to the left having a central angle of 90 40'40" and a radius point lying S89 05'00"E, a radial distance of 25.00 feet from said point; thence Southeasterly along the arc of said curve, 39.57 feet from said point; thence S89 45'40"E, 1263.53 feet to a P.C. of a curve to the right having a central angle of 62 36'17" and a radius point lying S00 14'20"W, a radial distance of 287.86 feet from said point; thence Southeasterly along the arc of said curve distance of 314.54 feet from said point to a P.C. of a curve to the left having a central angle of 76 07'48" and a radius point lying N 62 50'37"E a radial distance of 25.00 feet from said point; thence Northeasterly along the arc of said curve, 33.22 feet; thence N76 42'49"E, 160.91 feet to a P.C. of a curve to the right having a central angle of 05 59'10" and a radius point lying S13 17'11"E a radial distance of 1180.00 feet from said point; thence Northeasterly along the arc of said curve, 404.31 feet; thence N86 30'00"E, 260.00 feet to the P.B.; thence S86 30'00"E, 259.11 feet to a P.C. of a curve to the left having a central angle of 95 27'05" and a radius point lying N01 30'00"E, a radial distance of 25.00 feet from said point; thence Northeasterly along the arc of said curve, 41.65 feet from said point to a P.C. of a curve to the left having a central angle of 13 27'47" and a radius point lying S88 02'55"W, a radial distance of 1830.00 feet from said point; thence Northwesterly along the arc of said curve, 430.00 feet from said point; thence S79 38'13"W, 302.56 feet; thence S11 00'00"E, 340.00 feet to the P.B. Said property is located on Gasparilla Pines Boulevard, Englewood.

↑ 2.73 ↑

UTILITIES

Water - Fiveland Investments, Inc.
Sewer - Sandalhaven Utilities

FLOOD ZONE



A G R E E M E N T

THIS AGREEMENT made and entered into this 22nd day of March, 1984, by and between CHARLOTTE HARBOR LAND COMPANY, INC., whose mailing address is 7092 Placida Road, Cape Haze, FL 33946, hereinafter called "DEVELOPER" and Sandalhaven Utility, Inc., a Florida corporation, hereinafter called "UTILITY".

WHEREAS, UTILITY is in possession of a certificated area granted by the Board of County Commissioners of Charlotte County, Florida

WHEREAS, DEVELOPER is desirous of receiving sewer service for its development, HARBORTOWN VILLAGE CONDOMINIUM AND GARFIELD'S RESTAURANT and described as follows: (Description)

A 31 unit apartment condominium with appurtenant common facilities to be located at 7092 Placida Road, Cape Haze, Florida, 33946, and a 150 seat restaurant with appurtenant common facilities to be located at 7092 Placida Road, Cape Haze, Florida, 33946.

NOW, THEREFORE, in consideration of the promises and for value received and in consideration of covenants of this Agreement, it is mutually agreed by and between the parties hereto as follows:

1. DEVELOPER shall in accordance with the terms of this Agreement, construct and convey to the UTILITY, free and clear of all encumbrances and at no cost to the UTILITY, the completed sewage collection and transmission system, including any lift stations and force mains, necessary to provide sanitary sewage collection and transmission service to the DEVELOPER's property. DEVELOPER's plans and specifications must be prepared by a Florida Registered Professional Engineer, and must be in strict accordance with the UTILITY's standard specifications, and must be approved by UTILITY's Engineer, which are attached to this Agreement.

2. All engineering plans and specifications prepared by DEVELOPER's Engineer as provided in Paragraph 1 above shall be reviewed and approved by UTILITY's Engineer prior to DEVELOPER submitting said plans and specifications to any regulatory and/or permitting agencies. DEVELOPER agrees to pay the

plan review fees to UTILITY. UTILITY, by and through his Engineer, shall have the right to make periodic inspections during construction of the sewage collection and transmission system. DEVELOPER agrees to pay the inspection fees to UTILITY.

3. UTILITY shall have the right to refuse to accept title to the DEVELOPER installed sewage collection and transmission system until the system has passed tests arranged by DEVELOPER and witnessed by the UTILITY's Engineer to determine whether the sewage collection and transmission system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed on two (2) occasions, the first test upon completion of the system and the second test upon completion of all road, drainage, and construction improvements within any rights-of-way and/or easement areas. In addition to the cost herein described, DEVELOPER agrees to pay all costs of testing and leak location and any repair deemed necessary by the UTILITY as a result of any said tests. DEVELOPER agrees to pay the UTILITY for witnessing the above tests. UTILITY shall not be required to accept DEVELOPER's installed sewage collection and transmission system until all construction has been approved by UTILITY's Engineer.

4. Prior to UTILITY accepting DEVELOPER's sewage collection and transmission system, DEVELOPER shall provide UTILITY all lien waivers, from contractors and material suppliers, together with a breakdown of the actual cost of the sewage collection and transmission system certified by a Florida Registered Professional Engineer. DEVELOPER must also furnish UTILITY with any Plat or Site Plan of the DEVELOPER's property showing the facilities as-built, including all manholes and pump stations and certified by a Florida Registered Professional Engineer before any service is furnished by UTILITY.

5. DEVELOPER warrants that DEVELOPER installed sewage collection and transmission system will be free from any defects in materials or workmanship for a period of one (1) year following the date of completion and final acceptance by UTILITY.

6. DEVELOPER agrees to pay all reasonable costs and expenses incurred by UTILITY caused by a breach of the warranties referred to in the above paragraph.

7. DEVELOPER agrees to grant at no cost to UTILITY any and all necessary easements in recordable form. These easements for sewage collection and transmission systems shall be shown on the Certified Engineering as-built

8. The DEVELOPER installed sewage collection and transmission system as conveyed to UTILITY pursuant to the terms hereof, shall at all times remain the sole, complete, and exclusive property of UTILITY, its successors and assigns.

9. DEVELOPER agrees to pay approved sewage treatment plant capacity fees and/or connection fees for each equivalent residential unit as determined by UTILITY and approved by the Charlotte County Commission.

10. The payment of the plant capacity fees by DEVELOPER shall be made at such time as service is made available. DEVELOPER agrees to pay all plant capacity fees and all other fees and rates for all connections to the sewer mains of the UTILITY, and payment thereof shall be the then current rates as approved by the Charlotte County Commission. Until all contracted capacity has been utilized by connected customers, the utility shall have the right to charge a monthly reserve capacity fee for all capacities which have been reserved by this contract and which are not serving existing customers.

11. It is further understood and agreed that additional equivalent residential units over and above the number herein agreed upon cannot be obtained without proper approval of UTILITY.

12. This Agreement shall be binding and shall inure to the benefit of all parties hereto, and their respective successors and assigns. This Agreement constitutes the entire understanding and agreement between the parties relevant to the matters referred to herein. No additions, deletions, modifications, or other changes of this Agreement shall have any force or effect or be of any validity unless made in writing and executed by and between the parties with the same formality as this Agreement.

WITNESS, the due execution hereof this 14th day of ~~April~~ ^{June}, 1984.

Signed, sealed and delivered
in the presence of:

Patricia A. Brew

BY: Robert W. Spade

As to DEVELOPER

SANDALHAVEN UTILITY, INC.

Patricia A. Brew
As to UTILITY

BY: Robert W. Spade
Robert W. Spade, General Manager

ADDENDUM TO UTILITY AGREEMENT BETWEEN CHARLOTTE HARBOR
LAND COMPANY, INC., AND SANDALHAVEN UTILITY, INC.

1. The form of conveyance from DEVELOPER to UTILITY of the completed sewage collection and transmission system pursuant to Paragraph 1 shall be a Bill of Sale and recorded easements to maintain lines and lift stations which shall convey the collection and transmission system located on the lands described on Exhibit "A" and Exhibit "B" attached hereto and made a part hereof.

2. Fees for inspections to be made by UTILITY pursuant to Paragraph 2 shall not exceed \$2,000.

3. Fees for the witnessing by UTILITY of the tests to be performed pursuant to Paragraph 3 shall not exceed \$350 per test.

