Dorothy Menasco

From:

Bronwyn Ferrell

bferrell@sfflaw.com>

Sent:

Wednesday, November 13, 2013 10:37 AM

To:

Filings@psc.state.fl.us

Cc:

John Wharton

Subject:

Docket No. 130105-WS

Attachments:

Wastewater Lease Agreement.pdf; Water Lease Agreement.pdf

a. The full name, address, telephone number, and e-mail address of the person responsible for the electronic filing:

John L. Wharton
Sundstrom, Friedman & Fumero, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301
(850) 877-6555
johnw@rsbattorneys.com

b. The docket number and title if filed in an existing docket: 130105-WS

Application of Consolidated Services of Hendry & Collier, LP for original water and wastewater certificates in Hendry and Collier Counties, Florida

c. The name of the party on whose behalf the document is filed:

Consolidated Services of Hendry & Collier, LP

- d. The total number of pages in each attached document: 2 documents, 20 pages each
- e. A brief but complete description of each attached document:

Water Lease Agreement and Wastewater Lease Agreement

BRONWYN R. FERRELL

Legal Assistant



SUNDSTROM, FRIEDMAN & FUMERO, LLP
Attorneys at Law
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
T: 850.877.6555
F: 850.656.4029
brevell@sfflaw.com
www.sfflaw.com

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WASTEWATER LEASE AGREEMENT

THIS WASTEWATER LEASE is made and entered into this day of November 2013, by and between Consolidated Citrus Limited Partnership, a Delaware limited partnership (hereinafter referred to as "Owner"), and Consolidated Services of Hendry & Collier, LLC, a Delaware limited liability company (hereinafter referred to as ("Service Company").

RECITALS

WHEREAS, Owner is the owner of certain real property which may be used for, among other things, the provision of public wastewater services; and,

WHEREAS, Service Company is a Florida Public Service Commission ("PSC") certified utility authorized to provide wastewater service which desires to utilize portions of the Property of owner for the provision of such wastewater services.

NOW, THEREFORE, in consideration of ten dollars (\$10), and the covenants set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

DEFINITIONS.

The following definitions of terms used in this Lease shall apply unless the context indicates a different meaning:

- A. "Property" The land described in Exhibit "A" represents the certificated service territory of Service Company.
- B. "Reuse Water" Water that has been treated to public access reclaimed water standards and is sold or disposed of after treatment at a wastewater treatment facility.
- C. "Wastewater Collection Facilities" All collection mains, pipes, pumps, valves, and appurtenant facilities used in the transmission of raw wastewater from a wastewater service customer to a treatment facility on the Property.
- D. "Wastewater Disposal Facilities" All plants, tanks, pipes, equipment, ponds, and other appurtenant facilities used in the storage, disposal or distribution of treated wastewater effluent or reuse water located on the Property.
- E. "Wastewater Facilities" All Wastewater Collection Facilities, Wastewater Disposal Facilities, and Wastewater Treatment Facilities located on the Property.
- F. "Wastewater Treatment Facilities" All plants, tanks, pumps, pipes, equipment, and other appurtenant facilities used in the treatment of wastewater.
- G. "Sites" Specific areas separately agreed to by Owner and Service Company for the location of the Wastewater Facilities pursuant to this Lease.

H. "Service Company" shall, where applicable, include all officers, directors, employees, agents, contractors and subcontractors of Service Company, in which case all such parties agree to be bound by the applicable provisions of this Lease.

PURPOSE AND TERM.

Owner hereby leases to Service Company, and Service Company hereby leases from Owner, certain portions of the Property owned by Owner, upon the terms and subject to the conditions set forth herein. This Lease shall be effective for a period of ninety-nine (99) years beginning immediately after its execution unless sooner terminated as provided herein.

RENTS.

As compensation for Service Company's right to utilize the Sites and the impact of all Service Company uses of the Property or Sites, Service Company shall pay to Owner an annual rent of \$______("Annual Rent").

4. RENT ADJUSTMENT.

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, Service Company and Owner shall renegotiate the Rent to be paid over the next 3-year period ("Rent Adjustment"). The purpose of renegotiating the Rent Adjustment is to reflect the increase in the fair value of Sites, the Property, and the impact of the use of the Sites over the prior 3-year period.

If Service Company and Owner are unable to agree on the Rent Adjustment, then at least forty-five (45) days, but not earlier than ninety (90) days, prior to the commencement of the subject 3-year period, Service Company and Owner shall agree upon a qualified appraiser who will calculate the increase in the Rent to be paid over the subject 3-year period. If the parties are unable to agree upon an appraiser, then Service Company and Owner shall each select a qualified appraiser to make the calculations, and the average of the two appraisers' calculated increase shall be binding on the parties. Calculations by the appraiser or appraisers shall in either case be made and delivered to Service Company and Owner at least fifteen (15) days prior to the commencement of the subject 3-year period. The cost of the appraiser or appraisers shall be borne by Service Company.

