

State of Florida



# Public Service Commission

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

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

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**DATE:** November 8, 2019

**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

**FROM:** Robert E. Graves, Public Utilities Supervisor, Division of Engineering *RG*

**RE:** Docket No. 20180214-WS -Application to transfer facilities and Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club Utility Company, LLC to St. Johns River Estates Utilities, LLC.

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Please file the attached documents in the above mentioned docket file.

Thank you.  
RG/jp

Attachment

COMMISSIONERS:  
ART GRAHAM, CHAIRMAN  
JULIE I. BROWN  
DONALD J. POLMANN  
GARY F. CLARK  
ANDREW GILES FAY

STATE OF FLORIDA



DIVISION OF ENGINEERING  
TOM BALLINGER  
DIRECTOR  
(850)413-6910

# Public Service Commission

September 20, 2019

Mr. Scott Middlebrooks  
St. Johns River Estates Utilities, LLC  
2581 Pope Master Road  
Milton, FL 32570  
scottmiddlebrooks@yahoo.com

VIA EMAIL & US MAIL

**Re: Docket No. 20180214-WS - Application to transfer facilities and Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club Utility Company, LLC to St. Johns River Estates Utilities, LLC.**

Dear Mr. Middlebrooks:

Staff reviewed St. Johns River Estates Utilities, LLC's (St. Johns or Utility) August 27, 2019 response to staff's July 16, 2019 deficiency letter. After reviewing this information we find the application is still deficient. The specific deficiencies are identified as:

1. **Right to Land.** Rule 25-30.037(2)(s), Florida Administrative Code (F.A.C.), requires documentation of the utility's right to access and continued use of the land upon which the utility treatment facilities are located. Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided that the applicant files a recorded copy within the time required in the order granting the transfer. One of the documents provided in the Utility's August 27, 2019 deficiency response, the "Assignment of Lease" document, pages 5 and 6, should be duly signed and notarized, and the noted "Attachment A," the lease, should be attached. Please provide the required documentation.
2. **Notice of Application.** Rule 25-30.030(4), F.A.C., requires that the notice of application be provided to the Office of Commission Clerk, for Commission staff approval, prior to distribution. Staff reviewed the draft notice provided in the Utility's August 27, 2019 response to staff's July 16, 2019 deficiency letter. Please make the following corrections to St. Johns' draft notice and provide the revised draft notice for staff review.
  - a. Rule 25-30.030(3)(e), F.A.C., specifies the wording of the title of the notice, with the title, to be modified to reflect the type of service or services being transferred. The title of the draft notice submitted omits the reference to water service. Please amend the title of the notice to read as follows:

Mr. Scott Middlebrooks

Page 2

September 20, 2019

“Notice of Application for Authority to Transfer Water and Wastewater Certificates of Authorization to Another Regulated Utility.”

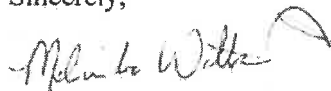
- b. Rule 25-30.030(4)(b), F.A.C., requires the utility to provide its name, address, telephone number, and, if available, its email address and fax number. The notice does not contain the Utility’s fax number. Please either amend the notice to include the Utility’s fax number, or, in its response to this deficiency letter, state that the Utility does not have a fax number.
  - c. The title above the legal description only references the wastewater legal description. Please amend the notice to correctly identify that the legal description applies to the water and wastewater service territory.
3. **Notice of Application.** Rule 25-30.030(6), F.A.C., states that all applications requiring noticing shall be deemed deficient until affidavits of noticing required by Sections 367.045(1)(e) and (2)(f), Florida Statutes, along with a copy of the notice, are filed with the Office of Commission Clerk. After staff has reviewed and approved the notice of application, and the notices have been distributed in accordance with Rule 25-30.030(5), F.A.C., please provide affidavits of noticing.

Your application will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than **October 21, 2019**, to the following address:

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Should you have any questions concerning the information in this letter, please feel free to contact Mrs. Melinda Watts by phone at (850) 413-6952 or by email at [mwatts@psc.state.fl.us](mailto:mwatts@psc.state.fl.us) for technical questions, or Ms. Kristen Simmons by phone at (850) 413-6175 or by email at [ksimmons@psc.state.fl.us](mailto:ksimmons@psc.state.fl.us) for legal questions. Please include the docket number on all submissions to the Commission Clerk.