4. The as-built drawings required by Paragraph 4 shall consist of the final development plan approved by Charlotte County, Florida with attached certification by the DEVELOPER'S engineer that the UTILITY facilities are in place on or ~~the~~ the ground and have been constructed according to final site plan.

5. The sewage treatment plant capacity fees and/or connection fees to be paid pursuant to Paragraph 9 shall be those permitted by Charlotte County, Florida. The parties agree that the total equivalent residential units, excluding 250 gallons per day for common facilities, to be utilized developing Harbortown Village is 43.

6. UTILITY warrants that on or before ~~June~~^{JULY} 30, 1984 or within sixty (60) days after DEVELOPER shall have posted a notice of commencement on the Exhibit "A" lands and commenced physical improvements to the site, whichever shall occur last. UTILITY will provide service.

7. UTILITY agrees:

- a. To receive and treat sewage as may be required by the DEVELOPER'S customers up to but not exceeding average monthly amount of 6,975 gallons per day for 31 multifamily dwelling units and 3,750 gallons per day for a 150 seat restaurant and 250 additional gallons per day for common facilities;
- b. To furnish to DEVELOPER and its customers located on the Exhibit "A" and Exhibit "B" property, during the term of this contract or any renewal or extension hereof, treatment of sewage in accordance with standards of local, state and federal regulatory agencies;
- c. Operate and maintain its treatment facilities in an efficient manner. UTILITY will take such action as may be necessary to provide the

average monthly capacities. Circumstances resulting in the temporary or partial failure to handle sewage as agreed herein shall be remedied with all reasonable dispatch.

8. UTILITY warrants that it will provide the necessary transmission system easement for installation by DEVELOPER of the transmission system from CR 775 to the UTILITIES plant. The above easements will be provided no later than June 30, 1984.

DESCRIPTION

A tract of land lying in Section 33, Township 41 South, Range 20 East, Charlotte County, Florida described as follows:

Commence at the intersection of the Westerly right-of-way line for State Road 775 (100 feet wide) with the centerline of a platted street lying between lots 12 and 15 as shown on the Plat of Delaney and Treloar's Subdivision of Fractional Section 33, Township 41 South, Range 20 East, recorded in Plat Book 1, Page 12 of the Public Records of Charlotte County, Florida; thence N-28-46'-51"-W along the Westerly right-of-way line of said State Road 775 a distance of 845.29 feet; thence S-85-35'-31"-W a distance of 303 feet, more or less, to an existing concrete seawall (the following 5 calls are along said seawall); thence Southerly a distance of 23 feet, more or less; thence Westerly a distance of 189 feet, more or less; thence Southerly a distance of 58 feet, more or less, to a point of curve; thence Southeasterly along said curve a distance of 36 feet, more or less; thence Easterly a distance of 61 feet, more or less, to the Mean High Water Line (the following 2 calls are along said Mean High Water Line; thence Southerly a distance of 390 feet, more or less; thence Westerly a distance of 275 feet, more or less, to an existing concrete seawall; thence Northerly along said seawall a distance of 545 feet, more or less, to the Mean High Water Line of Gasparilla Sound; thence Southerly along said Mean High Water Line a distance of 1,050 feet, more or less, to the centerline of the aforementioned platted street lying Southerly of Lots 11 and 12 of said Delaney and Treloar's Subdivision; thence S-89-47'-19"-E along said centerline a distance of 950 feet, more or less, to the POINT OF BEGINNING. Containing 9.8 acres, more or less.

SMALLY, WELLFORD & MALVEN, INC.

By: 
David D. Kealy, P.S.
Florida Certificate No. 2612

EXHIBIT "B"

DESCRIPTION

A tract of land being a part of Lots 5 and 6, and the unnamed platted road right-of-way between said Lots 5 and 6, Delaney and Treelors Subdivision of Fractional Section 33, Township 41 South, Range 20 East as recorded in Plat Book 1, Page 12 of the Public Records of Charlotte County, Florida described as follows:

BEGIN at an SWN concrete monument at the intersection of the Northerly line of said Lot 5 with the Westerly right-of-way line of State Road 775 (100 foot right-of-way); thence S-89-59'-29"-W along said Northerly line a distance of 495.56 feet to an SWN concrete monument; thence S-00-00'-31"-E a distance of 91.72 feet to an existing concrete seawall at the PC of a curve to the left having a central angle of 88-54'-32" and a radius of 10.00 feet (the following 5 calls are along said seawall); thence Southerly and Easterly along the arc a distance of 15.52 feet; thence S-88-55'-03"-E a distance of 106.00 feet; thence S-37-18'-29"-E a distance of 45.00 feet; thence S-88-52'-00"-E a distance of 131.17 feet; thence S-03-16'-10"-E a distance of 166.20 feet to a point which lies 23.00 feet Northerly of a corner of said seawall; thence N-85-35'-31"-E a distance of 303.12 feet to the aforementioned Westerly right-of-way line of S.R. 775 (the following 2 calls are along said Westerly right-of-way line); thence N-28-46'-51"-W a distance of 23.05 feet to the PC of a curve to the right having a central angle of 12-01'-02" and a radius of 1196.28 feet; thence Northwesterly along the arc a distance of 250.91 feet to the POINT OF BEGINNING. Containing 2.224 acres.

REVISION	BY	SCALE	DATE	
		1" = 100'	2/16/84	
		DRAWN BY	CHECKED BY	PROJECT NO.
		F.R.	N.B.D.	2323-4

[Signature]

NG ENGINEERS & SURVEYORS SARASOTA, FLA.

June 16, 1986

Subject Property:

Shamrock Shores a Subdivision Lying in Sec.27
and 28 as per plat recored in plat Book 7, pages
21 and 22 of the public records of Charlotte County

Owner and Developer:

Carl Weaver
200 W. Dearborn St.
Englewood, Fl. 33533

There are 196 lots in project, 96 Lots of which options have not
been excercused. 19 Lots have been sold with 7 homes built. We
have 81 lots to sell.

Shamrock Shores has central water and under ground utilities.

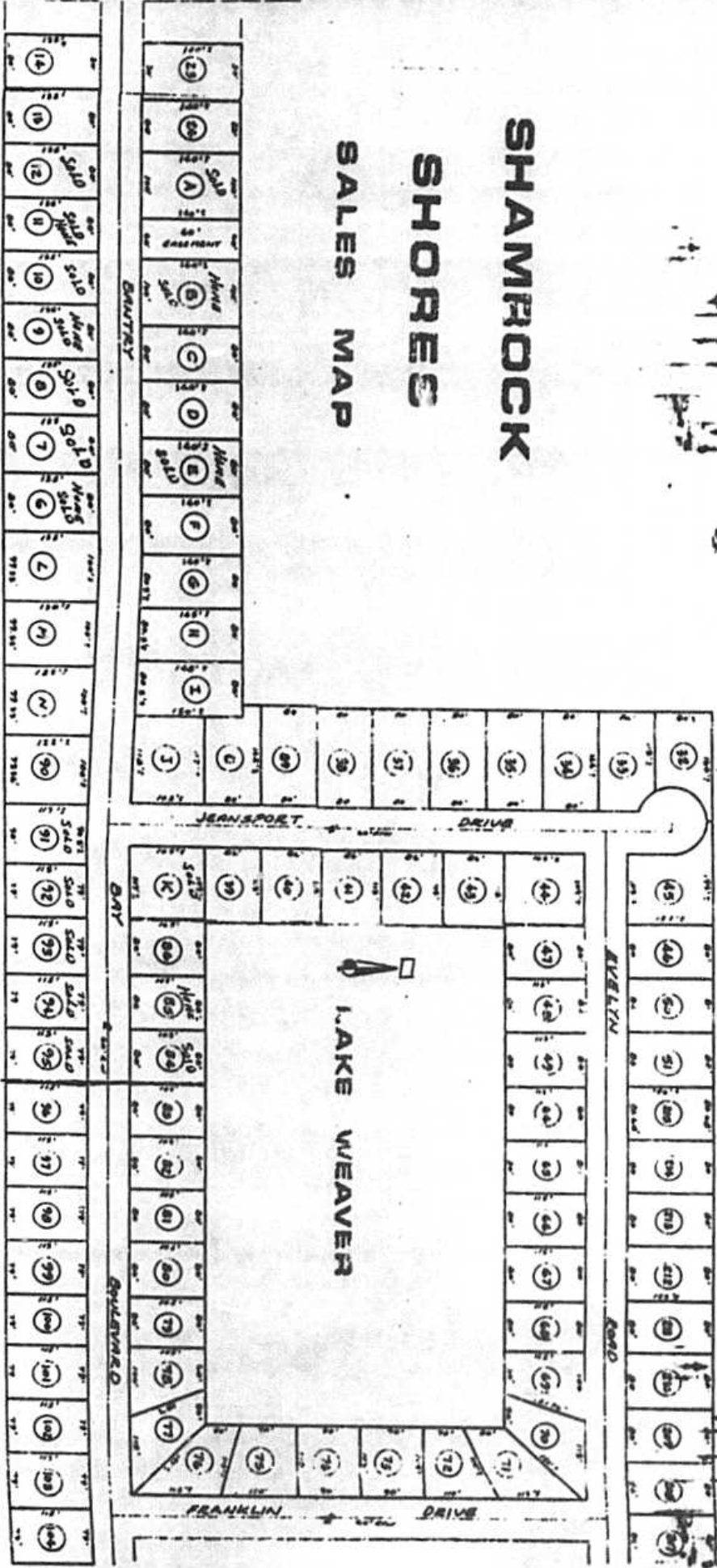
Projected sales of thes 81 Lots are:

20 inside lots	\$12,900 =	¥\$258,000
24 lake Lots	19,900 =	477,600
5 lake Lots	20,900 =	104,500
6 lg. lots	15,900 =	95,400
22 across from lake	13,900 =	305,800
3 inside lots	14,900 =	44,700
1 corner lot	17,900 =	17,900
		<hr/>
		\$1,303,900.00

Sale Price \$650,000.00

APR 17 5:00 PM '86
N.P. Burch

SHAMROCK SHORES SALES MAP



THIS MAP SHOWS THE GENERAL LAYOUT AND APPROXIMATE DIMENSIONS OF THE LOTS. ALL LOTS ARE SUBJECT TO THE ZONING ORDINANCES AND THE SUBDIVISION MAP.

EVELYN LUCILLE & SON ROAD

128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160
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SPRING BROOK VALLEY ROAD

161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200
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BANTRY BAY JACOB & SON BOULEVARD

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SERVICE AGREEMENT

WASTEWATER

THIS AGREEMENT, made and entered into this 30th day of January, 1989, by and between LEMON BAY GOLF & COUNTRY CLUB JOINT VENTURE, whose mailing address is: 1800 2ND ST., SUITE 710, SARASOTA, Florida, 34236, hereinafter called "Developer", and SANDALHAVEN UTILITY INC., a Florida corporation whose mailing address is 6800 PLACIDA ROAD, ENGLEWOOD, Florida, 33605, hereinafter called "Service Company".

WITNESSETH:

WHEREAS, Service Company operates a wastewater system pursuant to a certificate issued by the Board of County Commissioners of Charlotte County, Florida, and

WHEREAS, Developer owns certain real property in Charlotte County, Florida, which is composed of approximately 46 acres, is known as "Eagle Reserve Estates" and is more particularly described as follows:

hereinafter referred to as "Developer's Property", and is about to improve said property (by developing a residential/multifamily/commercial land use, together with ancillary improvements thereon), and

WHEREAS, Developer desires a connection to Service Company's WASTEWATER system, hereinafter called "Service Company's Utility System"; and

WHEREAS, Developer recognizes and agrees that Service Company's obligations to provide wastewater service to Developer are at all times subject to governmental regulations, prohibitions, limitations and restrictions and that these factors are beyond the control and responsibility of Service Company.

NOW, THEREFORE, in consideration of the promises, mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete wastewater system, including lift stations and force mains, necessary to provide wastewater utility service to the Developer's Property as shown on the approved engineering plans and specifications prepared by Developer's professional engineer. Developer's specifications and the installation of Developer installed utility system must be in strict accordance with the latest revision of Service Company's Rules and Regulations, Service Availability Policy and Underground Construction Specifications. In case of conflicts with County Codes, the County Codes shall in all instances govern.

2. All engineering plans and specifications, prepared by Developer's engineer as provided in paragraph 1 above, shall be reviewed and approved by Service Company prior to Developer submitting said plans and specifications to any governmental agencies.

3. Service Company shall have the right, but not the obligation, to review and accept or reject any General Contractor(s) and/or Subcontractor(s) who propose to install wastewater mains, services, equipment or other related appurtenances prior to Developer entering into a contract or agreement with such contractor.

4. Service Company shall have the right, but not the obligation, to make inspections of all utility work as installation progresses. Service Company shall have the right to refuse to accept title to Developer installed utility system or refuse to initiate any service until Developer installed utility system has passed tests arranged by Developer and witnessed by Service

Company or Service Company's representatives to determine whether Developer installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed upon completion of the system; upon completion of all buildings, roads, paving, drainage, or other construction within the right-of-way, easement areas or adjacent areas; and again prior to expiration of any warranty period.

5. In addition to the other costs herein described, Developer agrees to pay any and all costs of inspecting, testing, leak location and any repairs deemed necessary by Service Company found as a result of said tests.

6. Completion of all tests and forms required herein must take place prior to initial acceptance of Developer installed utility system. Initial acceptance shall be deemed to have occurred either upon Service Company's execution of the FDER Certificate of Completion or upon Service Company's written acknowledgement that all requirements have been met.

7. Service Company shall not be required to accept Developer installed utility system, will issue no certifications, nor render any service, until all manhole lids and valve boxes are exposed at proper finish grade, all valves are operational, and all other requirements listed herein are completed.

8. Service Company's obligations under this Agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental and regulatory agencies. Developer hereby assumes all risk or loss as a result of the denial or withdrawal of the approval of any concerned governmental agency, or caused by any act of any governmental or regulatory agency, which affects the ability of the Service Company to provide wastewater service to Developer not within the sole control of Service Company and which, by exercise of due diligence, Service Company could not overcome.

9. Developer shall not be liable to Service Company for inability or failure of Developer either to obtain governmental approvals or permits, or to complete timely the construction of facilities required of Developer herein.

10. Developer shall provide to Service Company a bill of sale, recorded easements, lien waivers and releases together with the itemized list of materials showing the actual cost of Developer installed utility system.

At time of conveyance, Developer will pay to the Service Company an amount equal to all applicable federal and state income tax amounts, currently estimated to be 38.89% of the cost, resulting from the Service Company accepting conveyance of the Developer installed utility system. Developer must also furnish Service Company with two (2) copies of the Record Plat of the Developer's Property, if any, plus a mylar sepia and four (4) complete copies of "As Built" drawings acceptable to Service Company, showing specific locations, both horizontal and vertical, of all facilities, including all valves, wastewater laterals, and other fittings within Developer installed utility system. Service Company shall not certify, accept, or render any service until all requirements are completed in a manner acceptable to Service Company.

11. Developer installed utility system, installed and conveyed to Service Company pursuant to the terms hereof, shall at all times remain the sole, complete and exclusive property of Service Company, its successors and assigns, and under the complete control of Service Company. The conveyance instrument will be the Bill of Sale, as specified previously herein.

12. This Agreement shall not prohibit or prevent Service Company from extending Service Company's Utility System in or to areas not referred to herein to serve other developers or consumers, so long as said extensions and the furnishings of said services do not interfere with the furnishing of the services provided by this Agreement.

13. The provisions of this Agreement shall not be construed as establishing a precedent in connection with the amount of any rates, fees, charges or contributions made by Developer, other customer, or other third party, or the acceptance thereof, on the part of Service Company for other wastewater utility extensions that may be required hereafter by Developer, other customer, or other third party and are not the subject of this Agreement.