Notwithstanding the calculations of the appraiser or appraisers, or anything contained herein, under no circumstances shall the Rent Adjustment result in a Rent below the amount of the Rent in effect at the time of the Rent Adjustment, or below the then existing Rent, adjusted for inflation using the compounded index percentage approved for regulated water and wastewater utilities by the Florida Public Service Commission for each intervening year since that last Rent Adjustment.

DESCRIPTION OF LEASED PREMISES.

For Service Company's purposes, Owner and Service Company agree to a lease of portions of the Property for installation and use of the Wastewater Facilities. A description of the Sites is attached hereto as **Exhibit "B."** Service Company's use of any portion of the Property shall not now, or in the future, be a detriment to Owner's agriculture operations, silviculture operations, residential or commercial facilities, or other activities in areas adjacent to the Sites.

Service Company shall submit to Owner a copy of any plans and specifications prepared in connection with the Wastewater Facilities on any proposed Site. Service Company shall not commence any activities on the Property without first obtaining Owner's prior written approval of such plans and specifications. All construction shall be undertaken with reasonable diligence in a good and workmanlike manner and in compliance with all applicable permits, authorizations, building codes, zoning laws, and all other legal requirements. If Service Company desires an alternative Site size or configuration, authorization for such alternative shall be in the sole discretion of Owner. In the event any governmental entity or authority regulation requires the size of a Site to exceed that originally agreed to herein, all Sites identified thereafter shall conform to such governmental regulation, and the compensation paid pursuant to this Lease shall increase on a prorata basis, based on additional use of the Property.

Owner grants Service Company the nonexclusive right to utilize portions of the Property (the Sites) for the purposes of wastewater collection, treatment, and effluent/reuse water storage, transport and disposal, and use of all Wastewater Facilities. Such right constitutes a substantial property right granted to Service Company and a substantial basis upon which the Service Company has agreed to pay the Annual Rent established within this Lease.

PERMITS.

Prior to constructing or operating any of the Wastewater Facilities on the Sites or Wastewater Collection Facilities on the Property, or receiving payment for subsequent treatment of wastewater or sale of reuse water, Service Company shall obtain, at its sole expense, all permits, certificates, and approvals as may be required by any governmental entity, including, without limitation, PSC, county or State governments, U.S. Army Corp of Engineers, USEPA, and the Florida Department of Environmental Protection (DEP). Owner has the right to approve, prior to filing, the identity of the applicant and the form and substance of any permit application.

Service Company shall operate and maintain all Wastewater Facilities in a safe, efficient and sufficient manner and in compliance with any and all federal, State, and local laws and regulations and be responsible for initiating, maintaining and supervising all safety precautions and programs deemed necessary by regulatory authorities and industry standards. The Wastewater Facilities shall be designed to minimize environmental degradation to the Property. Service Company shall operate and maintain the Wastewater Facilities to support these objectives.

Service Company shall prepare and submit in timely manner all reports on operation and maintenance of the Wastewater Facilities as required by local, state, and federal regulatory agencies and make all such records available for review by Owner.

USE OF SITES.

The Sites shall be used for the sole purpose of the operation of the Wastewater Facilities.

If, after installation of the Wastewater Facilities, Owner shall reasonably determine that, for Owner's beneficial use of the Property, a certain component of the Wastewater Facilities must be relocated, Owner will provide a substitute Site located as close as reasonably possible to the original Site, and Owner shall bear the expense of such relocation.

Service Company agrees to refrain, and to prevent its employees, invitees, agents, and contractors, from bringing any hazardous materials onto the Property, except for cleaning fluids in de minimis quantities, those for wastewater treatment and fuel for emergency power generation. All such materials shall be stored in proper containers and in compliance with all legal requirements. Service Company covenants and agrees to indemnify, defend and hold Owner harmless from and against any and all claims, actions, administrative proceedings, judgments, damages, penalties, costs, expenses, losses and liabilities of any kind or nature that arise (indirectly or directly) from or in connection with the presence, release, spill or discharge of any hazardous materials in, on or about the Property at any time during the term of the Lease, or resulting from the acts or omissions of Service Company or its respective employees, agents or contractors. Without limiting the generality of the foregoing, the indemnity set forth above shall specifically cover any investigation, monitoring and remediation costs.

Service Company shall not have the right to place any signs or other advertising material on the Property without the prior written consent of Owner; provided that, Service Company shall have the right to erect or display any signage that may be required by law in the operation of the Wastewater Facilities on the Property.