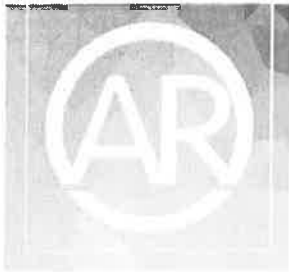
Sincerely,



Melinda Watts  
Engineering Specialist

MW:jp

cc: Office of Commission Clerk (Docket No. 20180214-WS)



AMERICAN RETIREMENT  
COMMUNITIES

[www.americanretirementcommunities.com](http://www.americanretirementcommunities.com)

Phone: 850-758-1111

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To whom it may concern,

Please be advised that St. Johns River Utility does not have a fax machine.

If you have any questions or concerns, please contact me at:

[scottmiddlebrooks@yahoo.com](mailto:scottmiddlebrooks@yahoo.com)

850-758-1113

Scott Middlebrooks

President

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER WATER AND WASTEWATER  
CERTIFICATES OF AUTHORIZATION TO ANOTHER REGULATED UTILITY**

**DOCKET NO. 20180214-WS**

**APPLICATION TO TRANSFER FACILITIES AND CERTIFICATE NOS. 542-W AND 470-S IN PUTNAM  
COUNTY FROM ST. JOHN'S RIVER CLUB UTILITY COMPANY, LLC TO ST. JOHNS RIVER ESTATES  
UTILITIES, LLC**

**DATE OF CUSTOMER NOTICE – AUGUST \_\_, 2019**

Notice is hereby given that St. Johns River Estates Utilities, LLC has filed an Application to transfer facilities and Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club Utility Company, LLC to St. Johns River Estates Utilities, LLC in Putnam County Florida pursuant to Section 367.071, Florida Statutes, and Rule 24-30.037, Florida Administrative Code.

St. Johns River Estates Utilities, LLC is not requesting a change to its rates, classifications, charges, or rules and regulations; therefore your current rates will not be affected by this transfer. The St. Johns River Estates Utilities, LLC wastewater system provides service to The Bayou Club Subdivision and surrounding community in the following described service territory in Putnam County, Florida:

**WATER AND WASTEWATER LEGAL DESCRIPTION**

A part of Sections 33 and 34, Township 10 South, Range 26 East and a part of Section 39, Township 10 South, Range 26 East and part of Section 39, Township 11 South, Range 26 East, Putnam County, Florida, being more particularly described as follows: For a point of reference commence at the point of intersection of the northerly line of said Section 39, Township 10 South, Range 26 East, said point being 100.00 feet easterly of as measured at right angles to the center line of the CSX Transportation right-of-way as now established; thence S 28°27'00" E, a distance of 1226.87 feet to the northeasterly right-of-way of County Road 309-B as now established to the POINT OF BEGINNING; thence northwesterly along said northeasterly right-of-way line, along the arc of a curve concave northeasterly and have a radius of 1860.08 feet, a chord bearing of N 53°28'26" W and a chord distance of 118.36 feet; thence N 28°27'00" W, a distance of 1281.54 feet; thence N 61°33'00" E, a distance of 50.00 feet; thence N 28°27'00" W, along the easterly right-of-way line of the CSX Transportation right-of-way, said right-of-way line being 100.00 feet easterly of as measured at right angles to said center line as now established, a distance of 1404.97 feet; thence N 73°28'46" E, a distance of 478.55 feet; thence N 01°09'00" W, a distance of 210.00 feet; thence N 88°51'00" E, a distance of 210.00 feet; thence N 01°09'00" W, a distance of 600 feet more or less to the waters of Murphy Creek; thence southeasterly along said waters of Murphy Creek a distance of approximately 4700 feet to the easterly line of Section 39, Township 10 South, Range 26 East; thence S 26°14'14" E, along said easterly line of said Section 39, Township 10 South, Range 26 East and the easterly line of said Section 39, Township 11 South, Range 26 East, a distance of 1447 feet more or less; thence S 74°31'16" W, a distance of 1674.27 feet, to the northeasterly right-of-way line of County Road 309-B as now established; thence N 59°08'00" W along said northeasterly right-of-way line a distance of 203.67 feet; thence northwesterly along the northeasterly right-of-way line, along the arc of a curve concave northeasterly and having a radius of 1860.08 feet, a chord bearing of N 57°11'47" W and a chord distance of 125.6 feet to the POINT OF BEGINNING.