14. Developer warrants that Developer installed utility system will be constructed in accordance with the approved engineering plans and specifications referred to herein and that the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of initial acceptance by Service Company of Developer installed utility system.

15. Final acceptance and release of surety will be given by Service Company following completion of a one (1) year reinspection and correction of any deficiencies found at that time.

16. Developer agrees to pay all costs and expenses incurred by Service Company by reason of any breach of the warranties referred to in the previous paragraph.

17. Developer agrees to grant, at no cost to Service Company, any and all easements and restrictive covenants as required for the operation, maintenance and extension of Developer installed utility system. The easements for wastewater mains shall be shown on the engineering plans, documented on the appropriate forms, and recorded in the Public Records of Charlotte County, Florida, by Developer. Copies of the recorded easement instrument(s) shall be furnished to Service Company prior to initial acceptance of any Developer installed utility system.

18. The wastewater capacity to be reserved by this Agreement is 190 Gallons Per Day (GPD) per Equivalent Residential Connection (ERC) as determined in accordance with Service Company's approved Rules, Regulations and Service Availability Policy as amended by Charlotte County Ordinance No. 86-25. Based on information provided by Developer, and relied upon by Service Company, the number of ERC's has been determined to be 34 ERC's. The wastewater capacity reserved by this Agreement, therefore, is 34 ERC's times 190 GPD/ERC = 6,460 GPD. In consideration for reserving this capacity, Developer will pay Service Company a Connection Charge of ONE THOUSAND TWO HUNDRED FIFTY Dollars (\$ 1,250.00) per ERC plus any applicable federal and state income tax amount. The total Capacity Fee payment is FORTY-TWO THOUSAND FIVE HUNDRED Dollars (\$ 42,500.00). The federal and state income tax amount is SIXTEEN THOUSAND FIVE HUNDRED TWENTY-EIGHT AND 25/100 Dollars (\$ 16,528.25).

19. The parties further agree and recognize that certain contributions, fees, amounts and charges collected, and rules, regulations and operating procedures followed, by Service Company are subject to continuing approval and modification by the Board of County Commissioners of Charlotte County or other governmental or regulatory authorities. Developer hereby agrees that it will pay to Service Company all contributions, fees, amounts and other charges in accordance with, and be bound by all other provisions of, the Tariff approved for Service Company by the Board of County Commissioners of Charlotte County governmental or regulatory authority as being applicable

at the time that connections are made, services are provided or other actions are taken by Service Company, except as otherwise provided in this Agreement. Developer further agrees that it will comply with all rules, regulations and operating procedures of Service Company approved for Service Company by the Board of County Commissioners of Charlotte County or other governmental or regulatory authority as being applicable at the time that actions are to be taken by Developer or Service Company.

20. In no event shall Service Company be obligated to provide service to Developer's Property in excess of the wastewater treatment capacity as described in paragraph 18 above. In the event that all or part of Developer's Property requires additional wastewater treatment capacity, or facilities, to provide service to the Developer's Property, a new Service Agreement shall be negotiated and executed prior to granting the additional capacity or the installation of the additional facilities. Any such new Agreement shall be properly executed and conform to the Rules and Regulations in effect at the time of the execution of the new Agreement. Service Company reserves the right to deny additional capacity reservation.

21. Developer shall pay to Service Company the full, actual amount of the surveying, engineering, legal, administrative, inspection, and review costs incurred by Service Company in preparing and executing this Agreement; in extending the certificated area of Service Company to include all of Developer's Property; in conducting the review of the engineering plans and specifications; and in conducting observations, inspections and tests for the installation of developer installed and utility facilities to serve Developer's Property. A five hundred dollar (\$500.00) nonrefundable minimum deposit toward these costs shall be paid not later than the date of execution of this Agreement. The full amount of these costs shall be paid by Developer to Service Company when they are known and prior to the rendering of service to Developer's Property. The final billing by Service Company for these charges shall credit any deposits paid.

22. All amounts payable to Service Company are due upon receipt of billing and will be considered delinquent if payment in full is not received by Service Company within thirty (30) calendar days of the date of the invoice. Developer agrees to pay late charges of one and one half percent (1.5%) per month on any billings for delinquent or past due amounts.

Developer hereby acknowledges that any delinquent amount constitutes grounds for Service Company to withhold service from any portion of Developer's project.

23. Service Company agrees to abide by the terms and conditions of its franchise and to use reasonable diligence at all times in order to be able to meet its obligations under the terms and conditions of this Agreement.

24. Developer and Service Company agree to conform to, and be bound by, the then current terms and conditions of the documents itemized below as they may be amended from time to time.

- a) Schedule of Rates, Fees, and Charges, effective December 19, 1984 pursuant to an Order of the Board of County Commissioners of Charlotte County, issued February 20, 1985.
- b) Rules and Regulations, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.
- c) Service Availability Policy, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.

25. Charlotte County Ordinance No. 86-25, including any amendments thereto, is incorporated by reference in this Agreement.

26. Deposit in the first class mails of the United States by either party shall be deemed to be adequate service for all notices required by or arising out of this Agreement.

27. If there is any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

28. This Agreement may not be assigned without the express written consent of Service Company and shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

29. This Agreement supersedes any and all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company and made in respect to the matters contained

herein, and when duly executed by all parties hereto, constitutes the complete Agreement between Developer and Service Company.

30. This Agreement is at all times subject to review and alteration by the Board of County Commissioners of Charlotte County.

31. In the event that any provision of this Agreement is declared void by any Court or competent jurisdiction, such declaration shall in no way affect the validity of the remainder of this Agreement which shall remain in full force and effect.

Signed, sealed and delivered in the presence of:

W. L. Glendon

By: L. Allen Greer

Jesse W. Stewart
As to Developer

Lawrence L. Odson

Betty (Baird)

By: Robert A. Johnson

Linda Taylor
As to Service Company

EXHIBIT A

Monies Payable by Developer under this Agreement:

<u>APPLICATION</u>	<u>AMOUNT</u>	<u>DATE DUE</u>
Engineering & Inspection (Paragraph 21)	\$ 500.00	Upon Request
Capacity Fees (Paragraph 18)	\$	Upon Execution of Agreement
ERC's @ \$1,250	\$	
Tax Effect	\$	

Date

Name

INVOICE

Site

Engineering and Inspection

\$ 500.00

Connection Charges

Income Tax Gross Up
on Connection Charges

Total Due Sandalhaven Utilities, Inc.

ADDENDUM

This is an Addendum to that certain Service Agreement ("Agreement") dated the 30th day of January, 1989, between LEMON BAY GOLF AND COUNTRY CLUB, a joint venture, as Developer, and SANDALHAVEN UTILITY, INC. as Service Company, and in the event of conflict between the terms of this Addendum and said Service Agreement, the terms of this Addendum shall prevail.

1. It is agreed by the parties that the \$16,528.25 referred to in paragraph 18 of the Agreement as estimated Federal and State Income Taxes shall be placed in an interest-bearing federally insured bank account designated as a trust account for Developer. The parties agree to cooperate in structuring the transaction, contemplated herein so as to avoid some or all of Service Company's income tax liability arising out of the transaction and in the event they are successful, any remaining funds in said trust account not required to pay Service Company's income tax generated by this transaction shall be returned to Developer together with all interest accrued on said account.

2. It is agreed that in the event Service Company receives any payments from any other party for the use of the wastewater facilities paid for by Developer hereunder, Service Company will pay a portion of such third-party payments to Developer based upon the pro rata usage of such facilities by Developer's project and the third party's usage of such facilities.

3. Paragraph 14 of the Agreement is amended to provide that, rather than Developer directly warranting to Service Company the various elements of the installed utility system, Developer agrees that all contractors used in the construction of the utility system will agree to provide a one-year warranty covering materials and workmanship, running directly from the contractor to the Service Company.

4. In connection with Paragraph 21 of the Agreement, the Service Company does not intend to incur any surveying, engineering, legal, administrative, inspection or review costs in connection with the preparation and execution of the Agreement, unless some question or dispute as to the engineering, construction or inspection of the utility system to be constructed arises between the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum to the Service Agreement this the 30th day of January, 1989.