8. UNUSEABLE WASTEWATER FACILITIES.

If any Wastewater Facilities become unusable, upon written notice by Service Company to Owner, the Site upon which the unusable facility is located shall no longer be subject to the terms of this Lease, as of the date the Site is taken out of service and all necessary abandonment, reconditioning, and cleanup work is completed. In such event, in Owner's sole discretion, Service Company shall: (i) properly abandon the Wastewater Facilities on the Site, at Service Company's expense, in accordance with applicable DEP, USEPA requirements and other applicable statutes, ordinances, or regulations and such other requirements as may reasonably be imposed by Owner for the plugging or abandonment of such facilities; and remove all Wastewater Facilities on the Site; or, (ii) convey all or a portion of the Wastewater Facilities to Owner. Upon the abandonment of any Wastewater Facilities, or the removal of Wastewater Facilities from any Site, Service Company shall clean up the Site and leave the same in neat and presentable condition.

Owner shall not in any way be responsible or liable to Service Company at any time for any loss, damage or expense resulting from any change in any Sites suitability to serve as a Site for Wastewater Facilities or any changes in the quality or quantity of such wastewater or reuse water that can be treated, stored or disposed of on such Sites, or the character of the Property, or for it being no longer suitable for Service Company's requirements or for any cessation or

interruption of the operation of the Wastewater Facilities, nor shall any variation in any way relieve Service Company of any obligation under this Lease.

MAINTENANCE AND REPAIR.

During the term of this Lease Service Company shall be responsible for the continuous operation and maintenance of the Wastewater Facilities unless otherwise agreed to in writing by Service Company and Owner. Service Company shall keep the Sites and Wastewater Facilities in a neat, clean and presentable condition.

Service Company shall institute preventive and corrective maintenance programs for the Wastewater Facilities and shall staff the Wastewater Facilities with the appropriate number of certified operators and hourly or salaried employees consistent with regulatory requirements and good management practice. Service Company shall be responsible for maintaining the Sites (including mowing) and the Wastewater Facilities, and for replacement of any component parts when necessary due to destruction, wear and tear or otherwise.

Service Company shall perform periodic monitoring, sampling and testing as required by its DEP, USEPA, and other applicable permits or regulations. Service Company shall provide or secure laboratory services for testing and analysis for all constituents as necessary to comply with regulatory requirements. All such sampling, monitoring, analysis and reporting shall be in compliance with agency approved quality assurance/quality control programs and all permits and regulations.

All Wastewater Facilities shall be selected, installed, used and maintained in accordance with good practices in the industry and in full compliance with all applicable laws and governmental regulations. Service Company shall respond to any emergencies during or after regular business hours as necessary as quickly as possible. Should an event of regulatory noncompliance occur, Service Company shall act promptly to correct such noncompliance or, if such noncompliance cannot be promptly corrected, Service Company shall promptly commence reasonable actions to correct the noncompliance and diligently pursue same. Such event of noncompliance or emergency shall be reported to Owner upon notification to applicable regulatory agencies or, if no such notification is required, promptly following such event.

10. ELECTRICAL POWER.

Service Company shall be responsible for securing electric power for the Wastewater Facilities. Owner shall reasonably cooperate with Service Company in securing electrical power for Sites from the closest power source. Owner shall have the right to approve the location of poles, transformers, electrical lines, and other necessary installations, which approval shall not be unreasonably withheld. Owner shall have the right to require underground installation of utilities, all at Service Company's expense. Service Company shall reimburse Owner for any attorney's fees incurred by Owner in connection with the preparation, review, and negotiation of documents and for consultations in relation to obtaining and maintaining electrical power for the proposed operations at each Site.

INGRESS AND EGRESS.

Owner hereby grants Service Company nonexclusive license for ingress and egress to the Sites during the term of this Lease, during the times and solely for the purposes set forth in this Lease. If county or state roads provide reasonable means of ingress and egress to the Sites, Service Company shall use such county or state roads. In the event that ingress and egress is available only upon roads or access-ways other than county or state roads, Service Company shall so notify Owner and Owner shall make reasonable efforts to specify existing roads or access-ways located so as to permit Service Company to exercise and enjoy the privileges created by this Lease, but Owner shall have no affirmative obligation to improve, maintain, or repair any such road or access-way for use by Service Company.

Any roads or access-ways used by Service Company shall be used by Service Company at its own risk, shall be maintained by Service Company so as to permit continued safe vehicular passage, and shall be left in a condition at least as good as originally found by Service Company upon termination of this Lease.