Common Street Names Affected by Transfer: East Buffalo Bluff Road; County Road 309-B; Shadrick Lane; Pine Lake Drive; Lake Margo Drive; and Bayou Drive

For more information concerning this notice, please contact the Utility at the address below.

St. Johns River Estates Utilities, LLC  
2000 North Orange Avenue  
Orlando, FL 32804  
Attn: Anthony T. Fratianne, Esq.  
Office: 484-358-1110  
E-mail: [afratianne@gmail.com](mailto:afratianne@gmail.com)

Any objection to the said application must be made in writing and filed with the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, no later than thirty (30) days after the last date that the notice was mailed or published, whichever is later.

State of Florida



**Public Service Commission** ORIGINAL

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

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

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**DATE:** February 26, 2007  
**TO:** Ann Cole, Chief of Records, Division of the Commission Clerk & Administrative Services  
**FROM:** Cheryl A. Johnson, Regulatory Analyst IV, Division of Economic Regulation  
**RE:** Docket No. 060703-WS; Application for Transfer of Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club, L.L.C. to St. John's River Club Utility Company, LLC

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Please include the attached document in docket file 060703-WS. The attached document was submitted as evidence of the recorded and executed land lease.

RECEIVED-EPSC  
07 FEB 26 PM 4: 03  
COMMISSION  
CLERK

DOCUMENT NUMBER-DATE

01813 FEB 26 08

EPSC-COMMISSION CLERK

**SARAGA & LIPSHY, P.A.**  
COUNSELORS AT LAW

ROBERT S. SARAGA  
ALSO ADMITTED IN NEW YORK

BRIAN LOUIS LIPSHY  
ALSO ADMITTED IN WASH. D.C.

JOSEPH STERN  
ALSO ADMITTED IN COLORADO

201 N.E. FIRST AVENUE  
DELRAY BEACH, FLORIDA 33444

(561) 330-0660  
BOCA RATON (561) 362-7423  
TELECOPY (561) 330-0610  
E-MAIL: info@slpalaw.com

February 13, 2007

Via overnight delivery

Cheryl Johnson-Jones  
Florida Public Service Comm.  
240 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Water and wastewater permit application for St. John's River Club Utility Company,  
LLC, docket no. 060703-WS.

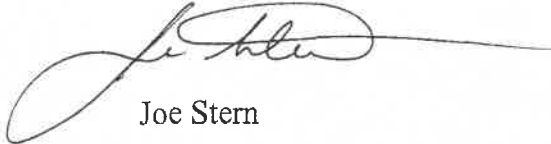
Dear Cheryl:

As promised, enclosed is a complete **and recorded** copy of the land lease pertaining to the  
above-referenced permit application.

Thanks for all of your help and cooperation.

Sincerely,

SARAGA & LIPSHY, P.A.

  
Joe Stern

enclosure

07 FEB 14 AM 10:39  
REGISTRATION OF  
ECONOMIC REGULATION  
DIVISION

DOCUMENT NUMBER-DATE

01813 FEB 26 05

REG-COMMISSION CLERK



LEASE OF LAND

**Parties**

1.0 This Lease dated December 1, 2006, is made by and between SJRC, LLC, a Florida limited liability company ("Landlord") whose address is 215 West Church Road, Suite 105, King of Prussia, Pennsylvania 19406, and St. John's River Club Utility Company, LLC, a Florida limited liability company ("Tenant") whose Street address is 100 Bayou Drive, Satsuma, Florida 32189 and whose Mailing address is 215 West Church Road, Suite 105, King of Prussia, Pennsylvania 19406.