LEMON BAY GOLF AND
COUNTRY CLUB

By: L. Allen Green

Lawrence S. Dodson

SANDALHAVEN UTILITY, INC.

By: Robert W. Jones

SERVICE AGREEMENT

WASTEWATER

THIS AGREEMENT, made and entered into this 30th day of January, 1989, by and between LEMON BAY GOLF & COUNTRY CLUB, JOINT VENTURE, whose mailing address is 1800 2ND ST., SUITE 710, SARASOTA, Florida, 34236, hereinafter called "Developer", and SANDALHAVEN UTILITY INC., a Florida corporation whose mailing address is 6800 PLACIDA ROAD, ENGLEWOOD, Florida, 33533, hereinafter called "Service Company".

WITNESSETH:

WHEREAS, Service Company operates a wastewater system pursuant to a certificate issued by the Board of County Commissioners of Charlotte County, Florida, and

WHEREAS, Developer owns certain real property in Charlotte County, Florida, which is composed of approximately 46 acres, is known as "Eagle Reserve Estates" and is more particularly described as follows:

hereinafter referred to as "Developer's Property", and is about to improve said property (by developing a residential/multifamily/commercial land use, together with ancillary improvements thereon), and

WHEREAS, Developer desires a connection to Service Company's WASTEWATER system, hereinafter called "Service Company's Utility System"; and

WHEREAS, Developer recognizes and agrees that Service Company's obligations to provide wastewater service to Developer are at all times subject to governmental regulations, prohibitions, limitations and restrictions and that these factors are beyond the control and responsibility of Service Company.

NOW, THEREFORE, in consideration of the promises, mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete wastewater system, including lift stations and force mains, necessary to provide wastewater utility service to the Developer's Property as shown on the approved engineering plans and specifications prepared by Developer's professional engineer. Developer's specifications and the installation of Developer installed utility system must be in strict accordance with the latest revision of Service Company's Rules and Regulations, Service Availability Policy and Underground Construction Specifications. In case of conflicts with County Codes, the County Codes shall in all instances govern.

2. All engineering plans and specifications, prepared by Developer's engineer as provided in paragraph 1 above, shall be reviewed and approved by Service Company prior to Developer submitting said plans and specifications to any governmental agencies.

3. Service Company shall have the right, but not the obligation, to review and accept or reject any General Contractor(s) and/or Subcontractor(s) who propose to install wastewater mains, services, equipment or other related appurtenances prior to Developer entering into a contract or agreement with such contractor.

4. Service Company shall have the right, but not the obligation, to make inspections of all utility work as installation progresses. Service Company shall have the right to refuse to accept title to Developer installed utility system or refuse to initiate any service until Developer installed utility system has passed tests arranged by Developer and witnessed by Service

Company or Service Company's representatives to determine whether Developer installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed upon completion of the system; upon completion of all buildings, roads, paving, drainage, or other construction within the right-of-way, easement areas or adjacent areas; and again prior to expiration of any warranty period.

5. In addition to the other costs herein described, Developer agrees to pay any and all costs of inspecting, testing, leak location and any repairs deemed necessary by Service Company found as a result of said tests.

6. Completion of all tests and forms required herein must take place prior to initial acceptance of Developer installed utility system. Initial acceptance shall be deemed to have occurred either upon Service Company's execution of the FDER Certificate of Completion or upon Service Company's written acknowledgement that all requirements have been met.

7. Service Company shall not be required to accept Developer installed utility system, will issue no certifications, nor render any service, until all manhole lids and valve boxes are exposed at proper finish grade, all valves are operational, and all other requirements listed herein are completed.

8. Service Company's obligations under this Agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental and regulatory agencies. Developer hereby assumes all risk or loss as a result of the denial or withdrawal of the approval of any concerned governmental agency, or caused by any act of any governmental or regulatory agency, which affects the ability of the Service Company to provide wastewater service to Developer not within the sole control of Service Company and which, by exercise of due diligence, Service Company could not overcome.

9. Developer shall not be liable to Service Company for the inability or failure of Developer either to obtain governmental approvals or permits, or to complete timely the construction of facilities required of Developer herein.

10. Developer shall provide to Service Company a bill of sale, recorded easements, lien waivers and releases together with the itemized list of materials showing the actual cost of Developer installed utility system.

At time of conveyance, Developer will pay to the Service Company an amount equal to all applicable federal and state income tax amounts, currently estimated to be 38.89% of the cost, resulting from the Service Company accepting conveyance of the Developer installed utility system. Developer must also furnish Service Company with two (2) copies of the Record Plat of the Developer's Property, if any, plus a mylar sepia and four (4) complete copies of "As Built" drawings acceptable to Service Company, showing specific locations, both horizontal and vertical, of all facilities, including all valves, wastewater laterals, and other fittings within Developer installed utility system. Service Company shall not certify, accept, or render any service until all requirements are completed in a manner acceptable to Service Company.

11. Developer installed utility system, installed and conveyed to Service Company pursuant to the terms hereof, shall at all times remain the sole, complete and exclusive property of Service Company, its successors and assigns, and under the complete control of Service Company. The conveyance instrument will be the Bill of Sale, as specified previously herein.

12. This Agreement shall not prohibit or prevent Service Company from extending Service Company's Utility System in or to areas not referred to herein to serve other developers or consumers, so long as said extensions and the furnishings of said services do not interfere with the furnishing of the services provided by this Agreement.

13. The provisions of this Agreement shall not be construed as establishing a precedent in connection with the amount of any rates, fees, charges or contributions made by Developer, other customer, or other third party, or the acceptance thereof, on the part of Service Company for other wastewater utility extensions that may be required hereafter by Developer, other customer, or other third party and are not the subject of this Agreement.

14. Developer warrants that Developer installed utility system will be constructed in accordance with the approved engineering plans and specifications referred to herein and that the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of initial acceptance by Service Company of Developer installed utility system.

15. Final acceptance and release of surety will be given by Service Company following completion of a one (1) year reinspection and correction of any deficiencies found at that time.

16. Developer agrees to pay all costs and expenses incurred by Service Company by reason of any breach of the warranties referred to in the previous paragraph.

17. Developer agrees to grant, at no cost to Service Company, and all easements and restrictive covenants as required for the operation, maintenance and extension of Developer installed utility system. The easements for wastewater mains shall be shown on the engineering plans, documented on the appropriate forms, and recorded in the Public Records of Charlotte County, Florida, by Developer. Copies of the recorded easement instrument(s) shall be furnished to Service Company prior to initial acceptance of any Developer installed utility system.

18. The wastewater capacity to be reserved by this Agreement is 190 Gallons Per Day (GPD) per Equivalent Residential Connection (ERC) as determined in accordance with Service Company's approved Rules, Regulations and Service Availability Policy as amended by Charlotte County Ordinance No. 86-25. Based on information provided by Developer, and relied upon by Service Company, the number of ERC's has been determined to be 34 ERC's. The wastewater capacity reserved by this Agreement, therefore, is 34 ERC's times 190 GPD/ERC = 6,460 GPD. In consideration for reserving this capacity, Developer will pay Service Company a Connection Charge of ONE THOUSAND TWO HUNDRED FIFTY Dollars (\$ 1,250.00) per ERC plus any applicable federal and state income tax amount. The total Capacity Fee payment is FORTY-TWO THOUSAND FIVE HUNDRED Dollars (\$ 42,500.00). The federal and state income tax amount is SIXTEEN THOUSAND FIVE HUNDRED TWENTY-EIGHT AND 25/100 Dollars (\$ 16,528.25).