12. PROHIBITED ACTIVITIES.

Service Company shall not take or remove, kill, or otherwise molest any livestock or wildlife on the Property. Service Company covenants that Service Company will save Owner harmless from all damage caused by Service Company or its agents or employees to such livestock or wildlife and to promptly notify and reimburse Owner for any such damage. No hunting or fishing shall be permitted on the Property by Service Company, its agents, or employees. Service Company shall at no time have dogs or guns or firearms on the Property. Service Company will at no time cause any fires to be set on the property unless prior written consent of Owner has been obtained. If Owner grants consent, Service Company shall be solely responsible for obtaining the necessary and required permits, and for all expenses related thereto. If any employees, agents, or subcontractors of Service Company violate the provisions of this paragraph, Owner shall be entitled to ban such person or persons from the Property. Should Service Company fail to exercise reasonable measures to prevent such person or persons from subsequently coming onto Owner's lands, such act shall be deemed a default hereunder.

INSPECTION BY OWNER.

Owner or Owner's agent may, at any time, enter upon any Site to view the condition thereof, to obtain water, wastewater, or reuse water samples for water quality testing, and to observe Service Company's operations thereon.

14. TAXES.

This Lease is an absolutely net lease. All amounts payable hereunder to or on behalf of Owner shall be paid without notice or demand, and without set-off counterclaim, abatement, suspension, deduction or defense. It is the intent of the parties hereto that all Annual Rents payable under this Lease shall be an absolutely net return to Owner and that Service Company shall pay all costs and expenses relating to the Property and the business carried on therein. Any amount or obligation relating to the Property which is not expressly declared to be that of Owner under this Lease shall be deemed to be an obligation of Service Company

Service Company shall pay all sales taxes, if any, due on the Annual Rent, all license taxes, and any and all other taxes, except income taxes of Owner, with respect to Service Company's operations hereunder.

Owner may require Service Company to pay all real estate taxes, tangible personal property taxes, intangible personal property taxes, and assessments of any kind, and all increases in such taxes on the Sites leased hereunder, and any Wastewater Facilities constructed, owned, or operated by Service Company accruing during the term of this Lease, including any increases resulting from the construction of any additions or improvements or the installation of any equipment on the Sites, whether actual payment of such taxes is made during the term of this Lease or thereafter. If Service Company is required to pay such taxes, Owner shall promptly provide applicable tax notices and pro-rations, which shall thereafter be payable when due.

If this Lease begins other than on the first day of the tax year, or if this Lease ends other than on the last day of the tax year, the parties shall make appropriate adjustments or pro-rations to determine tax liability. Such tax liability shall be computed based on the most recently available valuations, millage, assessments, and other information (including information included in a "cut-out" customarily prepared by the county) provided by the county in which the Property is located.

INSURANCE.

Unless Owner agrees in writing to alternative coverage, Service Company 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 Clean-up 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 no less than \$10,000,000. Owner 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, Service Company 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 lighting (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 Service Company is in default to Owner, Owner may require the proceeds be paid to Owner to satisfy Service Company's obligation to Owner. If Service Company 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. Service Company covenants and agrees that all employees of Service Company 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. Service Company 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.
- Policy Requirements. All certificates of insurance furnished by Service Company to evidence insurance coverage shall provide for thirty days written notice by the insurance company to the designated representative of Owner 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 Owner with a Best's Key Rating Guide of B+ or better, with a financial rating of at least VI. If Service Company fails at any time to maintain the insurance coverage as required above, Service Company 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, Owner 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, Service Company must maintain Completed Operations coverage with additional insured extension for a period of two (2) years after completion and acceptance by Owner of the work performed. Service Company 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 Service Company pursuant to this Paragraph shall be primary coverage regardless of whether or not Owner has similar coverage. Service Company 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 Owner. Owner reserves the right to require a certified copy of the policies or to examine the actual policies. Service Company shall not self-inure any of the insurance coverages required by this Lease without the prior written consent of Owner. 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 Service Company to Owner under this Lease.

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

HOLD HARMLESS, ATTORNEY'S FEES.

A. Indemnity to Owner.

Service Company shall indemnify and defend Owner, its shareholders, officers, directors, employees, and agents (all such indemnities herein referred to as "Owner") and hold Owner harmless from and against every claim or demand with respect to bodily injury, death, property damage, nuisance, or other loss or damage of any kind, including attorney's fees and costs incurred by Owner, arising out of the acts or omissions of Service Company, its agents or contractors, in the use, occupancy or operation of any Site, Wastewater Facilities, or any activities of Service Company, its agents or contractors, on the Property. Service Company's duty to indemnify shall include indemnification from and against any fine, penalty, liability, or cost arising out of any violation of any law, ordinance, or governmental regulation applicable to Service Company, its agents or contractors use or occupancy of any Site or Wastewater Facilities.

B. Indemnity to Service Company.

Owner shall indemnify and defend Service Company and hold Service Company harmless from and against every claim or demand with respect to bodily injury, death, property damage, nuisance, or other loss or damage of any kind, including attorney's fees and costs incurred by Service Company, arising out of Owner's negligence in discharging its duties under this Lease.

