

Select Year: 2009

The 2009 Florida Statutes

<u>Title XXVIII</u>	<u>Chapter 373</u>	<u>View Entire</u>
NATURAL RESOURCES; CONSERVATION,	WATER	<u>Chapter</u>
RECLAMATION, AND USE	RESOURCES	

373.016 Declaration of policy.--

- (1) The waters in the state are among its basic resources. Such waters have not heretofore been conserved or fully controlled so as to realize their full beneficial use.
- (2) The department and the governing board shall take into account cumulative impacts on water resources and manage those resources in a manner to ensure their sustainability.
- (3) It is further declared to be the policy of the Legislature:
 - (a) To provide for the management of water and related land resources;
 - (b) To promote the conservation, replenishment, recapture, enhancement, development, and proper utilization of surface and ground water;
 - (c) To develop and regulate dams, impoundments, reservoirs, and other works and to provide water storage for beneficial purposes;
 - (d) To promote the availability of sufficient water for all existing and future reasonable-beneficial uses and natural systems;
 - (e) To prevent damage from floods, soil erosion, and excessive drainage;
 - (f) To minimize degradation of water resources caused by the discharge of stormwater;
 - (g) To preserve natural resources, fish, and wildlife;
 - (h) To promote the public policy set forth in s. 403.021;
 - (i) To promote recreational development, protect public lands, and assist in maintaining the navigability of rivers and harbors; and
 - (j) Otherwise to promote the health, safety, and general welfare of the people of this state.

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO.	090478-WS	EXHIBIT	37
PARTY	SKYLAND (REBUTTAL)		
DESCRIPTION	GERALD C. HARTMAN (GCH-4)		
DATE	09/23/10		

DOCUMENT NUMBER DATE
08196 SEP 30 2010
FPSC-COMMISSION CLERK

In implementing this chapter, the department and the governing board shall construe and apply the policies in this subsection as a whole, and no specific policy is to be construed or applied in isolation from the other policies in this subsection.

(4)(a) Because water constitutes a public resource benefiting the entire state, it is the policy of the Legislature that the waters in the state be managed on a state and regional basis. Consistent with this directive, the Legislature recognizes the need to allocate water throughout the state so as to meet all reasonable-beneficial uses. However, the Legislature acknowledges that such allocations have in the past adversely affected the water resources of certain areas in this state. To protect such water resources and to meet the current and future needs of those areas with abundant water, the Legislature directs the department and the water management districts to encourage the use of water from sources nearest the area of use or application whenever practicable. Such sources shall include all naturally occurring water sources and all alternative water sources, including, but not limited to, desalination, conservation, reuse of nonpotable reclaimed water and stormwater, and aquifer storage and recovery. Reuse of potable reclaimed water and stormwater shall not be subject to the evaluation described in s. 373.223(3)(a)-(g). However, this directive to encourage the use of water, whenever practicable, from sources nearest the area of use or application shall not apply to the transport and direct and indirect use of water within the area encompassed by the Central and Southern Florida Flood Control Project, nor shall it apply anywhere in the state to the transport and use of water supplied exclusively for bottled water as defined in s. 500.03(1)(d), nor shall it apply to the transport and use of reclaimed water for electrical power production by an electric utility as defined in section 366.02(2).

(b) In establishing the policy outlined in paragraph (a), the Legislature realizes that under certain circumstances the need to transport water from distant sources may be necessary for environmental, technical, or economic reasons.

(5) The Legislature recognizes that the water resource problems of the state vary from region to region, both in magnitude and complexity. It is therefore the intent of the Legislature to vest in the Department of Environmental Protection or its successor agency the power and responsibility to accomplish the conservation, protection, management, and control of the waters of the state and with sufficient flexibility and discretion to accomplish these ends through delegation of appropriate powers to the various water management districts. The department may exercise any power herein authorized to be exercised by a water management district; however, to the greatest extent practicable, such power should be delegated to the governing board of a water management district.

(6) It is further declared the policy of the Legislature that each water management district, to the extent consistent with effective management practices, shall approximate its fiscal and budget policies and procedures to those of the state.

History.--s. 2, part I, ch. 72-299; s. 36, ch. 79-65; s. 70, ch. 83-310; s. 5, ch. 89-279; s. 20, ch. 93-213; s. 250, ch. 94-356; s. 1, ch. 97-160; s. 1, ch. 98-88.

Select Year: 2009

The 2009 Florida Statutes

[Title XXIX](#)
PUBLIC HEALTH

[Chapter 403](#)
ENVIRONMENTAL CONTROL

[View Entire Chapter](#)

403.021 Legislative declaration; public policy.--

(1) The pollution of the air and waters of this state constitutes a menace to public health and welfare; creates public nuisances; is harmful to wildlife and fish and other aquatic life; and impairs domestic, agricultural, industrial, recreational, and other beneficial uses of air and water.

(2) It is declared to be the public policy of this state to conserve the waters of the state and to protect, maintain, and improve the quality thereof for public water supplies, for the propagation of wildlife and fish and other aquatic life, and for domestic, agricultural, industrial, recreational, and other beneficial uses and to provide that no wastes be discharged into any waters of the state without first being given the degree of treatment necessary to protect the beneficial uses of such water.

(3) It is declared to be the public policy of this state and the purpose of this act to achieve and maintain such levels of air quality as will protect human health and safety and, to the greatest degree practicable, prevent injury to plant and animal life and property, foster the comfort and convenience of the people, promote the economic and social development of this state, and facilitate the enjoyment of the natural attractions of this state. In accordance with the public policy established herein, the Legislature further declares that the citizens of this state should be afforded reasonable protection from the dangers inherent in the release of toxic or otherwise hazardous vapors, gases, or highly volatile liquids into the environment.

(4) It is declared that local and regional air and water pollution control programs are to be supported to the extent practicable as essential instruments to provide for a coordinated statewide program of air and water pollution prevention, abatement, and control for the securing and maintenance of appropriate levels of air and water quality.

(5) It is hereby declared that the prevention, abatement, and control of the pollution of the air and waters of this state are affected with a public interest, and the provisions of this act are enacted in the exercise of the police powers of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state.

(6) The Legislature finds and declares that control, regulation, and abatement of the activities which are causing or may cause pollution of the air or water resources in the state and which are or may be detrimental to human, animal, aquatic, or plant life, or to property, or unreasonably interfere with the comfortable enjoyment of life or property be increased to ensure conservation of natural resources; to

ensure a continued safe environment; to ensure purity of air and water; to ensure domestic water supplies; to ensure protection and preservation of the public health, safety, welfare, and economic well-being; to ensure and provide for recreational and wildlife needs as the population increases and the economy expands; and to ensure a continuing growth of the economy and industrial development.

(7) The Legislature further finds and declares that:

(a) Compliance with this law will require capital outlays of hundreds of millions of dollars for the installation of machinery, equipment, and facilities for the treatment of industrial wastes which are not productive assets and increased operating expenses to owners without any financial return and should be separately classified for assessment purposes.

(b) Industry should be encouraged to install new machinery, equipment, and facilities as technology in environmental matters advances, thereby improving the quality of the air and waters of the state and benefiting the citizens of the state without pecuniary benefit to the owners of industries; and the Legislature should prescribe methods whereby just valuation may be secured to such owners and exemptions from certain excise taxes should be offered with respect to such installations.

(c) Facilities as herein defined should be classified separately from other real and personal property of any manufacturing or processing plant or installation, as such facilities contribute only to general welfare and health and are assets producing no profit return to owners.

(d) In existing manufacturing or processing plants it is more difficult to obtain satisfactory results in treating industrial wastes than in new plants being now planned or constructed and that with respect to existing plants in many instances it will be necessary to demolish and remove substantial portions thereof and replace the same with new and more modern equipment in order to more effectively treat, eliminate, or reduce the objectionable characteristics of any industrial wastes and that such replacements should be classified and assessed differently from replacements made in the ordinary course of business.

(8) The Legislature further finds and declares that the public health, welfare, and safety may be affected by disease-carrying vectors and pests. The department shall assist all governmental units charged with the control of such vectors and pests. Furthermore, in reviewing applications for permits, the department shall consider the total well-being of the public and shall not consider solely the ambient pollution standards when exercising its powers, if there may be danger of a public health hazard.

(9)(a) The Legislature finds and declares that it is essential to preserve and maintain authorized water depth in the existing navigation channels, port harbors, turning basins, and harbor berths of this state in order to provide for the continued safe navigation of deepwater shipping commerce. The department shall recognize that maintenance of authorized water depths consistent with port master plans developed pursuant to s. 163.3178(2)(k) is an ongoing, continuous, beneficial, and necessary activity that is in the public interest; and it shall develop a regulatory process that shall enable the ports of this state to conduct such activities in an environmentally sound, safe, expeditious, and cost-efficient

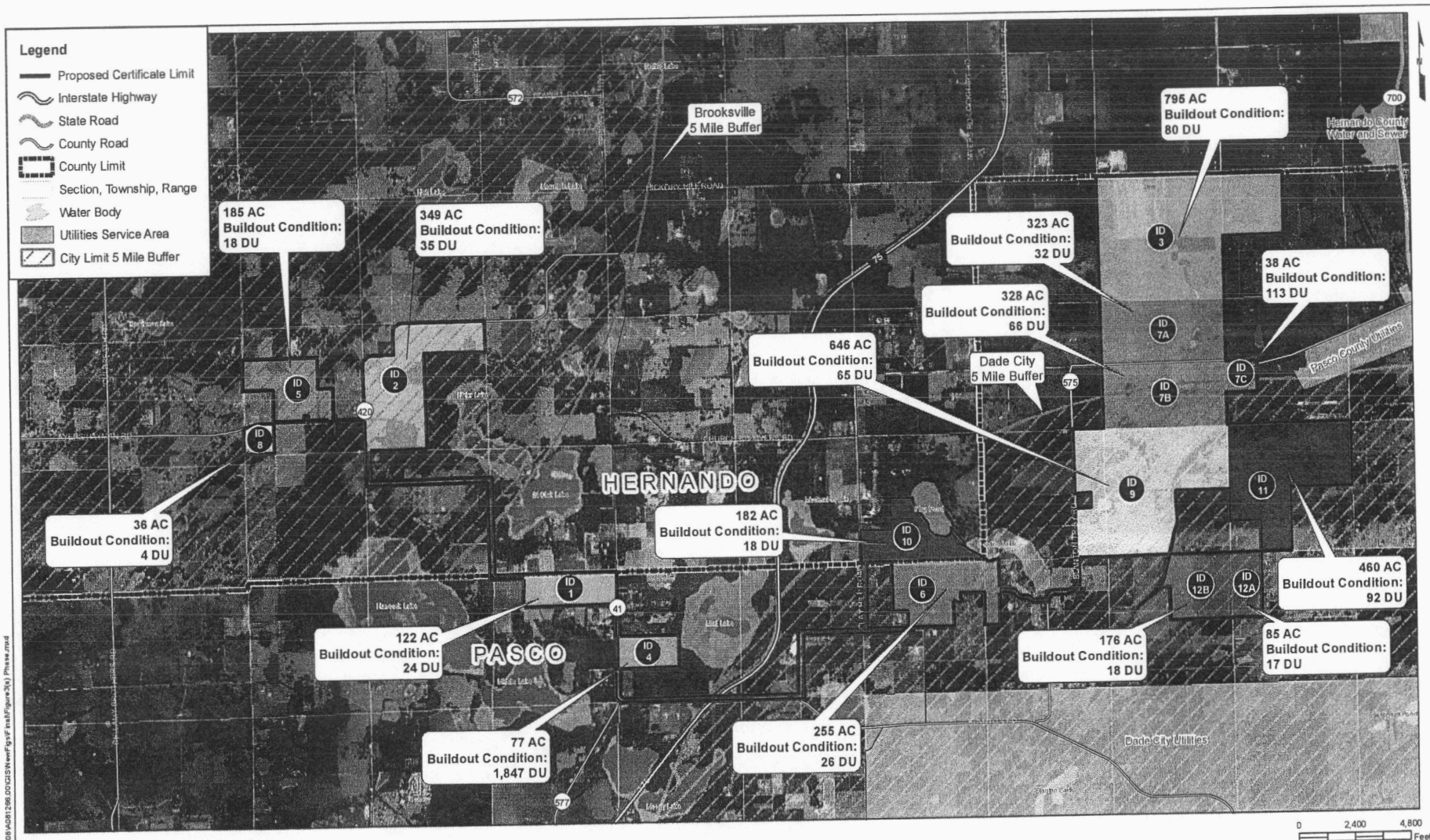
manner. It is the further intent of the Legislature that the permitting and enforcement of dredging, dredged-material management, and other related activities for Florida's deepwater ports pursuant to this chapter and chapters 161, 253, and 373 shall be consolidated within the department's Division of Water Resource Management and, with the concurrence of the affected deepwater port or ports, may be administered by a district office of the department or delegated to an approved local environmental program.