19. The parties further agree and recognize that certain contributions, fees, amounts and charges collected, and rules, regulations and operating procedures followed, by Service Company are subject to continuing approval and modification by the Board of County Commissioners of Charlotte County or other governmental or regulatory authorities. Developer hereby agrees that it will pay to Service Company all contributions, fees, amounts and other charges in accordance with, and be bound by all other provisions of the Tariff approved for Service Company by the Board of County Commissioners of Charlotte County governmental or regulatory authority as being applicable

at the time that connections are made, services are provided or other actions are taken by Service Company, except as otherwise provided in this Agreement. Developer further agrees that it will comply with all rules, regulations and operating procedures of Service Company approved for Service Company by the Board of County Commissioners of Charlotte County or other governmental or regulatory authority as being applicable at the time that actions are to be taken by Developer or Service Company.

20. In no event shall Service Company be obligated to provide service to Developer's Property in excess of the wastewater treatment capacity as described in paragraph 18 above. In the event that all or part of Developer's Property requires additional wastewater treatment capacity, or facilities, to provide service to the Developer's Property, a new Service Agreement shall be negotiated and executed prior to granting the additional capacity or the installation of the additional facilities. Any such new Agreement shall be properly executed and conform to the Rules and Regulations in effect at the time of the execution of the new Agreement. Service Company reserves the right to deny additional capacity reservation.

21. Developer shall pay to Service Company the full, actual amount of the surveying, engineering, legal, administrative, inspection, and review costs incurred by Service Company in preparing and executing this Agreement; in extending the certificated area of Service Company to include all of Developer's Property; in conducting the review of the engineering plans and specifications; and in conducting observations, inspections and tests for the installation of developer installed and utility facilities to serve Developer's Property. A five hundred dollar (\$500.00) nonrefundable minimum deposit toward these costs shall be paid not later than the date of execution of this Agreement. The full amount of these costs shall be paid by Developer to Service Company when they are known and prior to the rendering of service to Developer's Property. The final billing by Service Company for these charges shall credit any deposits paid.

22. All amounts payable to Service Company are due upon receipt of billing and will be considered delinquent if payment in full is not received by Service Company within thirty (30) calendar days of the date of the invoice. Developer agrees to pay late charges of one and one half percent (1.5%) per month on any billings for delinquent or past due amounts.

Developer hereby acknowledges that any delinquent amount constitutes grounds for Service Company to withhold service from any portion of Developer's project.

23. Service Company agrees to abide by the terms and conditions of its franchise and to use reasonable diligence at all times in order to be able to meet its obligations under the terms and conditions of this Agreement.

24. Developer and Service Company agree to conform to, and be bound by, the then current terms and conditions of the documents itemized below as they may be amended from time to time.

- a) Schedule of Rates, Fees, and Charges, effective December 19, 1984 pursuant to an Order of the Board of County Commissioners of Charlotte County, issued February 20, 1985.
- b) Rules and Regulations, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.
- c) Service Availability Policy, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.

25. Charlotte County Ordinance No. 86-25, including any amendments thereto, is incorporated by reference in this Agreement.

26. Deposit in the first class mails of the United States by either party shall be deemed to be adequate service for all notices required by or arising out of this Agreement.

27. If there is any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

28. This Agreement may not be assigned without the express written consent of Service Company and shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

29. This Agreement supersedes any and all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company and made in respect to the matters contained

herein, and when duly executed by all parties hereto, constitutes the complete Agreement between Developer and Service Company.

30. This Agreement is at all times subject to review and alteration by the Board of County Commissioners of Charlotte County.

31. In the event that any provision of this Agreement is declared void by any Court or competent jurisdiction, such declaration shall in no way affect the validity of the remainder of this Agreement which shall remain in full force and effect.

Signed, sealed and delivered
in the presence of:

Wm. I. Storde

By: L. Allen Green

Jayce W. Stewart
As to Developer

Laurie L. Dobson

Betty Clements

By: Robert M. [Signature]

Linda Taylor
As to Service Company

EXHIBIT A

Monies Payable by Developer under this Agreement:

<u>APPLICATION</u>	<u>AMOUNT</u>	<u>DATE DUE</u>
Engineering & Inspection (Paragraph 21)	\$ 500.00	Upon Request
Capacity Fees (Paragraph 18)	\$	Upon Execution of Agreement
ERC's @ \$1,250	\$	
Tax Effect	\$.	

Date

Name

I N V O I C E

Site

Engineering and Inspection

\$ 500.00

Connection Charges

Income Tax Cross Up
on Connection Charges

Total Due Sandalhaven Utilities, Inc.

ADDENDUM

This is an Addendum to that certain Service Agreement ("Agreement") dated the _____ day of January, 1989, between LEMON BAY GOLF AND COUNTRY CLUB, a joint venture, as Developer, and SANDALHAVEN UTILITY, INC. as Service Company, and in the event of conflict between the terms of this Addendum and said Service Agreement, the terms of this Addendum shall prevail.

1. It is agreed by the parties that the \$16,528.25 referred to in paragraph 18 of the Agreement as estimated Federal and State Income Taxes shall be placed in an interest-bearing federally insured bank account designated as a trust account for Developer. The parties agree to cooperate in structuring the transaction, contemplated herein so as to avoid some or all of Service Company's income tax liability arising out of the transaction and in the event they are successful, any remaining funds in said trust account not required to pay Service Company's income tax generated by this transaction shall be returned to Developer together with all interest accrued on said account.

2. It is agreed that in the event Service Company receives any payments from any other party for the use of the wastewater facilities paid for by Developer hereunder, Service Company will pay a portion of such third-party payments to Developer based upon the pro rata usage of such facilities by Developer's project and the third party's usage of such facilities.

3. Paragraph 14 of the Agreement is amended to provide that, rather than Developer directly warranting to Service Company the various elements of the installed utility system, Developer agrees that all contractors used in the construction of the utility system will agree to provide a one-year warranty covering materials and workmanship, running directly from the contractor to the Service Company.

4. In connection with Paragraph 21 of the Agreement, the Service Company does not intend to incur any surveying, engineering, legal, administrative, inspection or review costs in connection with the preparation and execution of the Agreement, unless some question or dispute as to the engineering, construction or inspection of the utility system to be constructed arises between the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum to the Service Agreement this the 30th day of January, 1989.

LEMON BAY GOLF AND
COUNTRY CLUB

Wm. I. Strode

By: L. Allen Greer

Jayce W. Stewart

Lawrence L. Odson

SANDALHAVEN UTILITY, INC.

Betty Clemens

By: Robert M. Johnson

Linda Taylor

WASTEWATER SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 12th day of June, 1995, by and between Cape Haze Marina Village, Incorporated, a Florida corporation, whose mailing address is Post Office Box 326, Placida, Florida, 33946, hereinafter referred to as "Developer", and Sandalhaven Utility, Inc., a Florida corporation, whose mailing address is 6800 Placida Road, Englewood, Florida 34224, hereinafter referred to as "Service Company".

WITNESSETH:

WHEREAS, Service Company is properly authorized to operate a wastewater system in Charlotte County, Florida, and

WHEREAS, Developer owns certain real property in Charlotte County, Florida, which is composed of approximately 16 acres, is known as Cape Haze Marina Village, and is more particularly described as follows:

The South one-half of Lot 25, lying West of County Road 775, GROVE CITY LAND COMPANY SUBDIVISION of Section 28, Township 41 South, Range 20 East, as recorded in Plat Book 1, Page 19, of the Public Records of Charlotte County, Florida.