C. Costs and Attorney's Fees.

In the event Service Company or Owner brings an action to enforce this Lease by Court proceedings or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, together with reasonable attorney's fees at all levels, including appeals.

17. DEFAULT.

A. The occurrence of one or more of the following constitutes an event of default by

Service Company:

- (1) The failure of Service Company to perform any obligation for the payment of money when due;
- (2) The failure of Service Company to perform and comply with any obligation imposed upon Service Company by this Lease, other than the payment of money, for more than twenty (20) days after notice thereof shall have been given to Service Company or, if such default is of such nature that it cannot, with due diligence, be completely remedied within twenty (20) days, such longer period of time as may be reasonably necessary to remedy provided that Service Company shall commence, within said period of twenty (20) days, and shall thereafter diligently prosecute to completion, all steps necessary to remedy such default, but in no event more than ninety (90) days after notice of such default shall have been given to Service Company;
- (3) Breach by Service Company of the obligations set forth in Section 15 without any notice, grace, or curative period;
- (4) Proceedings under the Bankruptcy Act for bankruptcy are filed by or against Service Company, and if filed against Service Company, have not been dismissed within thirty (30) days after the filing;
 - (5) Assignment of Service Company's property for the benefit of creditors is made;
- (6) A receiver, conservator, or similar officer is appointed by a court of competent jurisdiction to take charge of all or a substantial part of Service Company's property, and within thirty (30) days after appointment the receiver, conservator, or officer is not discharged and possession of the property is not restored to Service Company;
- (7) Service Company's interest in the Sites or Wastewater Facilities are the subject of taking or levy under execution, attachment, or other process of law and the action is not canceled or discharged within thirty (30) days after its occurrence; or.
 - (8) Service Company abandons the Property.
- B. If Owner shall default in any of its obligations hereunder, Service Company shall give written notice thereof to Owner, and Owner shall have a reasonable period of time after receipt of such notice in which to cure such default.
- C. Owner and Service Company shall have the right to terminate this Lease for any default of the other; provided that where curative periods are applicable, Owner and Service Company may only terminate if the default remains uncured through the expiration of such curative periods.

18. ASSIGNABILITY.

Service Company may not assign, pledge, or encumber Service Company's rights hereunder without the express written consent of Owner. Any assignment, pledge or encumbrance of Service Company's stock or ownership interest shall be deemed a prohibited

assignment hereunder and a default under the terms of this Lease. Owner has the unequivocal right to sell any or all of the Property, and to assign any or all of its rights hereunder, upon written notice to Service Company.

ADDRESSES, NOTICES; TIME.

Notices hereunder shall be given in writing and transmitted by messenger service, Certified Mail Return Receipt requested, telegram, or by a nationally recognized overnight courier service. For the purpose of this Lease the addressees of the party are as follows:

Owner:

Service Company:

Consolidated Citrus Limited Partnership Attn: Charles W. Lucas 3602 Colonial Court Fort Myers, FL 33913 Consolidated Services of Hendry & Collier, LLC Attn: Mitchel A. Hutchcraft 3602 Colonial Court Fort Myers, FL 33913

Notice given by certified mail shall be deemed received when the Return Receipt is signed for. Notice given otherwise shall be deemed received when received at the address to which sent or when actually received by the party to whom addressed. Either party may change its address by giving written notice to the other, but the change shall not become effective until the notice is actually received by the other party. Payments due Owner hereunder shall be made to Owner at Owner's address set forth above (or at a changed address as provided above). If the last day for giving any notice or performing any act hereunder falls on a Saturday, Sunday, or a day on which the United States post offices are not open for the regular transaction of business, the time shall be extended to the next day that is not a Saturday, Sunday, or post office holiday.

20. FORCE MAJEURE.

Neither party shall be considered in default in the performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered or prevented by any cause which is beyond the reasonable control of such party that includes, but is not limited to, any of the following: war (declared or undeclared), blockages, hostilities, revolutions, riots, strikes, lockouts or other labor disturbances, epidemics, fires, hurricanes, storms, terrorist acts, governmental acts, or any other cause (whether or not of kinds specifically mentioned herein) that is not reasonably within the control of the party claiming Force Majeure.

21. DOCUMENTATION.

Service Company and Owner agree that each shall execute such other documentation as may reasonably be required from time to time to effectuate the intent of this Lease.

22. INTERPRETATION.

It is agreed by and between the parties hereto that all words, terms and conditions contained herein are to be read in concert, each with the other, and that a provision contained under one heading may be considered to be equally applicable under another in the interpretation of this Lease.

REMEDIES.