(b) The provisions of paragraph (a) apply only to the port waters, dredged-material management sites, port harbors, navigation channels, turning basins, and harbor berths used for deepwater commercial navigation in the ports of Jacksonville, Tampa, Port Everglades, Miami, Port Canaveral, Ft. Pierce, Palm Beach, Port Manatee, Port St. Joe, Panama City, St. Petersburg, Pensacola, Fernandina, and Key West.

(10) It is the policy of the state to ensure that the existing and potential drinking water resources of the state remain free from harmful quantities of contaminants. The department, as the state water quality protection agency, shall compile, correlate, and disseminate available information on any contaminant which endangers or may endanger existing or potential drinking water resources. It shall also coordinate its regulatory program with the regulatory programs of other agencies to assure adequate protection of the drinking water resources of the state.

(11) It is the intent of the Legislature that water quality standards be reasonably established and applied to take into account the variability occurring in nature. The department shall recognize the statistical variability inherent in sampling and testing procedures that are used to express water quality standards. The department shall also recognize that some deviations from water quality standards occur as the result of natural background conditions. The department shall not consider deviations from water quality standards to be violations when the discharger can demonstrate that the deviations would occur in the absence of any human-induced discharges or alterations to the water body.

History.--s. 3, ch. 67-436; s. 1, ch. 78-98; ss. 1, 5, ch. 81-228; s. 4, ch. 84-79; s. 46, ch. 84-338; s. 11, ch. 85-269; s. 1, ch. 85-277; s. 8, ch. 86-186; s. 3, ch. 86-213; s. 143, ch. 96-320; s. 1004, ch. 97-103; s. 4, ch. 99-353.



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P 407.423.8398 - F 407.843.1070

DEVELOPMENT PHASES - FINAL
SKYLAND UTILITIES, INC.
EVANS PROPERTIES, INC. (PO #675380)

FIGURE
3(a)
06/01/2010

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 090478-WS EXHIBIT 38
COMPANY Skyland (Rebuttal)
WITNESS GERALD C. HARTMAN (GCH-5)
DATE 09/23/10

Daniel DeLisi, AICP

Phone: (239) 390-2729 • E-Mail: dan@delisifitzgerlad.com

EDUCATION:

Massachusetts Institute of Technology (9/98 – 6/00)

Master of City Planning (M.C.P), Urban Design Certificate (U.D.C.)

Courses and Research on Urban Design and Conflict Resolution

GPA: 4.8 out of 5.0; 206 credits (150 credits necessary for the M.C.P. degree)

Brandeis University (9/91-5/95)

B.A., East Asian Studies

Graduated May 1995

Dean's List, Cum Laude

EXPERIENCE:

DeLisi Fitzgerald, Inc.

July 2006 – Present

Principal/Owner: Serve as the lead planner for the entitlement of developments in Southwest, Southeast and Central Florida; consult for local governments on public outreach, dispute resolution and comprehensive planning; and provide expert witness testimony throughout the State of Florida.

The Bonita Bay Group

June 2004 – July 2006

Director of Planning: Manage all land use entitlements for projects in Lee, Collier, Charlotte, and Hendry Counties. Manage land use policy initiatives at a local and state level. Represent the Bonita Bay Group and the industry on policy committees and as a lobbyist before the state legislature and on a local level.

Barraco and Associates, Inc.

January 2003 – June 2004

Vice President of Planning: Manage a department of planners, landscape designers and support staff. Facilitated planning processes and wrote land development regulations in Charlotte County, Lee County and the City of LaBelle. Coordinated and managed multi-disciplinary teams of professionals for re-zonings and Comprehensive Plan Amendments on developments in Charlotte County, Lee County, Hendry County and DeSoto County, ranging in size from .5 acres to 5,300 acres.

Vanasse & Daylor, LLP

September 2000 – December 2003

Senior Planner: Coordinated and managed multi-disciplinary teams of professionals for re-zonings and Comprehensive Plan Amendments on developments ranging in size from a 2-acre marina to a 1,500 acre Mixed-Use Planned Development; conducted visioning processes and wrote plans for redevelopment and growth management for urban, suburban and rural communities in Lee and Charlotte Counties;; and testified as an expert witness in Lee County, Fort Myers and Bonita Springs.

MIT Office of Environmental Management

April 1999 – August 2000

Competition Organizer: Worked with the Region 1 EPA on storm water education and organized a national storm water design competition.

China USA Business University/JP International

January 1997 - May 1998

Institutional Development Director: Pre-opening responsibilities included: Designing and constructing university facilities; organizing and initiating opening of the university; and hiring of staff. Post-opening responsibilities included: Managing a department of nine public relations and marketing staff; advancing the reputation of the university through working with the media; attracting students through advertising; and building joint projects and training programs for the corporate community; attracted positive media

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 090478-WS

EXHIBIT 39

PARTY SKYLAND (REBUTTAL)

DESCRIPTION DANIEL B. DELISI (DBD-1)

DATE 09/23/10

attention from the Wall Street Journal, South China Morning Post, and several major mainstream newspapers and magazines in mainland China; initiated numerous training programs with multinationals including Pfizer Pharmaceuticals, IBM, Nestle, Siemens and Schneider Electric.

Albert A. List Foundation

July 1995 - July 1996

Research Assistant: Responsibilities included: grant management, tracking and assisting in preparation of dockets; assisting in research and development of programs in the environment, the American Jewish community, training, and other fields of interest to the trustees; soliciting grant applications and assisting in interviews of applicants; reviewing grant applications.

SELECTED PUBLICATIONS:

- *Patio de Leon: Creating Successful Place Without Successful Design*; Daniel DeLisi and Wayne Robinson; Critiques of Built Works Of Landscape Architecture, Vol. 6, Fall 2001, P. 45-50
- *The Mystic View Task Force*; Anne Tate and Daniel DeLisi; Sustainable Architecture; Earth Pledge Foundation; New York; 2000; P. 61-67
- *Financing Environmental Moderation in China*; Daniel DeLisi; Dollars and Sense Magazine; Cambridge; Sept./Oct. 2000; No. 231; P. 44-47
- *Urban China Adjusting to Motorization*; Ralph Gakenheimer and Daniel DeLisi; Presented for the Cooperative Mobility Conference; MIT; Cambridge; 2000
- *MC Metals*; Daniel DeLisi, Lawrence Susskind and Paul Levy; Program on Negotiation Clearinghouse, Harvard Law School; Cambridge; 1999
- Newspaper Columnist: Wrote essays in Chinese for the "Service Weekly" and "City Planning Overseas" (Beijing). Essays were Re-printed in "The Capital Fax" Magazine and aired on Beijing Radio.

SELECTED SPEAKING ENGAGEMENTS/COURSE INSTRUCTION:

- *Regular Course Instructor for the ULI Basic Real Estate Development Course taught nationally*
- *Adjunct Faculty Member of Nova Southeastern University, teaching on Land Use Regulation*
- *"Innovations in Planning, Zoning and Development"*, Florida Chamber Short Course, Feb. 2006 - 2010
- *"TDRs: Trying To Do It Right in Collier County"*, FAPA State Conference, St. Petersburg, Sept. 2005
- *"Growth Management Initiatives"*, Senate Committee on Community Affairs, Tallahassee, Jan. 2005
- *"Consensus Based Planning"*, FPZA State Conference, Naples, Oct. 2003
- *"Collaborative Community Planning and Development"*, ULI Southwest Florida, Feb. 2003
- *"Fundamentals of Consensus Planning"*, Florida Main Street Conference, Panama City, Nov. 2002
- *"Community Participation in Design"*, Florida Council of Garden Clubs, Sebring, Feb. 2001

AWARDS/HONORS:

- Florida Planning and Zoning Association Outstanding Report/Study Award, "The Estero Community Plan", 2002 (accepted on behalf of VanasseDaylor)
- MIT Carroll Wilson Award, 1999
- Urban Studies and Planning Fellowship, MIT, 1998-2000
- Environmental Health and Safety Fellowship, MIT, 1999-2000



David D. Forrester
First Vice President
Florida Agrifoods Division

SunTrust Bank
102 East Central Avenue
Lake Wales, FL 33853
Tel 863-679-1407
Fax 863-679-1361
david.forrester@suntrust.com

June 7, 2010

Mr. Ronald Edwards
President and CEO
Evans Properties, Inc.
660 Beachland Boulevard
Suite 301
Vero Beach, Florida 32963-1708

Re: Capitalization of Skyland Utilities, LLC

Dear Mr. Edwards:

At your request I am writing this letter in order to outline my beliefs concerning the capital needs and the ability of Evans Properties, Inc. ("Evans") and its affiliate, Skyland Utilities, LLC (the "Utility" or "Skyland"), the obligations of which Evans has agreed to fund, (i) to obtain needed funding for the water and wastewater facilities that the Utility proposes to construct and install, and (ii) its ability to fund both those capital needs and its operations.

Based upon my knowledge of the capital needs of the Utility and the other utilities that Evans proposes to develop, including but not limited to: the Skyland Phase I water facilities estimated to cost approximately \$1.2 million; the Skyland Phase I wastewater facilities estimated to cost approximately \$857,000; the Groveland Phase I water facilities estimated to cost approximately \$1.2 million; the Groveland Phase I wastewater facilities estimated to cost approximately \$1.1 million; the Bluefield Phase I water facilities estimated to cost approximately \$1.4 million; and the Bluefield Phase I wastewater facilities estimated to cost approximately \$1.8 million, I believe that Evans and the Utility have more than adequate capital available that they can invest to meet these needs through infusion of equity or through debt financing which in my opinion those entities can easily obtain.

If you have any further questions in this regard, please let me know.