Together with the lands described as:

Commence at the Northeast corner of Lot 24, Grove City Land Company Subdivision of Section 28, Township 41 South, Range 20 East, as recorded in Plat Book 1, Page 19, of the Public Records of Charlotte County, Florida; thence with the East line of said Lot 24 and referring all courses of this description to said line (being South 01°02'17" West - assumed) South 01°02'17" West, a distance of 25.00 feet to a concrete monument found on the Southerly Right of Way line of Esther Street (50 Feet Wide) and for a Point of Beginning; thence continuing with said East line South 01°02'17" West a distance of 642.00 feet to the South line of said Lot 24, as monumented; thence with said South line and the extension thereof, South 89°56'02" West, a distance of 1080.77 feet to the Mean High Water Line of Lemon Bay; thence with the sinuosities of the Mean High Water Line in a Northerly direction of 370 feet, more or less, to a point in the mangroves; thence leaving the Mean High Water Line and running with the Bay side of a strip of mangroves in a Northeasterly direction 215 feet, more or less; thence leaving said mangroves and crossing the channel to this marina in a Northeasterly direction 115 feet, more or less, to the seaward face and the Westerly end of an existing concrete seawall; thence with the seaward face of said seawall the eight (8) following courses:

- 1) South 50°20'45" East, a distance of 42.31 feet to a drill hole set; thence

- 2) South 25°47'05" East, a distance of 54.45 feet to a drill hole set; thence
- 3) South 52°36'39" East, a distance of 5.92 feet to a drill hole set; thence
- 4) North 89°59'25" East, a distance of 234.57 feet to a drill hole set; thence
- 5) South 02°08'20" West, a distance of 24.04 feet to a drill hole set; thence
- 6) South 42°82'11" East, a distance of 48.10 feet to a drill hole set; thence
- 7) South 74°53'44" East, a distance of 42.46 feet to a drill hole set; thence
- 8) North 40°52'11" East, a distance of 80.01 feet to a drill hole set; thence

leaving the seaward face of the seawall North 00°00'39" East, a distance of 2.76 feet to a concrete monument found (PLS. No. 3889) at the Southwest corner of Parcel One, as shown on the Condominium Plat of Seagull Moorings, as recorded in Condominium Plat Book 5, Pages 8-A and 8-B of the aforementioned Public Records; thence with the South line of Parcel One South 89°54'58" East, a distance of 1.21 feet to the Northwest corner of Parcel Two, as shown on said Condominium Plat; thence with said Parcel Two, the three following courses: South 00°05'02" West, a distance of 28.50 feet; South 89°54'58" East, a distance of 440.04 feet to the seaward face of a seawall; thence along said face of seawall North 00°00'39" East, a distance of 28.50 feet to the Southeast corner of Parcel One; thence with the East line of Parcel One, North 00°00'39" East, a distance of 105.77 feet to a monument found on the aforementioned South right-of-way line of Esther Street; thence with said right-of-way line East a distance of 109.51 feet to the Point of Beginning.

Together with non-exclusive easement described as:

Commence at the Northeast corner of Lot 24, Grove City Land Company Subdivision of Section 28, Township 41 South, Range 20 East, as recorded in Plat Book 1, Page 19 of the Public Records of Charlotte County, Florida; thence along the East line of Lot 24, South 01°02'17" West, 25.00 feet; thence parallel to the North line of said Lot 24, West 109.51 feet; thence South 00°00'39" West, 149.52 feet to the Point of Beginning being the centerline of a 37.5 foot wide easement; thence along the centerline thereof North 89°54'58" West, 414 feet, more or less, thence South 54°00'00" West, 80 feet; thence North 89°54'58" West, 306 feet; thence North 26°10'00" West, 180 feet; thence North 71°10'00" West, 97 feet; thence South 61°30'00" West, 308 feet, more or less, to intersect the Eastern most right-of-way line of the intercoastal waterway.

hereinafter to referred to as "Developer's Property", and is about to improve said property (by developing a multifamily land use, together with ancillary improvements thereon), including boat slips, dry storage, offices, restrooms, clubhouse, pools and

a service area, all as shown in the plans and specifications for Cape Haze Marina Village, and

WHEREAS, Developer desires a connection to Service Company's wastewater system, hereinafter referred to as "Service Company's Utility System", and

WHEREAS, Developer recognizes and agrees that Service Company's obligations to provide wastewater service to Developer are at all times subject to governmental regulations, prohibitions, limitations and restrictions and that these factors are beyond the control and responsibility of Service Company.

NOW THEREFORE, in consideration of the promises, mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1.A. Developer shall, in accordance with the terms of this Agreement, construct and convey to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete wastewater system, including lift stations and force mains, necessary to provide wastewater utility service to the Developer's Property as shown on the approved engineering plans and specifications prepared by Developer's professional engineer. Developer's specifications and the installation of Developer's installed utility system must be in strict accordance with the latest revision of the Service Company's Rules and Regulations, Service Availability Policy and Underground Construction Specifications. In case of conflicts with County Codes, the County Codes shall in all instances govern. It shall be the responsibility of the Developer to provide an appropriate contract between the Service Company and the property owners association which is intended to be responsible for the maintenance and operation of the residential units to be constructed on Developer's property.

1.B. Initially and temporarily, in order to provide immediate service to the Developer's property, the Developer shall be permitted to connect the proposed 4" developer installed

force main to an existing force main owner by the Service Company which is located adjacent to State Road 776. However, the Developer, within thirty (30) days after receiving notice from the Service Company agrees to diligently permit and construct the required additional 4" force main from the temporary interconnection to its proper terminus at the Service Company's wastewater treatment plant. If the Developer fails or refuses to promptly complete the construction of the required additional 4" force main, the Service Company has the right, on written notice to Developer, to construct the required additional 4" force main at the Developer's expense. The Developer agrees to reimburse the Service Company within forty-five (45) days after receipt of the actual costs of construction which will include but not be limited to engineering fees, surveyor fees, permit fees and other out of pocket construction costs. In no event shall the Developer be required to pay any costs of expenses associated with obtaining easements for the construction of the additional force main. Service Company shall provide Developer with said easements at the time of notice to proceed with construction.

2. All engineering plans and specifications, prepared by Developer's engineer as provided in paragraph 1 above, shall be reviewed and approved by Service Company prior to Developer submitting said plans and specifications to any governmental agencies.

3. Service Company shall have the right, but not the obligation, to review and accept or reject any General Contractor(s) and/or Subcontractor(s) who propose to install wastewater mains, services, equipment or other related appurtenances prior to Developer entering into a contract or agreement with such contractor.

4. Service Company shall have the right, but not the obligation, to make inspections of all utility work as installation progresses. Service Company shall have the right to refuse to accept title to Developer's installed utility system or refuse to initiate any service until Developer's installed

utility system has passed tests arranged by Developer and witnessed by Service Company or Service Company's representatives to determine whether Developer's installed utility system is constructed in accordance with the approved engineering plans and specifications. Said tests may be performed upon completion of the system; upon completion of all buildings, roads, paving, drainage, or other construction with the right-of-way, easement areas or adjacent areas; and again prior to expiration of any warranty period.

5. In addition to the other costs herein described Developer agrees to pay any and all reasonable costs of inspecting, testing, leak location and any repairs deemed necessary by Service Company found as a result of said tests.

6. Completion of all tests and forms required herein must take place prior to initial acceptance of Developer's installed utility system. Initial acceptance shall be deemed to have occurred either upon Service Company's execution of the Florida Department of Environmental Protection Certificate of Completion or upon Service Company's other appropriate written acknowledgement that all requirements have been met.

7. Service Company shall not be required to accept Developer's installed utility system, will issue no certifications nor render any service, until all manhole lids and valve boxes are exposed at proper finish grade, all valves are operational, and all other requirements listed herein are completed.

8. Service Company's obligations under this agreement are contingent upon Service Company and Developer obtaining all necessary approvals from all governmental and regulatory agencies having jurisdiction. Developer hereby assumes all risk of loss as a result of the denial or withdrawal of the approval of any concerned governmental agency, or caused by any act of any governmental or regulatory agency which affects the ability of the Service Company to provide wastewater service to Developer

part of Service Company for other wastewater utility extensions that may be required hereafter by Developer, other customer, or other third party and are not the subject of this Agreement.

14. Developer warrants that Developer's installed utility system will be constructed in accordance with the approved engineering plans and specifications referred to herein and that the same will be free from any defects in materials or workmanship for a period of one (1) year following the date of initial acceptance by Service Company of Developer's installed utility system.

15. Final acceptance will be given by Service Company following completion of a one (1) year reinspection and correction of any deficiencies found at that time.

16. Developer agrees to pay all costs and expenses incurred by Service Company by reason of any breach of the warranties referred to in the previous paragraph.