- A. In the event a party fails to perform any of its obligations hereunder, the non-defaulting party shall be entitled to: (i) terminate this Agreement by written notice delivered to the other party and pursue all remedies available at law or in equity; (ii) obtain specific performance of the terms and conditions hereof; or (iii) waive the default and proceed as contemplated herein.
- B. Upon the occurrence of an event of default by Service Company, and in addition to the other remedies set forth herein, Owner may (a) re-enter and repossess the Property, or any part thereof, by judicially mandated force, summary proceedings, ejections or otherwise; and, (b) remove all persons and property there from, whether or not this Lease has been formally terminated hereunder, it being understood and agreed that Owner shall have no liability by reason of any such re-entry, repossession or removal except to the extent caused by Owner's gross negligence or willful misconduct, and no such re-entry or taking of possession of the Real Estate by Owner shall be construed as an election on Owner's part to terminate this Lease unless a written notice of such intention be given to Service Company.
- C. If Service Company breaches any of its obligations under this Lease, and the same shall constitute an event of default, then in addition to any other right or remedy Owner may have, Owner may perform such obligations on Service Company's behalf and the cost thereof, together with interest thereon, shall become due and payable as additional rent to Owner upon demand.
- D. In addition to other remedies provided in this Lease, Owner shall be entitled to seek and obtain temporary and permanent injunctive relief to prevent and restrain any breach or contemplated breach or threatened breach of and to specifically enforce the provisions of this Lease, and Owner shall not be obligated to post bond or other security in seeking such relief or to prove irreparable harm. The existence of any claim, demand, action, set-off counterclaim or cause of action by Service Company against Owner or any other person shall not constitute a defense to the enforcement by Owner of its rights under this Lease.

24. STRICT COMPLIANCE.

Failure to insist upon strict compliance of any of the terms, covenants, or conditions hereof by Owner shall not be deemed a waiver of such terms, covenants, or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time be deemed a waiver or relinquishment of such right or power at any other time or times.

25. EMINENT DOMAIN

If during the term of this Lease, all or substantially all of the sites or leased Property shall be taken as a result of the exercise of the power of eminent domain, this Lease shall terminate and all right, title and interest of Service Company hereunder shall cease on the date of vesting of title pursuant to such eminent domain proceeding, and all rents and other sums payable by Service Company hereunder, shall be prorated to the date of such vesting. The net award from

such taking shall mean all amounts payable as a result of any condemnation or other eminent domain proceeding affecting the Property, less all attorney's fees and other reasonable expenses for such proceeding incurred by Owner plus all amounts payable pursuant to any agreement with any condemning authority (which agreement shall be deemed to be a taking) made in settlement of, or under threat of any condemnation or other eminent domain proceeding affecting the Property, less all attorney's fees and reasonable expenses incurred as a result thereof. Service Company shall be entitled to a portion of the net award equal to the then net book value of Service Company's interest in the improvements.

If during the Term there is a taking by exercise of the power of eminent domain of less than all or substantially all of the Property, which taking includes a portion of the Service Company improvements, this Lease shall remain in full force and effect without abatement or reduction of rents, or other charges required to be paid by Service Company except as herein provided. In such event, Service Company shall proceed diligently to rebuild, replace and repair the improvements as near as legally and structurally practicable to their former condition, subject to approval of the location and nature of the improvements by Owner. Provided that no event of default exists, Service Company shall be entitled to use the portion of the net award applicable to the improvements, if any, to make such repairs, subject to reasonable conditions imposed by Owner, including, but not limited to the deposit of such portion of the net award within an escrow account and conditioning disbursements from such account in a manner similar to draw requests under an institutional construction loan. All such rebuilding, replacing and repairing shall be carried out in accordance with the provisions of this Lease. If the portion of the net award received by Service Company is insufficient to cover the cost of repair, then the deficiency shall be paid by Service Company. If the taking includes one or more tenanted areas, then the Annual Rent shall be reduced in the same proportion that the Annual Rent for the affected tenanted areas bears to the total annual payment for all tenanted areas.

SURRENDER OF POSSESSION

Service Company hereby covenants and agrees that at the expiration of the term of this Lease, by its own terms or any earlier termination upon a default, in the sole discretion of Owner: (i) sole ownership of the Sites, Wastewater Facilities and all related improvements, and the right to their possession and use shall automatically pass to Owner without payment or consideration of any kind; or (ii) Service Company shall be required, at its expense, to remove all improvements, fixtures and equipment from all Sites, and all Wastewater Facilities from the Property, and restore the Property to a condition substantially the same as existed prior to this Lease (excluding restoration of forest and plant growth). Service Company shall not join in, consent to, or permit any liens, encumbrances or other matters of any kind which affect title to such improvements, if allowed under this Lease, to extend beyond the term of the Lease, and Service Company shall, upon expiration or sooner termination of this Lease, return the Property to Owner, free and clear of all encumbrances. In the event Owner elects to take possession and use of the improvements on the Property, although these provisions are intended to be selfexecuting, Service Company hereby agrees to execute any further documents requested by Owner to confirm Owner's sole ownership of and marketable title to such improvements and Service Company's grant and conveyance thereof to Owner hereby made.