Sincerely,
SunTrust Bank

David D. Forrester
First Vice President

DDF:--

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO.	090478-WS	EXHIBIT	40
PARTY	SKYLAND (REBUTTAL)		
DESCRIPTION	RONALD EDWARDS (RE-1)		
DATE	09/23/10		

EXHIBIT NO. 43

DOCKET NO.: 090487

WITNESS: HARTMAN

PARTY: SKYLAND UTILITES

DESCRIPTION: SKYLAND, ECFS , FARMTON MAPS

PROFERRED BY: OPC

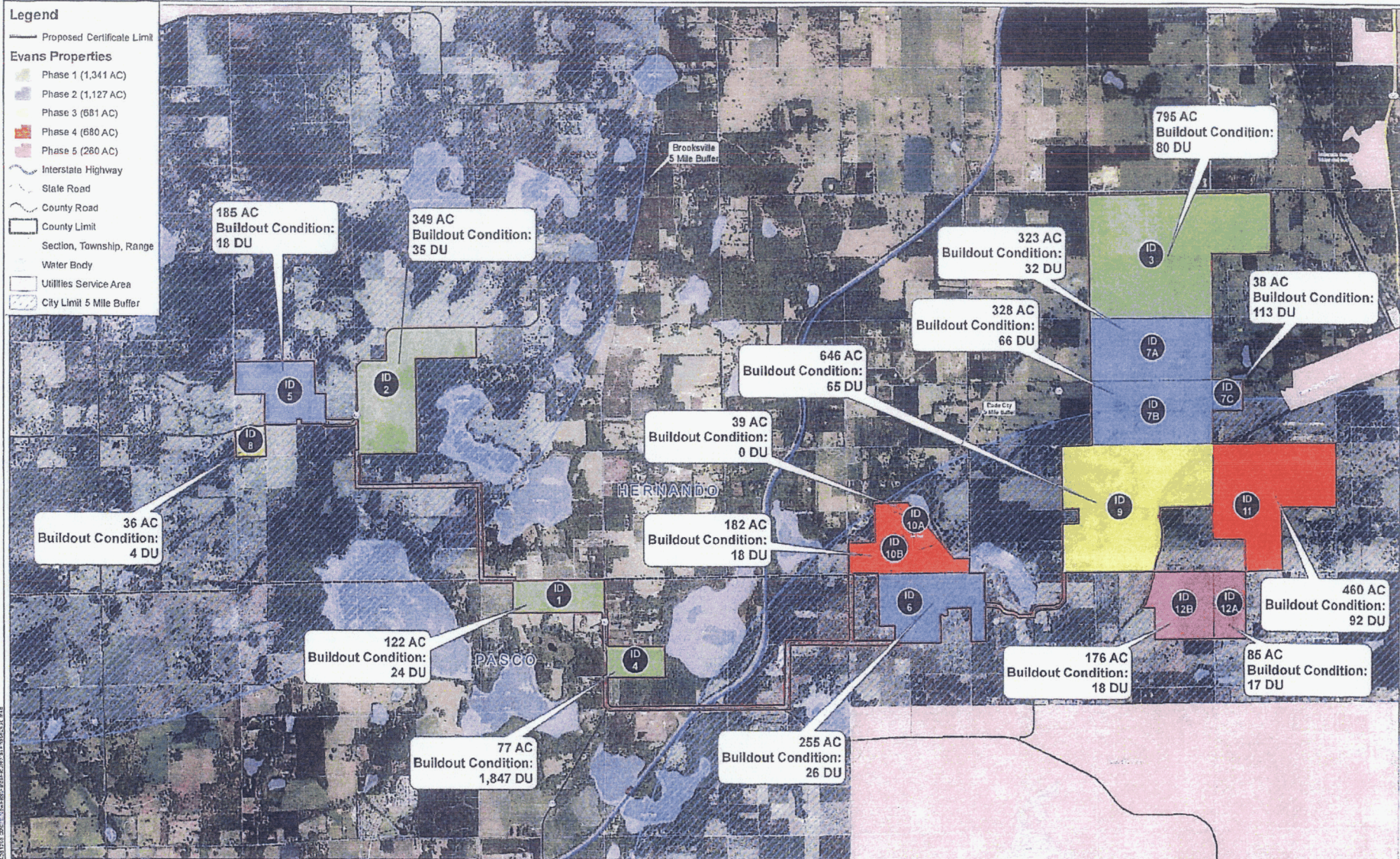
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 090478-WS EXHIBIT 43

PARTY OFFICE OF PUBLIC COUNSEL

DESCRIPTION SKYLAND, ECFS, FARMTON MAPS

DATE 09/23/10



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SKYLAND UTILITIES, INC.
EVANS PROPERTIES, INC. (PO #675380)

FIGURE

3(a)

EXHIBIT
1
Giehring 5-28-10

EXHIBIT
1
Kennedy 5-28-10



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[Jug Island Wood Stork Rookery](#)

[Sustainable Water Practices Taylor Creek Reservoir](#)

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THE HEART OF THE REGION

WELCOME



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[Wood Stork Rookery](#)



Wildlife

Water

[Sustainable Water Practices](#)

[Taylor Creek Reservoir](#)

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[The Heart of The Region](#)

[Utilities](#)

[Planning for the Future](#)

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[Innovation Way](#)

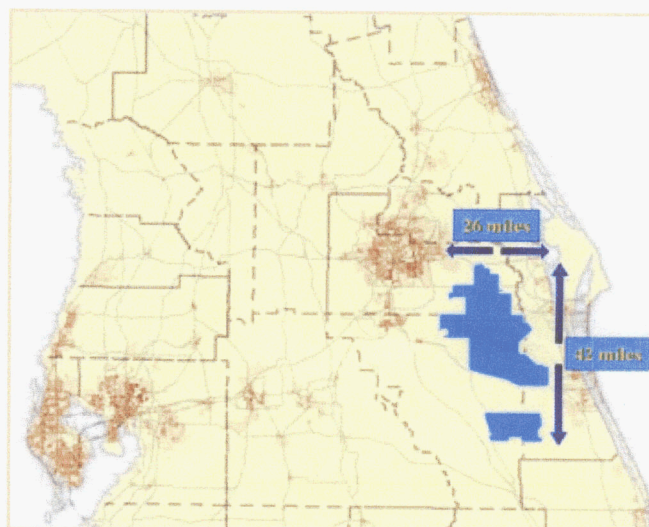
[Naturally Central FL](#)

For more than 50 years, Deseret Ranches' environmental, economic and cultural contributions have helped stimulate the region and create the Central Florida that we all love.

From its beginning, the Ranch has worked in cooperation with other local ranchers, government leaders and academics to improve land management operations. In addition to the Ranch's participation in regional studies, Deseret has served as a laboratory for experimentation and research in a variety of agricultural sciences.

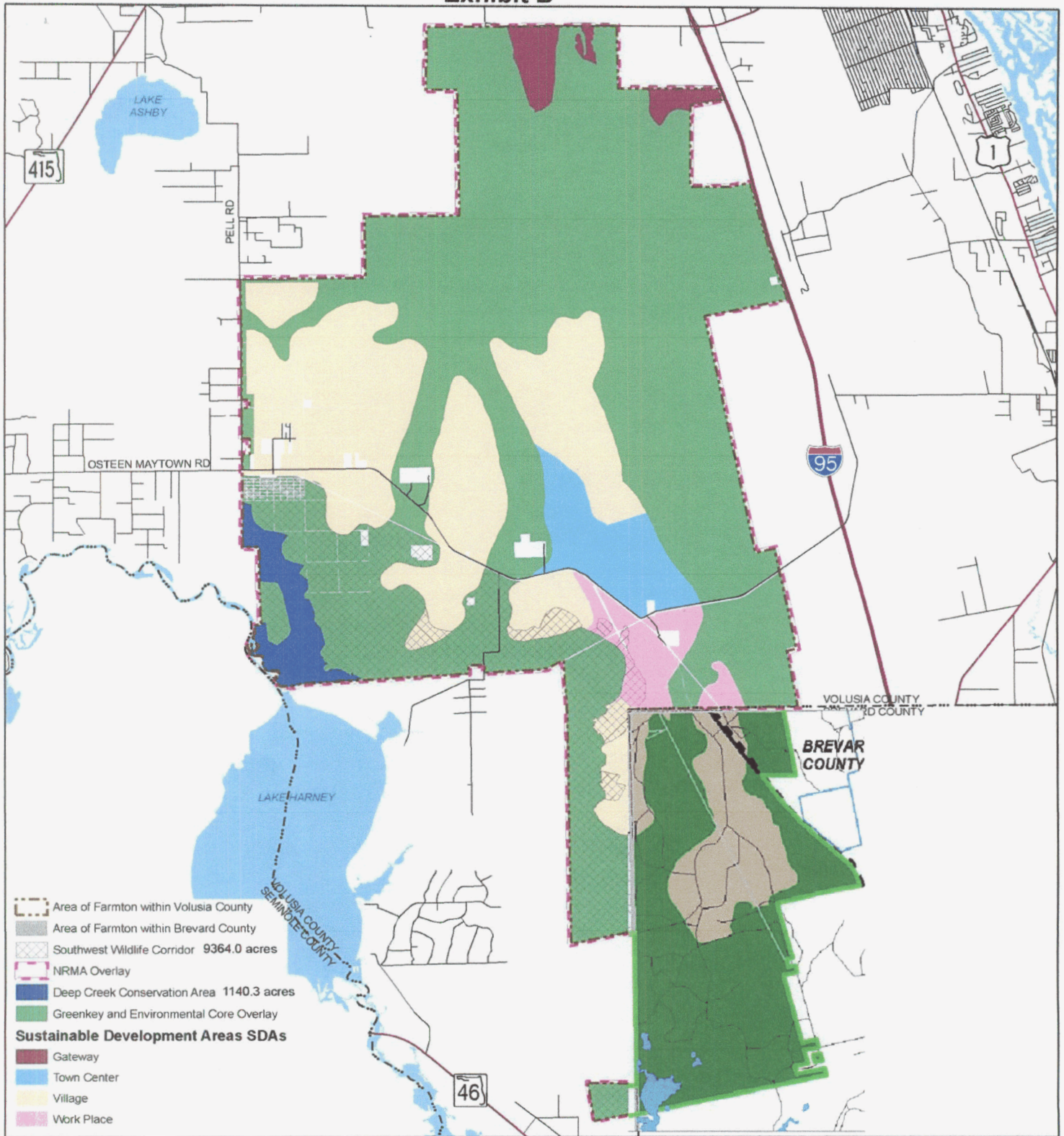
The University of Florida has used the Ranch and its development as a model for students and visitors of an ideal Central Florida cattle operation, and the university's specialists in pastures, citrus, production, soil, agricultural engineering and animal science have worked alongside Ranch management.

The Ranch is located in close proximity to the Orlando International Airport, the "Medical City" at Lake Nona, the Space Coast and Melbourne. Approximately 4,600 acres of the Ranch have been designated as part of the "Innovation Way" high-tech corridor that connects the University of Central Florida to the Orlando International Airport.



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Exhibit B



MAP FIGURE 1-12N
FARMTON LOCAL PLAN - FUTURE LAND USE MAP



EXHIBIT NO. 44

DOCKET NO.: 090487

WITNESS: HARTMAN

PARTY: SKYLAND UTILITES

DESCRIPTION: SILVER LAKE UTILITIES SERVICE
TERRITORY

PROFERRED BY: OPC

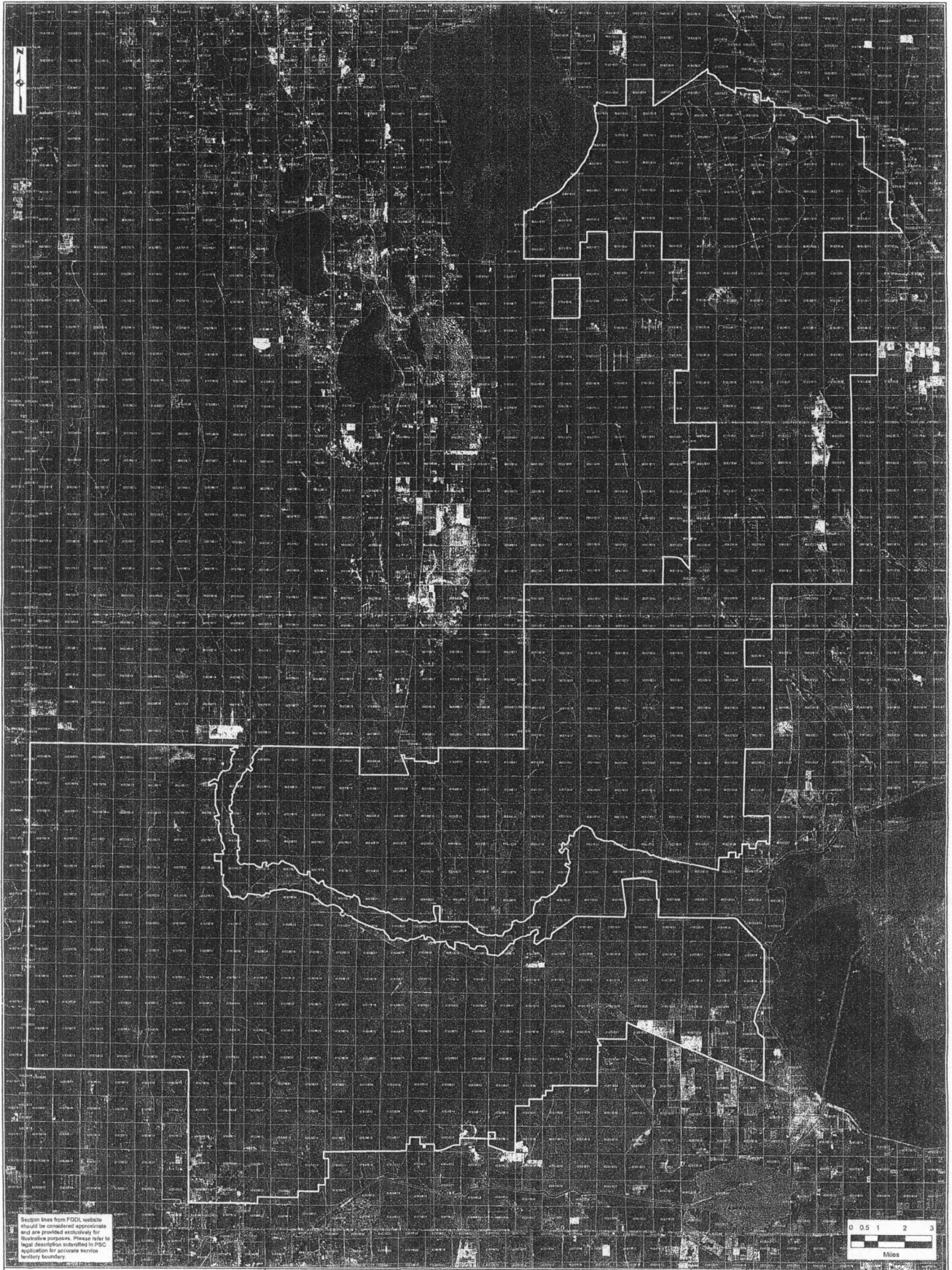
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 090478-WS EXHIBIT 44