17. Developer agrees to grant across or over Developer's Property, at no cost to Service Company, any and all easements and restrictive covenants as required for the operation, maintenance and extension of Developer's utility system. The easements for wastewater mains shall be shown on the engineering plans, documented in appropriate form, and recorded in the Public Records of Charlotte County, Florida, by Developer. Copies of the recorded easement instrument(s) shall be furnished to Service Company prior to initial acceptance of any Developer installed utility system.

18. Service Company represents that it has the wastewater treatment capacity and regulatory authority to enter into this Agreement and provide service to Developer. The wastewater capacity reserved by this Agreement is 11,290 gallons per day (GPD) as determined in accordance with Service Company's approved Rules, Regulations and Service Availability Policy. Based on information provided by Developer, and relied upon by Service Company, as outlined in that certain letter dated April 28, 1995 from Dufresne-Henry, Inc. to Cape Haze Marina Village, attached

hereto and made a part hereof, the number of ERC's has been determined to be 59.4. The wastewater capacity reserved by this Agreement, therefore, is 59.4 ERC's times 190 GPD/ERC = 11,290 GPD. In consideration for reserving this capacity, Developer will pay Service Company, simultaneous with the execution of this Agreement, total capacity charges of \$74,295.00 plus the appropriate federal income tax amount of \$22,788.00, for a total payment of \$97,083.00. The federal income tax amount shall be held in escrow by Service Company in an Englewood Bank in a segregated interest bearing account designated for Developer until no later than September 15, 1996, whereupon the amount in the account in excess of the amount needed to pay federal income tax on the connection charges paid by Developer shall be refunded to Developer, including interest, if any. Developer is hereby authorized to confirm the status of the account. If an additional income tax gross up amount is due, the Service Company has the right to provide the necessary documentation to support the same and the Developer hereby agrees to pay the additional tax within forty-five (45) days after notice by the Service Company. The maximum tax gross up percentage the Service Company might be entitled to in 1995, based on the existing corporate tax rates of 5.5% for State income tax purposes and a maximum federal marginal income tax rate of 39%, would be 73.4756%.

19. Any notices required or permitted to be given under this Wastewater Service Agreement shall be in writing and shall be deemed to have been given if delivered by hand, sent by recognized overnight courier (such as Federal Express), transmitted by facsimile or mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed as follows:

If to Service Company:

Sandalhaven Utilities
6800 Placida Road
Englewood, Florida 34224
ATTN: Mr. Robert W. Spade
FAX: (813) 697-5001
PHONE: (813) 697-3443

With a copy to:

Regulatory Consultants, Inc.
401 Interstate Boulevard
Sarasota, Florida 34240
ATTN: Mr. George MacFarlane
FAX: (813) 379-2828
PHONE: (813) 371-8499

If to Developer:

Cape Haze Marina Village, Incorporated
Post Office Box 326
Placida, Florida 33946
ATTN: Mr. Ron Dittmar
FAX: (813) 473-9084
PHONE: (813) 473-9084

If to Escrow Agent:

Batsel, McKinley, Ittersagen,
Gunderson & Berntsson, P.A.
18401 Murdock Circle
Port Charlotte, Florida 33948
ATTN: Michael R. McKinley, Esquire
FAX: (813) 627-1000
PHONE: (813) 255-0684

Notices personally delivered or sent by overnight courier shall be deemed given on the date of delivery, notices transmitted by facsimile shall be deemed given when the receipt of the transmission is confirmed and notices mailed in accordance with the foregoing shall be deemed given three (3) days after deposit in the U.S. mail.

20. The parties further agree and recognize that certain contributions, fees, amounts and charges collected, and rules, regulations and operating procedures followed, by Service Company are subject to continuing approval and modifications by governmental or regulatory authorities having jurisdiction. Developer hereby agrees that it will pay to Service Company all contributions, fees, amounts and other charges in accordance with and be bound by all other provisions of, the Tariff approved for Service Company by governmental or regulatory authorities as being applicable at the time that connections are made, services are provided or other actions are taken by Service Company, except as otherwise provided in this Agreement. Developer further agrees that it will comply with all rules, regulations and operating procedures of Service Company approved for Service Company by governmental or regulatory authorities having

jurisdiction as being applicable at the time that actions are to be taken by Developer or Service Company.

21. In no event shall Service Company be obligated to provide service to Developer's Property in excess of the wastewater treatment capacity as described in paragraph 18 above. In the event that all or part of Developer's Property requires additional wastewater treatment capacity, or facilities, to provide service to the Developer's Property, a new Service Agreement shall be negotiated and executed prior to granting the additional capacity or the installation of the additional facilities. Any such new Agreement shall be properly executed and conform to the Rules and Regulations in effect at the time of the execution of the new Agreement. Service Company reserves the right to deny additional capacity reservation.

22. Developer shall pay to Service Company the full, actual amount of the surveying, engineering, legal, administrative, inspection and review costs incurred by Service Company in preparing and executing this Agreement; in extending the certificated area of Service Company to include all of Developer's Property; in conducting the review of the engineering plans and specifications; and in conducted observations, inspections and tests for the installation of developer installed and utility facilities to service Developer's Property. A five hundred dollar (\$500.00) nonrefundable minimum deposit toward these costs shall be paid not later than the date of execution of this Agreement. The full amount of these costs shall be paid by Developer to Service Company when they are known and prior to the rendering of service to Developer's Property. The final billing by Service Company for these charges shall credit any deposits paid. In no event shall Developer's obligation pursuant to this paragraph exceed \$2,000.00.

23. All amounts payable to Service Company are due upon receipt of billing and will be considered delinquent if payment in full is not received by Service Company within thirty (30) calendar days of the date of the invoice. Developer agrees to

pay late charges of one and one half percent (1.5%) per month on any billings for delinquent or past due amounts. Developer hereby acknowledges that any delinquent amount constitutes grounds for Service Company to withhold service from any portion of Developer's Project.

24. Service Company agrees to abide by the terms and conditions of its franchise and to use reasonable diligence at all times in order to be able to meet its obligations under the terms and conditions of this Agreement.

25. Developer and Service Company agree to conform to and be bound by, the then current terms and conditions of the documents itemized below as they may be amended from time to time, subject to the amounts paid pursuant to paragraph 18 of this agreement.

A. Schedule of Rates, Fees and Charges, effective December 19, 1984 pursuant to an Order of the Board of County Commissioners of Charlotte County, issued February 20, 1985.

B. Rules and Regulations, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.

C. Service Availability Policy, effective December 19, 1984, pursuant to an Order of Board of County Commissioners of Charlotte County, issued February 20, 1985.

26. Charlotte County Ordinance No. 86-25, including any amendments thereto, is incorporated by reference in this Agreement.

27. Deposit in the first class mails of the United States by either party shall be deemed to be adequate service for all notices required by or arising out of this Agreement.

28. If there is any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

29. This Agreement may not be assigned without the express written consent of Service Company and shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

30. This Agreement supersedes any and all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company and made in respect to the matters contained herein, and when duly executed by all parties hereto, constitutes the complete Agreement between Developer and Service Company.

31. This Agreement is at all times subject to review and alteration by the Public Service Commission.

32. In the event that any provision of this Agreement is declared void by any Court of competent jurisdiction, such declaration shall in no way affect the validity of the remainder of this Agreement which shall remain in full force and effect.

Signed sealed and delivered
in the presence of:

SANDALHAVEN UTILITY, INC., a
Florida corporation

Witness

Witness

BY:

as its President

Witness

Witness

BY:

as its President

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Revision Date: June 7, 1995 (8:00am)

29. This Agreement may not be assigned without the express written consent of Service Company and shall inure to the benefit of and be binding upon the parties, their legal representatives, heirs, successors and assigns.

30. This Agreement supersedes any and all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company and made in respect to the matters contained herein, and when duly executed by all parties hereto, constitutes the complete Agreement between Developer and Service Company.

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SANDALHAVEN UTILITY, INC., a
Florida corporation

Witness

Witness

BY:

as its President

Witness

Witness

BY:

as its President

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Revision Date: June 7, 1995 (9:00am)