If Service Company does not vacate the Property when required by the terms of this Lease, Service Company shall be a tenant at sufferance and, in addition to all other damages and remedies to which Owner may be entitled for such holding over: (a) Service Company shall pay, an amount equal to two hundred percent (200%) of the Annual Rent for the year immediately preceding the beginning of the holdover tenancy, and (b) Service Company shall otherwise continue to be subject to all of Service Company's obligations under this Lease. The provisions of this Section shall not be deemed to limit or constitute a waiver of any other rights or remedies of Owner provided herein or at law.

The parties acknowledge and agree that leasing Property for the purposes herein, and the payment of Annual Rent as compensation, is a very specialized lease arrangement. The parties further acknowledge and agree Owner will have very limited ability to mitigate damages in the event of default by Service Company. Therefore, the parties agree that Owner shall have no duty to mitigate damages due to an event of default through a subsequent lease of the Property, and that the improvements shall instead be subject to the right of possession and use by Owner as set forth herein.

IN WITNESS WHEREOF, Owner and Service Company have caused this Lease, with the named Exhibits attached, to be duly executed in several counterparts, each of which shall be considered an original executed copy for all purposes.

Signed, Sealed and Delivered in the Presence of:

Consolidated Citrus Limited Partnership ("Owner")

By: KR Florida Operations, LLC, its general partner

Charles W Locas President

STATE OF FLORIDA COUNTY OF LEE

DLM W

The foregoing instrument was acknowledged before me this // day of Nembel.

2013, by Charles W. Lucas, as President of KR Florida Operations, LLC, a Delaware limited liability company, as general partner of Consolidated Citrus Limited Partnership, a Delaware limited partnership, on behalf of the company as general partner of the partnership, who is personally known to me or has produced

Notary Public

BETTINA HARBORD
Commission # EE 072422
Expires March 31, 2015
Bordeo Thru Troy Fain (source # 00-885-7016

Signed, Sealed and Delivered in the Presence of:

Consolidated Services of Hendry & Collier, LLC ("Service Company")

By: KR Florida Operations, LLC, its manager

Mitchel A. Hutchcraft, Vice President

STATE OF FLORIDA COUNTY OF LEE

The foregoing instrument was acknowledged before me this the day of North metal., 2013, by Mitchel A. Hutchcraft, as Vice President of KR Florida Operations, LLC, a Delaware limited liability company, as manager of Consolidated Services of Hendry & Collier, LLC, a Delaware limited liability company, on behalf of the company as manager of the company, who is personally known to me or has produced as identification.

Notary Public

BETTINA HARBORD
Commission # EE 072422
Expires March 31, 2015
Borded Thru Tray Fan Industrial 11 AM 2019

Exhibit "A"

Property

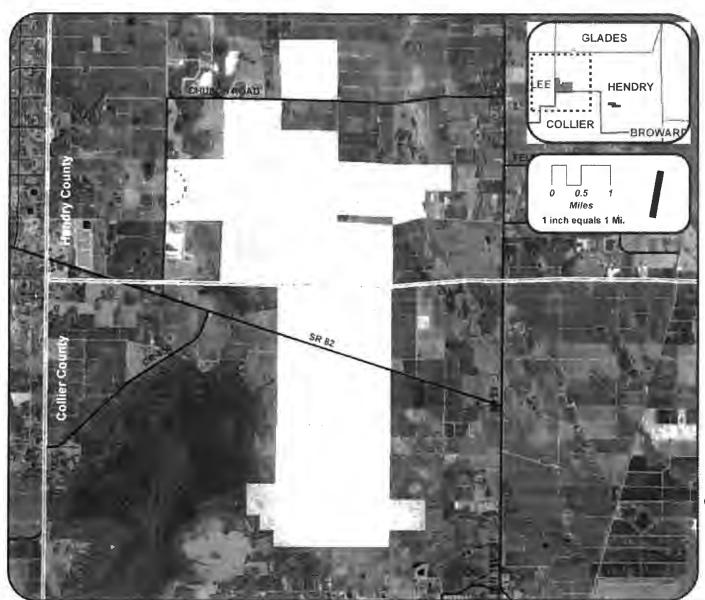


Exhibit A-1 **General Location Map Conceptual Utility Sites**

November 8, 2013

Legend

County Boundary
Proposed Utility Sites County Boundary Leased Sewer Plant Site Leased Water Plant Site Consolidated Services Boundary

Consolidated Services of Hendry & Collier County, LLC

3602 Colonial Court, Fort Myers, Florida 33913

Note:
This exhibit was prepared utilizing numerous data sources, including public and private Geographic Data Libraries, and is the property of King Ranch/CCLP. This exhibit is intended for general information only, and is subject to change resulting from stakeholder input prior to adoption by Hendry County and DEO. Any use or distribution of this exhibit without prior, written authorization of King Ranch/CCLP is prohibited.