PARTY OFFICE OF PUBLIC COUNSEL

DESCRIPTION SILVER LAKE UTILITIES SERVICE TERRITORY

DATE 09/23/10

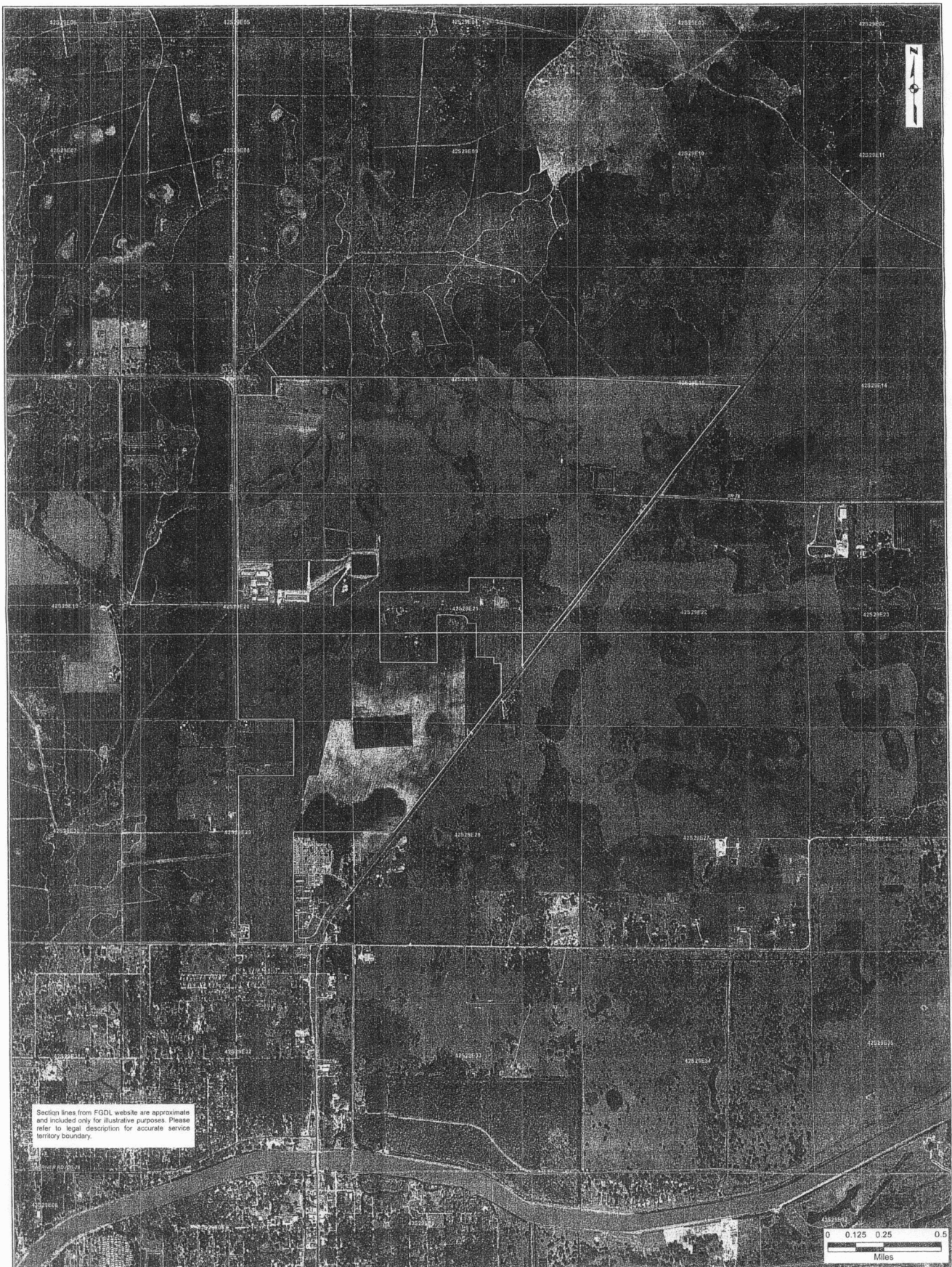


Silver Lake Utilities
Glades & Highlands Counties, Florida

JOHNSON
ENGINEERING

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P.O. BOX 1550
FORT MYERS, FLORIDA 33902-1550
PHONE (239) 334-0046
FAX (239) 334-3461
E.O. #642 & L.B. #642

R2		Silver Lake Utilities Service Territory Map		
DATE	PROJECT NO.	FILE NO.	SCALE	SHEET
11/21/06	20055930	UU-UU-UU	As Shown	1



Silver Lake Utilities
Glades County, Florida

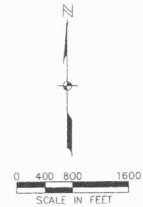
JOHNSON
ENGINEERING

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FORT MYERS, FLORIDA 33902-1550
PHONE (239) 334-0046
FAX (239) 334-3661
E.O. #642 & L.B. #642

Silver Lake Utilities
Wastewater Service Territory Map

DATE	PROJECT NO.	FILE NO.	SCALE	SHEET
1/3/06	20055650	00-00-00	As Shown	1

CURVE TABLE				
CURVE	LENGTH	RADIUS	DELTA	CHORD BEARING
C1	190.51	130.00	88°28'33"	S47°06'41"E



1. Basis of bearings is State Plane Coordinate, Florida East Zone, NAD 83(99), with a bearing of S89°24'27"E on the North line of the Northeast one-quarter of Section 17, Township 42 South, Range 29 East.
2. THIS IS NOT A BOUNDARY SURVEY, NOR IS IT INTENDED TO BE USED AS ONE.
3. Description prepared as requested by Silver Lake Utilities.
4. This description is subject to easements, restrictions, reservations, and rights-of-way of record.

A portion of land lying in Sections 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 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, 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, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 8

Silver Lake Utilities

Date Signed: 1-19-07
Not valid without the original raised seal of a Florida licensed
surveyor and mapper.

BOUNDARY
SECTION
QUARTER SECTION
RIGHT-OF-WAY

Township 42 South, Range 29 East
Glades County, Florida

251 HICKPOCHEE AVENUE
LABELLE, FLORIDA 33935
PHONE (863) 612-0594
FAX (863) 612-0341
E.B. #642 & L.B. #642


DATE	PROJECT NO.	FILE NO.	SCALE	SHEET
Jan. 18, 2006	20055650	15-42-29	1" = 800'	1 OF 1

Bronwyn Revell

From: Stacy [stacy@fireflyforyou.com]
Sent: Thursday, September 23, 2010 10:29 AM
To: 'Michael Minton'; John Wharton
Cc: Bronwyn Revell; 'Dennis Corrick'; 'Lee Dobbins'
Subject: FW: Hernando County
Attachments: ATT00302.gif; image002.jpg

From: Michael Minton [mailto:MMinton@deanmead.com]
Sent: Tuesday, June 29, 2010 3:27 PM
To: John Wharton; Stacy Ranieri
Cc: Lee Dobbins; Lee Chotas; redwards@evansprop.com
Subject: FW: Hernando County

FYI

**DEAN
MEAD**

Michael D. Minton
Attorney at Law
MMinton@deanmead.com

Dean, Mead, Minton & Zwemer
1903 South 25th Street, Suite 200
Fort Pierce, Florida 34947
772-464-7700 · 772-562-7700 · Fax 772-464-7877
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Orlando | Fort Pierce | Viera

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Think Green! Please consider our environment before printing this e-mail.

From: Lee Dobbins
Sent: Wednesday, May 26, 2010 10:21 AM
To: Michael Minton
Cc: Tony W. Isaacs
Subject: FW: Hernando County

Michael,
Here is the e-mail you wanted requesting service.

From: Michael Minton [mailto:MMinton@deanmead.com]
Sent: Monday, December 07, 2009 8:29 AM
To: redwards@evansprop.com, Craig Linton, H.M. Ridgely

FLORIDA PUBLIC SERVICE COMMISSION		
DOCKET NO.	090478-WS	EXHIBIT 45
PARTY	SKYLAND UTILITIES	
DESCRIPTION	E-Mail re: Extending Service	
DATE	09/23/10	

Cc: Dennis Corrick, Lee Dobbins, Gerry Hartman
Subject: FW: Hernando County

This is an interesting twist !

Michael D. Minton
Dean, Mead, Minton & Zwemer
1903 S. 25th St., Suite 200
Fort Pierce FL 34947
Phone: (772) 464-7700 Ext. 6701
Fax: (772) 464-7877
Email: MMinton@deanmead.com
Internet: www.deanmead.com

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From: Caroline Klancke [mailto:CKLANCKE@PSC.STATE.FL.US]
Sent: Monday, December 07, 2009 9:19 AM
To: Tony W. Isaacs
Cc: Michael Minton; Derrill McAteer; Geoffrey Kirk; John Wharton; Joseph Richards; Marty Deterding
Subject: FW: Hernando County

Tony,

Please see the request for service and responses below.

Caroline M. Klancke
Senior Attorney
Economic Regulation Section
Office of the General Counsel
Florida Public Service Commission
Phone: (850) 413-6220
Fax: (850) 413-6221
cklancke@psc.state.fl.us

From: Coultas, Charles [mailto:Charles.Coultas@dep.state.fl.us]
Sent: Monday, December 07, 2009 8:43 AM
To: Robert Simpson
Cc: Patti Daniel; Pat Brady; Caroline Klancke
Subject: RE: Hernando County

Hello Mr. Simpson,

Thank you for the information. I am on Blainstone so I am not too far from your office. Does not sound like there is a rush. I can come over anytime, Is there any time that is better for you?

Thanks
Charles
245-8369

From: Robert Simpson [mailto:RSimpson@PSC.STATE.FL.US]
Sent: Friday, December 04, 2009 4:17 PM
To: Coultas, Charles
Cc: Patti Daniel; Pat Brady; Caroline Klancke
Subject: RE: Hernando County

Dear Mr. Coultas:

The maps have just been returned. Please, let me know when you want to review these maps. Now, this case will probably go for a hearing which will take some time before the Commissioners will vote on the issues. At this time, we cannot give you a definite time frame for this case.

Robert Simpson
Engineering Specialist
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Phone: (850) 413-7001
Fax: (850) 413-7002

From: Pat Brady
Sent: Monday, November 30, 2009 3:45 PM
To: Robert Simpson
Cc: Stan Rieger; Patti Daniel; Connie Kummer; Marshall Willis; Tim Devlin; Rhonda Hicks
Subject: RE: Hernando County

Excellent. I'm also going to forward this Caroline Klancke who is the attorney on the docket (090478-WS) to determine whether this request for service should be put in the docket file.

Caroline, at a minimum I believe Tony Issacs, for the utility, should be advised that there has been a request for service. If he is notified, think all parties need to be notified, especially in light of the comments. Thanks.

Rhonda, is there anything else you need from us? Doesn't look like it has been assigned a CATs no. Thanks.

From: Robert Simpson
Sent: Monday, November 30, 2009 2:52 PM
To: Pat Brady
Subject: RE: Hernando County

Yes I did and left a message and he called me today. I told him the maps are with the Clerk Office right now and once they are returned he could come to the Commission to look at the maps.

From: Pat Brady
Sent: Monday, November 30, 2009 2:47 PM
To: Robert Simpson

Cc: Stan Rieger
Subject: RE: Hernando County

Robert -- did you call Mr. Coultas?

From: Stan Rieger
Sent: Monday, November 23, 2009 1:49 PM
To: Pat Brady; Robert Simpson
Subject: FW: Hernando County

Please read below. This is your case. Can you please contact Mr.. Coultas about Skyland. Thanks.

From: Connie Kummer
Sent: Monday, November 23, 2009 12:08 PM
To: Stan Rieger
Cc: Marshall Willis; Tim Devlin; Rhonda Hicks
Subject: RE: Hernando County

Stan, could you check into this please? Thanks

From: Tim Devlin
Sent: Monday, November 23, 2009 12:07 PM
To: Rhonda Hicks; Connie Kummer
Cc: Marshall Willis
Subject: RE: Hernando County

Connie, in Patti's absence, could you assign this to someone?

From: Rhonda Hicks
Sent: Monday, November 23, 2009 11:47 AM
To: Tim Devlin
Subject: FW: Hernando County

See below.

From: Ruth McHargue
Sent: Monday, November 23, 2009 11:39 AM
To: Rhonda Hicks
Subject: FW: Hernando County

From: Consumer Contact
Sent: Monday, November 23, 2009 10:39 AM
To: Ruth McHargue
Subject: FW: Hernando County

Please forward.

From: Coultas, Charles [mailto:Charles.Coultas@dep.state.fl.us]

Sent: Friday, November 20, 2009 2:10 PM

To: Consumer Contact

Subject: Hernando County

Hello,

I am with the FDEP Water Supply Restoration Program. We deal with contaminated potable wells in Florida. There are 200 or so contaminated potable private wells south of Brooksville that we are dealing with. We talked to Hernando County Utilities but they were not interested in extending their water mains into this area (we could not afford to pay for the extension).

There was an article about Skyland Utilities planning/requesting to develop a water service area in Hernando County. I found the information below on your web page. Do you think this project could go through? Do you have a map of the area they want to serve?

Thank you,

Charles Coultas

850-245-8369

090478-WS OCT 16 2009 PROG MOD B.1.(a)

COMPANY: Skyland Utilities, LLC (WS936)

OPR-ECR Application for original certificates for proposed water and wastewater system,
OCR-N/A in Hernando and Pasco Counties, and request for initial rates and charges, by
S/C-GCL Skyland Utilities, LLC.

The Department of Environmental Protection values your feedback as a customer. DEP Secretary Michael W. Sole is committed to continuously assessing and improving the level and quality of services provided to you. Please take a few minutes to comment on the quality of service you received. Simply click on [this link to the DEP Customer Survey](#). Thank you in advance for completing the survey.

EXHIBIT NO. 46

DOCKET NO.: 090478-WS

WITNESS: EDWARDS

PARTY: SKYLAND UTILITIES

DESCRIPTION: LEASE AND FUNDING
AGREEMENT

PROFERRED BY: OPC

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 090478-WS EXHIBIT 46

PARTY OFFICE OF PUBLIC COUNSEL

DESCRIPTION LEASE AND FUNDING AGREEMENT

DATE 09/23/10

WATER LEASE AGREEMENT

THIS WATER LEASE AGREEMENT (this "Lease") made as of October 1, 2009 ("Effective Date"), between EVANS PROPERTIES, INC., a Florida corporation, whose mailing address is 660 Beachland Boulevard, Suite 301, Vero Beach, Florida 32963 ("LESSOR") and SKYLAND UTILITIES, LLC a Florida limited liability company ("LESSEE"), whose mailing address is 660 Beachland Boulevard, Suite 301, Vero Beach, Florida 32963.

WITNESSETH:

1. Granting Clause. LESSOR, in consideration of the covenants, consideration, royalties, and the agreements of LESSEE herein contained, grants, leases and lets unto LESSEE, upon the terms herein set forth, the exclusive right to investigate, explore, prospect, drill and produce potable and non-potable water, and related uses on approximately 16 acres more or less, located in Hernando County and Pasco County, Florida (the "Leased Premises"). A more detailed description of the Leased Premises is attached as Exhibit "A".
2. No Warranty of Title. LESSOR does not warrant title to the Leased Premises or the surface rights hereunder. LESSEE covenants with LESSOR that LESSEE's operations shall not violate the rights of any third persons not parties to this Lease, whether those rights are documented or apparent from an examination of the Leased Premises.
3. Limitation of Rights Granted. The rights and privileges granted by this Lease are limited to the rights and privileges LESSOR possesses and has lawful right to lease, and this Lease shall not be construed as leasing or attempting to lease to LESSEE any rights and privileges other or more than those that are vested in LESSOR.
4. Exceptions and Reservations. LESSOR excepts and reserves all oil, gas, timber, and minerals not specifically leased under this Lease for all purposes together with full and free rights of ingress and egress as may be necessary or convenient in the proper development and uses thereof or of other lands. The rights and privileges excepted and reserved to LESSOR shall be exercised with due regard for the operations of LESSEE under this Lease, and in a manner as to not unreasonably interfere with the operations of LESSEE.
5. Primary Term. Subject to the provisions below, this Lease is for a term of twenty years from the Effective Date (the "Primary Term").
6. Delay Rentals. If operations for drilling are not commenced on the Leased Premises on or before one year from the Effective Date, this Lease will terminate unless on or before such anniversary date LESSEE pays LESSOR a delay rental of One Dollar (\$1.00) per acre, which shall cover the privilege of deferring commencement of drilling operations for 12 months. In like manner and upon like payments annually the

commencement of drilling operations may be further deferred for successive 12-month periods during the Primary Term.

7. Rental / Royalty Payments.

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

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

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

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

9. Retention of Acreage. Following the Primary Term LESSEE shall be entitled, subject to the other provisions of this Lease, to extend the Lease as to any 4-acre well site and as long thereafter as water is produced in Paying Quantities from such Well Site. As used in this Lease "Paying Quantities" is Operating Revenue sufficient to pay all Operating Cost of a prudent operator during the prior 12 months of operation on a lease basis. "Operating Revenue" is all revenue from the sale of production attributable to the water well, less the amount of Royalties paid for such production. "Operating Cost" is direct (variable) operating expenses for operating the well. By way of illustration depreciation and administrative overhead cost are not a direct operating expense.

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

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

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

- a) Notice of Intent to Use the Surface. LESSEE assumes the risk of use of the surface of the Leased Premises and agrees to use the minimum amount of acreage that is necessary for a prudent operator in the operations permitted. LESSEE shall give the surface owner of record at least 30 days, but not more than 60 days, advance written notice of its intention to use the surface of the Leased Premises. If LESSOR owns the surface, the notice shall be directed to LESSOR's Resource Manager at _____ (the "Resource Manager"). With this notice, LESSEE shall include a map showing the area it plans to use and the location of the proposed facilities. The surface owner may salvage for its account all or so much of the forest products from this area, as it desires within the 30 to 60 days after receipt of notice. LESSEE shall dispose of the forest products not salvaged by the surface owner from such area, in a manner stipulated by, or acceptable to the surface owner, to prevent hazards from fire and insect infestation to forest products on the Leased Premises and on adjacent lands. LESSEE agrees to pay all costs of improvements to any roads on the Leased Premises the road for its usage, maintain the roads in good condition during such usage, and

use the roads in a prudent manner so as not to interfere with LESSOR's use of such roads.

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

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

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

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

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

17. Environmental Definitions. As used in this Lease the term "Environmental Law" shall mean, any federal, state or local law, statute, decree, ordinance, code, rule, or regulation, including, without limiting the generality of the foregoing, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Toxic Substance Control Act of 1976, and any federal, state or local so-called "Superfund" or "Superlien" law or ordinance relating to the emission, discharge, release, threatened release into the environment of any pollutant, contaminant, chemical, hazardous, toxic or dangerous waste, substance or material (including, without limitation, ambient air, surface water, groundwater or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of such substances and any regulations, codes, plans, orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved thereunder. As used herein, the term "Hazardous Material" shall mean any pollutants, contaminants, chemicals, hazardous, toxic or dangerous waste, substance or material, or any other substance or material regulated or controlled pursuant to any

Environmental Law now or at any time hereafter in effect, including any other substances defined as "hazardous substances" or "toxic substances" in any Environmental Law.

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

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

- a) General Liability. Commercial General Liability covering claims for bodily injury, death and property damage, including Comprehensive Form, Premises and Operations, Independent Contractors, Products and Completed Operations, Personal Injury, Contractual, Broadform Property Damage, Cross Liability and Hostile Fire liability coverages, with a combined single limit of \$1,000,000 for bodily injury, death and property damage each or per occurrence and \$2,000,000 general aggregate, with pollution coverage, in an amount of not less than \$1,000,000. Additionally, the policy shall not exclude X, C or U (Explosion, Collapse or Underground) or Subsidence. As used in this Lease "Subsidence" is defined as sinking or settling of land caused by heavy rains or man-made cavems. Subsidence does not include earth movement caused by an earthquake.
- b) Umbrella Liability. Excess Liability insurance providing limits of not less than \$10,000,000 each occurrence and annual aggregate over General Liability, Automobile Liability, and Employers Liability.

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

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

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

20. Data and Reports to LESSOR. LESSEE agrees it shall furnish LESSOR when practicable after receipt and without cost to LESSOR, copies of Title Opinions and State or Federal conservation orders or regulations pertaining to the Leased Premises.

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

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

23. Defaults and Remedies.

- a) Default. LESSEE shall be in "Default" if LESSEE shall at any time fail to provide any Monthly Statement when due or fail to pay as and when due any royalty or Damages to the surface owner, under paragraph 12, required to be paid hereunder, and the failure continues for fifteen (15) days after written notification of such Default; provided, however, that if there is a dispute as to the amount due and all undisputed amounts are paid and Monthly Statements received by LESSOR, the 15-day period shall be extended until five days after such dispute is settled by final court decree, arbitration or agreement. LESSEE shall also be in "Default" if LESSEE shall fail to perform or be guilty of a breach of any one or more of any of the terms, conditions, covenants, stipulations, and agreements of this Lease relating to matters other than the payment of money and shall fail within 15 days after written notice of the breach shall have been given by LESSOR to LESSEE, to cure the breach, if cure is possible within the 15 day period, or if not to begin to cure and thereafter diligently pursue cure of any breach, provided that immediately upon receipt of written demand from LESSOR, LESSEE will terminate all operations hereunder until such time as LESSEE has cured the breach to the satisfaction of LESSOR.
- b) Forfeiture. If LESSEE is in Default, LESSOR shall have the right to terminate this Lease and to enter the Leased Premises and hold and possess the same, and all the property of the LESSEE thereon, free and acquit from any claims of LESSEE thereto.
- c) Right to take Possession Without Forfeiture. If LESSOR takes possession of the Leased Premises as a result of Default, LESSOR shall have the option, to divide the Leased Premises in any manner LESSOR may determine and to lease the Leased Premises or portions thereof as LESSOR may elect. LESSOR reserves the right to bring action or proceedings for the recovery of any deficits remaining unpaid, as LESSOR may believe appropriate.

d) No Waiver. A waiver by LESSOR of any Default under this Lease shall not prevent the right of LESSOR to forfeit this Lease for any other cause, or for the same cause occurring at any other time. The receipt by LESSOR from LESSEE of payments after the occurrence of any Default, or the continued recognition by LESSOR of LESSEE as its tenant after the occurrence of any Default shall not be deemed a waiver of LESSOR's right of forfeiture, so long as the cause of forfeiture continues to exist. Receipt and acceptance by LESSOR of any amounts tendered by LESSEE shall not constitute an agreement by LESSOR that the amounts are the proper amounts due or a waiver of LESSOR's claims for greater amounts. All payments by LESSEE to LESSOR shall apply on the items longest past due, and the receipt of any such payment shall not be a waiver either of the right of distress or the right of forfeiture or any other remedy available to LESSOR with respect to items which remain undischarged after crediting the payments.

e) Removal of Equipment and Improvements Upon Termination by Default. Upon the termination of this Lease for Default any personal property and all permanent improvements shall, at LESSOR's option, be and become the property of LESSOR or be removed from the Leased Premises at the direction of LESSOR, but at the sole expense of LESSEE.