Exhibit "B"

Description of Sites

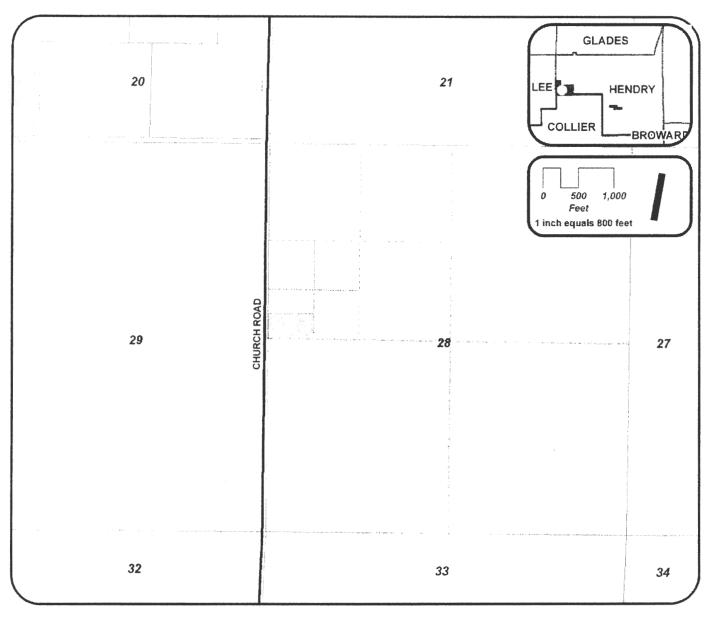


Exhibit B Site Identification and **Sketch for Conceptual Wastewater Plant Site**

November 8, 2013

Legend

County Boundary

Hendry Parcel Data (2010)

Leased Wastewater Plant Site Consolidated Services Boundary

General Description:

S 1/2 of the SW 1/4 of the SW 1/4 of the NW 1/4 of Section 28, Township 45S, Range 28E, Less the ROW for Church Road.

Containing 5 acres, more or less.

Or:

26*32'09.27"N, 81*31'47.17"W

Consolidated Services of Hendry & Collier County, LLC

3602 Colonial Court, Fort Myers, Florida 33913

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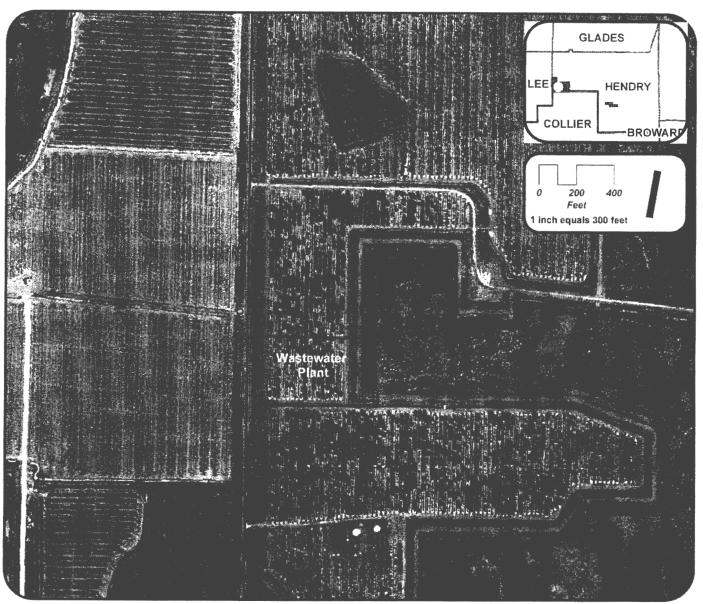


Exhibit B (1) **Aerial for Conceptual Wastewater Plant Site**

November 8, 2013

Legend

County Boundary
Hendry Parcel Data (2010)
Boundary - Wastewater Plant Site

General Description:

S 1/2 of the SW 1/4 of the SW 1/4 of the NW 1/4 of Section 28. Township 45S, Range 28E, Less the ROW for Church Road

Containing 5 acres, more or less.

Or:

26*32'09.27"N, 81*31'47.17"W

Consolidated Services of Hendry & Collier County, LLC

3602 Colonial Court, Fort Myers, Florida 33913

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