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

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

To LESSOR: EVANS PROPERTIES, INC.
660 Beachland Boulevard, Suite 301
Vero Beach, Florida 32963

With Copy to: EVANS UTILITIES, INC.
660 Beachland Boulevard, Suite 301
Vero Beach, Florida 32963

To LESSEE: SKYLAND UTILITIES, LLC.
660 Beachland Boulevard, Suite 301
Vero Beach, Florida 32963

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

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

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

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

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

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

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

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

WITNESSES:

Shannon Skinner
Shannon Skinner

LESSOR

EVANS PROPERTIES, INC., a Florida corporation

By: Ronald L Edwards
Print Name: RONALD L. EDWARDS
Title: PRESIDENT

LESSEE

SKYLAND UTILITIES, LLC, a Florida limited liability company

Mary A. Linn
MARY A. LINN

By: Ronald L Edwards
Print Name: RONALD L. EDWARDS
Title: MANAGER

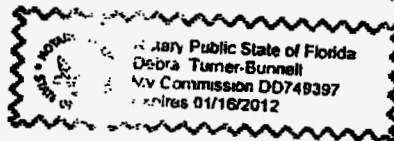
ACKNOWLEDGMENT

STATE OF FLORIDA

COUNTY OF Indian River

The foregoing instrument was acknowledged before me this 1st day of October, 2009, by RONALD L. EDWARDS, as the PRESIDENT of EVANS PROPERTIES, INC., a Florida corporation, on behalf of the corporation. Said person (check one) ☒ is personally known to me, ☐ produced a driver's license (issued by a state of the United States within the last five (5) years) as identification, or ☐ produced other identification, to wit: _____.

Debra Turner-Bunnell
Notary Public - State of Florida



STATE OF FLORIDA

COUNTY OF Indian River

The foregoing instrument was acknowledged before me this 1st day of October, 2009, by RONALD L. EDWARDS, as the MANAGER of SKYLAND UTILITIES, LLC, a Florida limited liability company, on behalf of the company. Said person (check one) ☒ is personally known to me, ☐ produced a driver's license (issued by a state of the United States within the last five (5) years) as identification, or ☐ produced other identification, to wit: _____.

Debra Turner-Bunnell
Notary Public - State of Florida

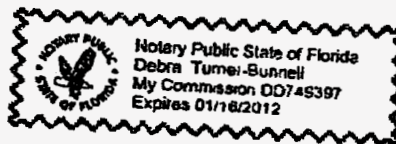
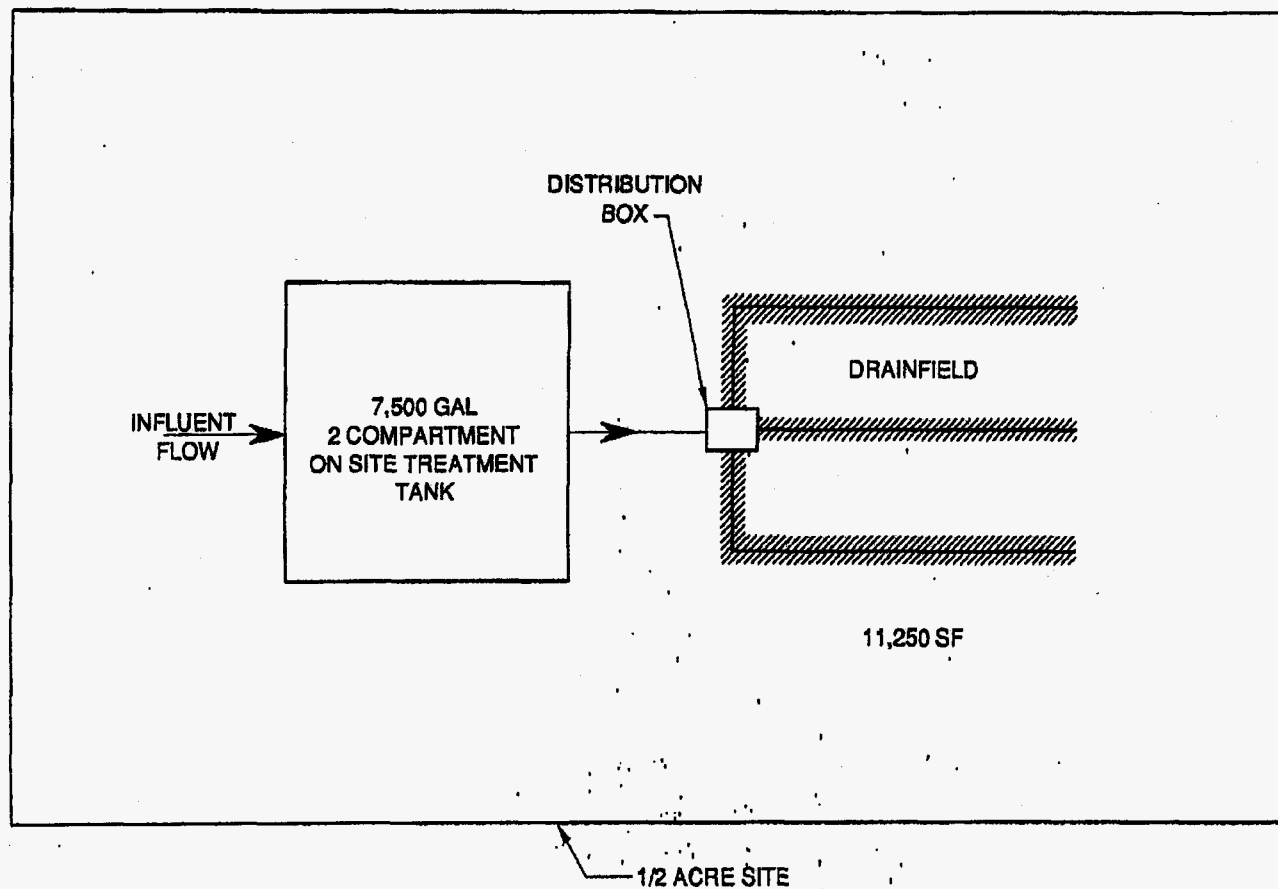


EXHIBIT "A "

LEGAL DESCRIPTION

Appendix V



OPCEXH000016

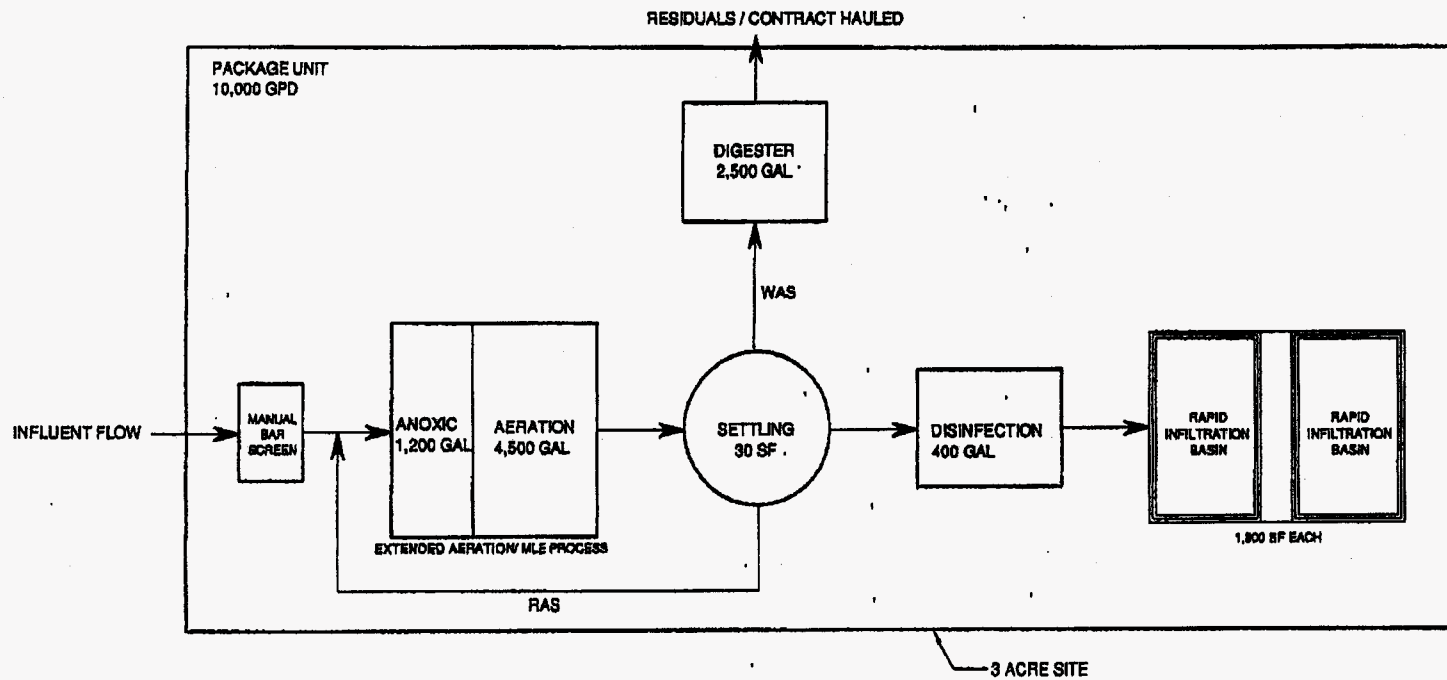
F-1A

FIGURE

SKYLAND UTILITIES, LLC
PASCO COUNTY ID 1
CONCEPTUAL 7,500 GPD ON SITE TREATMENT SYSTEM SCHEMATIC

PO #675380

gai consultants
transforming ideas into reality,
303 E. Pine Street • Suite 1070
Orlando, Florida 32801
Phone 407.422.8398 Fax 407.843.1070



SKYLAND UTILITIES, LLC
HERNANDO COUNTY ID 2
CONCEPTUAL 10,000 GPD WWTP SCHEMATIC

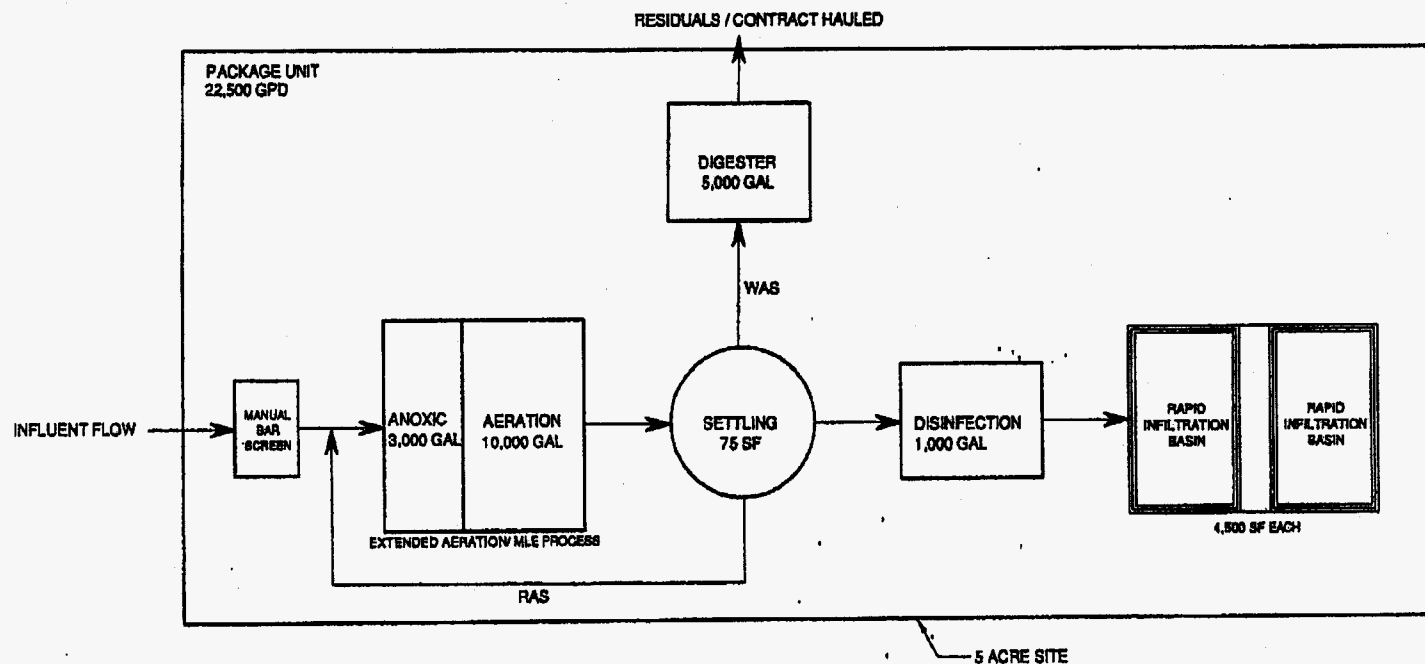
PO #675380

gai consultants
transforming ideas into reality
301 E. Pine Street - Suite 1020
Orlando, Florida 32801
Phone 407.423.6286 Fax 407.843.1070

F-2A

FIGURE

OPCENT000017







SKYLAND UTILITIES, LLC
PASCO COUNTY ID 3
CONCEPTUAL 22,500 GPD WWTP SCHEMATIC

PO #075380

P:\ORL\HCD\ADD\DWG\2008\A081266.00\GIS\NewFigs\PipeLayout\3\SkylandID1Sewer.mxd

Legend

-  Proposed Septic Tank
-  Proposed Low Pressure Transmission Main
-  Proposed Low Pressure Collection Main
-  Phase Boundary



SKYLAND UTILITIES, LLC
PASCO COUNTY ID 1
CONCEPTUAL WASTEWATER COLLECTION SYSTEM LAYOUT

PO #675380

 **gai consultants**
transforming ideas into reality
301 E. Pine Street - Suite 1020
Orlando, Florida 32801
Phone 407.433.6398 Fax 407.843.1070

F-1B

FIGURE





OPCEXH000010

W:\GIS\2008\A081266_00\GIS\NewFiles\Pipelayout\3\Skyland\ID2Sewer.mxd

P:\OR\HCD\CA



Legend

-  Proposed Wastewater Treatment Plant
-  Proposed Low Pressure Transmission Main
-  Proposed Low Pressure Collection Main
-  Phase Boundary

0 500 1,000
Feet

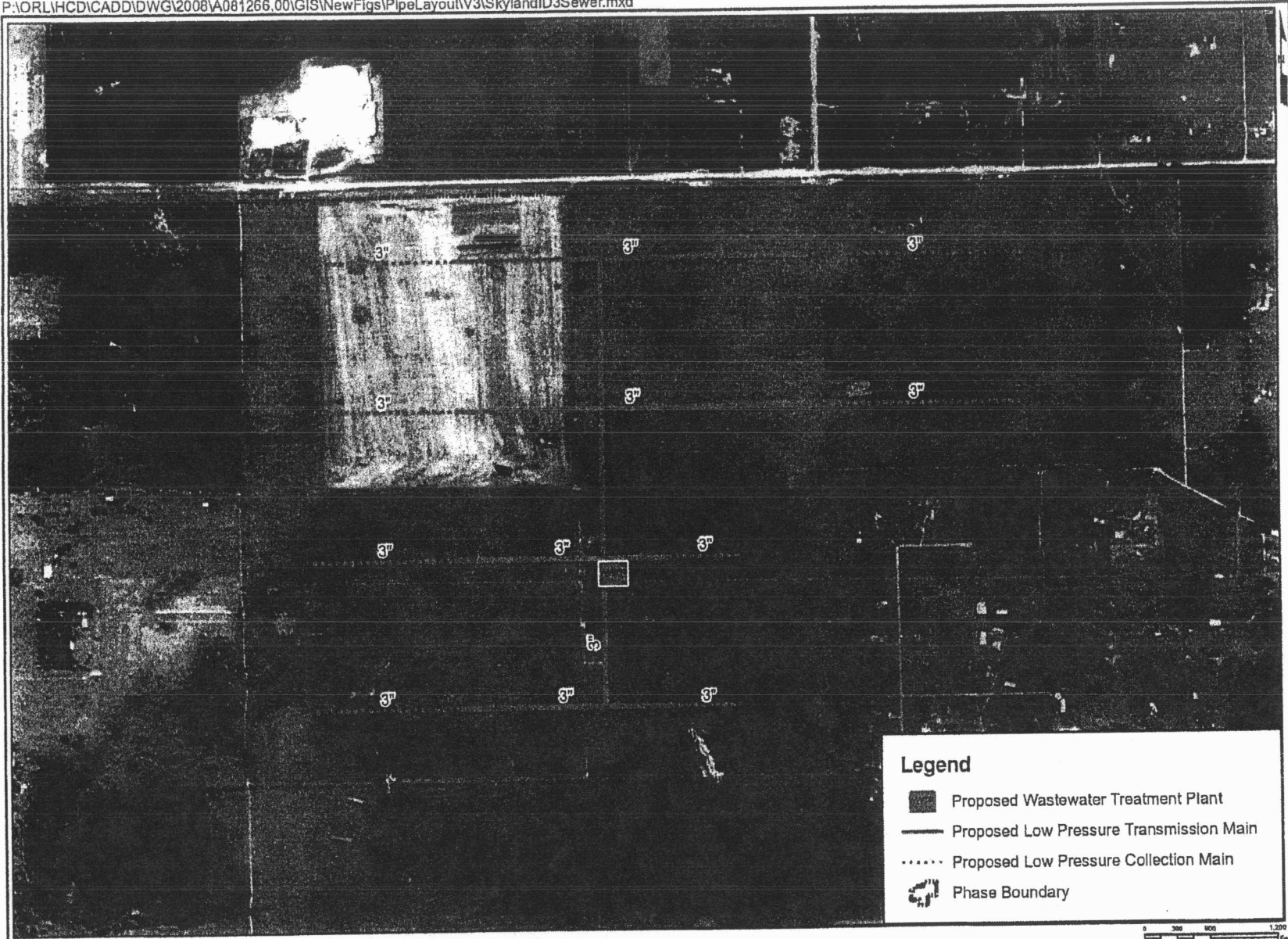
gai consultants
transforming ideas into reality
2014 Fox Street, Suite 100
Orlando, Florida 32801
Phone: 407.427.2288 FAX: 407.244.3020

SKYLAND UTILITIES, LLC
HERNANDO COUNTY ID 2
CONCEPTUAL WASTEWATER COLLECTION SYSTEM LAYOUT





FIGURE

F-2B

OPCEXH000020



Legend

-  Proposed Wastewater Treatment Plant
-  Proposed Low Pressure Transmission Main
-  Proposed Low Pressure Collection Main
-  Phase Boundary

0 300 600 1,200 Feet

SKYLAND UTILITIES, LLC
PASCO COUNTY ID 3
CONCEPTUAL WASTEWATER COLLECTION SYSTEM LAYOUT

PO #675380

 **gai consultants**
transforming ideas into reality
301 E. Pine Street - Suite 1020
Orlando, Florida 32801
Phone 407.422.8398 Fax 407.843.1070

F-3B

FIGURE

OPCEX1088921

Legend

- Proposed Septic Tank
- Proposed Low Pressure Transmission Main
- Phase Boundary



0 50 100 200 Feet

FIGURE
F-4B

SKYLAND UTILITIES, LLC
PASCO COUNTY ID 4
CONCEPTUAL WASTEWATER COLLECTION SYSTEM LAYOUT

PQ #675380

gai consultants
transforming ideas into reality
301 E. Pine Street - Suite 1020
Orlando, Florida 32801
Phone 407.423.8398 Fax 407.843.1070

WASTEWATER LEASE AGREEMENT

THIS WASTEWATER LEASE AGREEMENT (this "Lease") made as of October 1, 2009 ("Effective Date"), between EVANS PROPERTIES, INC., a Florida corporation whose mailing address is 660 Beachland Boulevard, Suite 301, Vero Beach, Florida 32963 ("LESSOR") and SKYLAND UTILITIES, LLC a Florida limited liability company ("LESSEE"), whose mailing address is 660 Beachland Boulevard, Suite 301, Vero Beach, Florida 32963.

WITNESSETH:

1. Granting Clause. LESSOR, in consideration of the covenants, consideration, royalties, and the agreements of LESSEE herein contained, grants, leases and lets unto LESSEE, upon the terms herein set forth, the exclusive right to construct, operate and maintain thereon a wastewater treatment facility, including collection system, spray fields and related uses (the "Wastewater Facility") on approximately 1 acres more or less, located in Hernando County and Pasco County, Florida (the "Leased Premises"). A more detailed description of the Leased Premises is attached as Exhibit "A".
2. No Warranty of Title. LESSOR does not warrant title to the Leased Premises or the surface rights hereunder. LESSEE covenants with LESSOR that LESSEE's operations shall not violate the rights of any third persons not parties to this Lease, whether those rights are documented or apparent from an examination of the Leased Premises.
3. Limitation of Rights Granted. The rights and privileges granted by this Lease are limited to the rights and privileges LESSOR possesses and has lawful right to lease, and this Lease shall not be construed as leasing or attempting to lease to LESSEE any rights and privileges other or more than those that are vested in LESSOR.
4. Exceptions and Reservations. LESSOR excepts and reserves all oil, gas, timber, and minerals not specifically leased under this Lease for all purposes together with full and free rights of ingress and egress as may be necessary or convenient in the proper development and uses thereof or of other lands. The rights and privileges excepted and reserved to LESSOR shall be exercised with due regard for the operations of LESSEE under this Lease, and in a manner as to not unreasonably interfere with the operations of LESSEE.
5. Primary Term. Subject to the provisions below, this Lease is for a term of twenty years from the Effective Date (the "Primary Term").
6. Delay Rentals. If operations are not commenced on the Leased Premises on or before one year from the Effective Date, this Lease will terminate unless on or before such anniversary date LESSEE pays LESSOR a delay rental of One Dollar (\$1.00) per acre, which shall cover the privilege of deferring commencement of operations for 12

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

7. Rental Payments.

- a) Annual Rent. LESSEE shall pay to LESSOR an annual rental payment of \$200.00 per acre per site, plus any applicable tax, (the "Annual Rent") all as compensation for the LESSEE's right to LESSOR's property and the impact of LESSEE's right to utilize the surface and the impact of such uses on the Leased Premises.
- b) Adjustments to the Annual Rent . At least ninety (90) days but not earlier than one hundred twenty (120) days prior to the end of the third year of this Lease, and within the same period prior to the end of each succeeding 3-year period, LESSEE and LESSOR shall renegotiate the Annual Rent to be paid over the next 3-year period. The purpose of renegotiating the Annual Rent is to reflect the increase in the fair value of the Leased Premises.
- c) Resolution of Impasse. If LESSEE and LESSOR are unable to agree on the amount of increase in the Annual Rent to be paid over the subject 3-year period, then at least forty-five (45) days but not earlier than ninety (90) days prior to the commencement of the subject 3-year period, LESSEE and LESSOR shall agree upon a qualified appraiser who will calculate the increase in the Annual Rent to be paid over the subject 3-year period. If the parties are unable to agree upon an appraiser to be used, then LESSEE and LESSOR shall select a qualified appraiser of its choice and make the calculations, and the average of the two appraisers shall be binding on the parties. Calculations by the appraiser or appraisers shall in either case be made and delivered to LESSEE and LESSOR at least fifteen (15) days prior to the commencement of the subject 3-year period. Neither the calculations of the appraiser or appraisers nor anything contained herein shall operate to reduce the Annual Rent below the amount of the Annual Rent in effect at the time the negotiations or calculations are conducted as set forth herein or below the then existing Annual Rent plus inflation using the compounded index percentage approved for regulated wastewater utilities by the Florida Public Service Commission for each intervening year since that last Annual Rent amount was set.
- d) Effect of Restrictions In addition to renegotiating the Annual Rent every 3 years as set forth above, any time that, in LESSOR's reasonable opinion, the impact of any local, regional, state, or federal rule, ordinance, law, or policy directly or indirectly affects LESSOR's use of the Leased Premises or its other lands not subject to this Lease by further restricting or requiring changes in land or Wastewater Facility uses, or as a result of effluent disposal or activities related to effluent disposal, LESSEE and LESSOR shall renegotiate the Annual Rent . The purpose of this renegotiation shall be to reflect the diminution in value of the affected Leased Premises or other lands of LESSOR. At anytime that LESSOR reasonably deems such diminution in

value to have occurred, LESSOR shall notify LESSEE in writing and, within forty-five (45) days thereof, Owner and LESSEE shall renegotiate the Annual Rent to compensate LESSOR for the diminution in value. If LESSOR and LESSEE are unable to agree on a renegotiated Annual Rent, then LESSEE and LESSOR shall agree upon a qualified appraiser who will calculate such compensation. If the parties are unable to agree upon a qualified appraiser to be used, the LESSOR and LESSEE shall each select a qualified appraiser of its choice to make the necessary calculations, and the average of the two appraisers shall be binding on the parties.

- e) Utilities In addition to the Annual Rent LESSEE agrees to pay for all electricity, gas, water, wastewater, telephone and other utility or third party services used by it on or about the Leased Premises.

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

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

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

- a) Notice of Intent to Use the Surface. LESSEE assumes the risk of use of the surface of the Leased Premises and agrees to use the minimum amount of acreage that is necessary for a prudent operator in the operations permitted. LESSEE shall give the surface owner of record at least 30 days, but not more than 60 days, advance written notice of its intention to use the surface of the Leased Premises. If LESSOR owns the surface, the notice shall be directed to LESSOR's Resource Manager at _____ (the "Resource Manager"). With this notice, LESSEE shall include a map

showing the area it plans to use and the location of the proposed facilities. The surface owner may salvage for its account all or so much of the forest products from this area, as it desires within the 30 to 60 days after receipt of notice. LESSEE shall dispose of the forest products not salvaged by the surface owner from such area, in a manner stipulated by, or acceptable to the surface owner, to prevent hazards from fire and insect infestation to forest products on the Leased Premises and on adjacent lands. LESSEE agrees to pay all costs of improvements to any roads on the Leased Premises the road for its usage, maintain the roads in good condition during such usage, and use the roads in a prudent manner so as not to interfere with LESSOR's use of such roads.

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

11. Prudent Operator. LESSEE shall conduct its operations on the Leased Premises in a prudent, modern, efficient and safe manner.

12. Compliance with Regulations. LESSEE shall conduct operations in full compliance with the related regulations established by the appropriate federal, state, regional, and local Governmental Authority having jurisdiction in such matters. The obligations imposed by this paragraph shall survive expiration or termination of this Lease.

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

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

approved thereunder. As used herein, the term "Hazardous Material" shall mean any pollutants, contaminants, chemicals, hazardous, toxic or dangerous waste, substance or material, or any other substance or material regulated or controlled pursuant to any Environmental Law now or at any time hereafter in effect, including any other substances defined as "hazardous substances" or "toxic substances" in any Environmental Law.

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

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

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

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

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

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

17. Data and Reports to LESSOR. LESSEE agrees it shall furnish LESSOR when practicable after receipt and without cost to LESSOR, copies of Title Opinions and State or Federal conservation orders or regulations pertaining to the Leased Premises, if any.

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

19. Defaults and Remedies.

- a) Default. LESSEE shall be in "Default" if LESSEE shall at any time fail to provide any Monthly Statement when due or fail to pay as and when due any royalty or Damages to the surface owner, under paragraph 10, required to be paid hereunder, and the failure continues for fifteen (15) days after written notification of such Default; provided, however, that if there is a dispute as to the amount due and all undisputed amounts are paid and Monthly Statements received by LESSOR, the 15-day period shall be extended until five days after such dispute is settled by final court decree, arbitration or agreement. LESSEE shall also be in "Default" if LESSEE shall fail to perform or be guilty of a breach of any one or more of any of the terms, conditions, covenants, stipulations, and agreements of this Lease relating to matters other than the payment of money and shall fail within 15 days after written notice of the breach shall have been given by LESSOR to LESSEE, to cure the breach, if cure is possible within the 15 day period, or if not to begin to cure and thereafter diligently pursue cure of any breach, provided that immediately upon receipt of written demand from LESSOR, LESSEE will terminate all operations hereunder until such time as LESSEE has cured the breach to the satisfaction of LESSOR.
- b) Forfeiture. If LESSEE is in Default, LESSOR shall have the right to terminate this Lease and to enter the Leased Premises and hold and possess the same, and all the property of the LESSEE thereon, free and acquit from any claims of LESSEE thereto.
- c) Right to take Possession Without Forfeiture. If LESSOR takes possession of the Leased Premises as a result of Default, LESSOR shall have the option, to divide the Leased Premises in any manner LESSOR may determine and to lease the Leased Premises or portions thereof as LESSOR may elect. LESSOR reserves the right to bring action or proceedings for the recovery of any deficits remaining unpaid, as LESSOR may believe appropriate.
- d) No Waiver. A waiver by LESSOR of any Default under this Lease shall not prevent the right of LESSOR to forfeit this Lease for any other cause, or for the same cause occurring at any other time. The receipt by LESSOR from LESSEE of payments after the occurrence of any Default, or the continued

recognition by LESSOR of LESSEE as its tenant after the occurrence of any Default shall not be deemed a waiver of LESSOR's right of forfeiture, so long as the cause of forfeiture continues to exist. Receipt and acceptance by LESSOR of any amounts tendered by LESSEE shall not constitute an agreement by LESSOR that the amounts are the proper amounts due or a waiver of LESSOR's claims for greater amounts. All payments by LESSEE to LESSOR shall apply on the items longest past due, and the receipt of any such payment shall not be a waiver either of the right of distress or the right of forfeiture or any other remedy available to LESSOR with respect to items which remain undischarged after crediting the payments.

- e) Removal of Equipment and Improvements Upon Termination by Default. Upon the termination of this Lease for Default any personal property and all permanent improvements shall, at LESSOR's option, be and become the property of LESSOR or be removed from the Leased Premises at the direction of LESSOR, but at the sole expense of LESSEE.

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

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

To LESSOR: EVANS PROPERTIES, INC.
660 Beachland Boulevard, Suite 301
Vero Beach, Florida 32963

With Copy to: EVANS UTILITIES, INC.
660 Beachland Boulevard, Suite 301
Vero Beach, Florida 32963

To LESSEE: SKYLAND UTILITIES, LLC.
660 Beachland Boulevard, Suite 301
Vero Beach, Florida 32963

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

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

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

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

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

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

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

**INTENTIONALLY LEFT BLANK
SEE NEXT PAGE FOR SIGNATURES**

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

WITNESSES:

Shannon Skinner
Shannon Skinner

LESSOR

EVANS PROPERTIES, INC.

By: Ronald L Edwards
Print Name: RONALD L. EDWARDS
Title: PRESIDENT

LESSEE

SKYLAND UTILITIES, LLC, a Florida
limited liability company

Mary H. Lyman
MARY H. LYMAN

By: Ronald L Edwards
Print Name: RONALD L. EDWARDS
Title: MANAGER

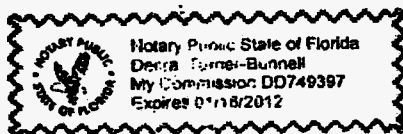
ACKNOWLEDGMENTS

STATE OF FLORIDA

COUNTY OF Indian River

The foregoing instrument was acknowledged before me this 1st day of October, 2009, by RONALD L. EDWARDS, as the PRESIDENT of EVANS PROPERTIES, INC., a Florida corporation, on behalf of the corporation. Said person (check one) ☒ is personally known to me, ☐ produced a driver's license (issued by a state of the United States within the last five (5) years) as identification, or ☐ produced other identification, to wit: _____.

Debra Turner-Bunnell
Notary Public - State of Florida



STATE OF FLORIDA

COUNTY OF Indian River

The foregoing instrument was acknowledged before me this 1st day of October, 2009, by RONALD L. EDWARDS, as the MANAGER of SKYLAND UTILITIES, LLC, a Florida limited liability company, on behalf of the company. Said person (check one) ☒ is personally known to me, ☐ produced a driver's license (issued by a state of the United States within the last five (5) years) as identification, or ☐ produced other identification, to wit: _____.

Debra Turner-Bunnell
Notary Public - State of Florida

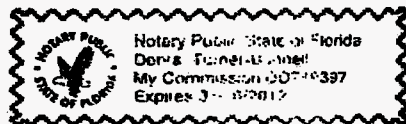


EXHIBIT "A"

LEGAL DESCRIPTION

Appendix VII

FUNDING AGREEMENT

This Funding Agreement ("Agreement") is made and entered into this 4th day of October, 2009 by and among Evans Properties, Inc., a Florida corporation ("Evans") and Skyland Utilities, LLC ("Utility"), a Florida limited liability company.

RECITALS

1. Evans owns and controls Evans Utilities Company, Inc., which owns and controls 100% of the Utility and is the sole and managing member of the Utility.
2. The Utility plans to build and operate a water and wastewater utility system in Hernando and Pasco Counties, Florida ("Utility System") and will apply to the Florida Public Service Commission ("Commission") for original water and wastewater utility certificates.
3. All of the land within the Utility's proposed service territory in Hernando and Pasco Counties is owned by Evans.;
4. As an inducement to the Utility to operate the Utility System, Evans seeks to assure the Commission that it intends to provide the Utility with an infusion of capital reasonable and necessary to allow the Utility to build and operate the system.

AGREEMENT

THEREFORE, in consideration of the foregoing premises and mutual promises, the Utility and Evans agree as follows:

1. Evans hereby agrees to provide reasonable and necessary funding to the Utility if needed for the Utility to build and operate the Utility Systems in Hernando and Pasco Counties, Florida.
2. The Utility agrees to provide Evans with a written request for such funding at least thirty (30) days in advance of the date upon which any such funding is needed.
3. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.
4. The obligations of Evans shall not be assigned, either voluntarily or by operation of law, without prior written consent of the Utility, which consent shall not be unreasonably withheld.

5. Any notice or other communication required or permitted to be given hereunder may be (i) personally delivered or (ii) transmitted by facsimile to the parties as follows (as elected by the party giving such notice, demand, or other communication):

If to the Utility

c/o Evans Utilities Company, Inc.
660 Beachland Boulevard
Vero Beach, FL 32963

If to Evans

660 Beachland Boulevard
Vero Beach, FL 32963

The date of any notice or other communication hereunder shall be deemed to be the earlier to occur of (i) the date of receipt if delivered personally or (ii) the date of transmission by facsimile (with personal delivery within 5 days thereafter). Any party may change its address for purposes hereof by notice to the others as set forth above.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date set forth above.

EVANS PROPERTIES, INC.,
a Florida corporation

By: Ronald Edwards

Title: PRESIDENT

Date: 10/1/09

SKYLAND UTILITIES, LLC,
a Florida limited liability company

By: Ronald Edwards

Title: MANAGER

Date: 10/1/09