**Premises**

2.0 Landlord hereby demises and leases to Tenant and Tenant hereby leases from Landlord the property located and more particularly described and attached hereto as Exhibit "A", together with all of Landlord's rights, easements, and appurtenances in and to such property and in and to such rights as Landlord may have in highways, roads, streets, lanes, whether public or private, which are contiguous to the property, and all buildings and improvements now or hereafter situated thereon (the "Premises"). The legal description of the Premises is set forth on Exhibit "A" attached hereto. The Premises shall be delivered to Tenant free and clear of all tenants and occupants, and free and clear of all legal violations and hazardous substances with all site preparation and other work to be performed by Landlord completed as required by the terms of this Lease.

**Definitions**

3.0 This paragraph shall define certain terms and basic provisions to be used in this Lease:

3.1 Intentionally Deleted.

3.2 The ("Initial Term") of this Lease shall commence upon the date Tenant approves the Premises for development and end on the last day of the month which is Ninety-Nine (99) years thereafter.

3.3 Intentionally Deleted.

3.4 The ("Necessary Permits") are all approvals, permits and licenses necessary and/or deemed by Tenant to be advisable for the use of the Premises as provided herein, including, but not limited to, site plan approvals, building permits, pylon sign permits, driveway or curb cut permits and a permit authorizing the operation of Tenant's business.

3.5 The ("Rent Commencement Date") shall commence upon the date Tenant approves the Premises for development.

3.6 Intentionally Deleted.

3.7 A ("Hazardous Substance") is any petroleum product, asbestos product or other material, substance or waste which is recognized as being hazardous or dangerous to health or the environment by any federal, state or local agency having environmental protection jurisdiction over the Premises.

3.8 An ("Interest Holder") is any mortgagee or assignee (conditional or otherwise) of any interest, or holder of any security interest, in any portion of the Lease or the Premises, derived from Tenant or any parent, affiliate or assignee of Tenant.

3.9 A ("Non-Disturbance Agreement") is a written agreement, in form satisfactory to Tenant and its counsel, by the terms of which a mortgagee under any mortgage (or a trustee under any deed of trust) on the Premises agrees (i) to furnish Tenant and any Interest Holder of which Landlord has knowledge with any notices of default under the mortgage or deed of trust, (ii) not to disturb Tenant's possession and quiet enjoyment of the Premises so long as Tenant is not in default under this Lease, and (iii) that any purchaser at any foreclosure sale or the mortgagee or trustee upon entry, shall assume and perform the obligations of Landlord hereunder, including obligations to any Interest Holder of which Landlord has knowledge.

#### **Term**

4.0 The term of this Lease shall commence upon the date Tenant approves the Premises for development and end on the last day of the month which is Ninety-Nine (99) years thereafter.

4.1 The Initial Term of this Lease shall be terminable by Landlord at any time hereafter upon thirty (30) days written notice by Landlord to Tenant or shall be terminable by the written agreement of both parties.

4.2 Tenant agrees to make application for all Necessary Permits and to use reasonable diligence in connection with obtaining such Necessary Permits.

4.3 Intentionally deleted.

#### **Rent**

5.0 Tenant agrees to pay an annual rental in equal monthly installments during the term of this Lease, in the amounts set forth on the attached Exhibit "B" hereto, commencing on the Rent Commencement Date and thereafter in advance on the first day of each month. All rental payments are to be made to Landlord at the address set forth in paragraph 1.0 above or such other place as Landlord may direct in writing by certified mail.

#### **Taxes**

6.0 In addition to the annual rental hereinabove reserved, Tenant agrees to pay, before interest and penalties accrue, all general real estate taxes which may be imposed on or become due and payable with respect to the Premises during the term. Such taxes for the first and last years of the terms shall be apportioned so that Tenant shall pay only the portion thereof as shall be the same as the portion of the tax year of the taxing authority concerned during which Tenant was obligated to pay rental under the provisions of this Lease. Tenant may, at its own expense and in

the name of either or both Landlord or Tenant, initiate and prosecute proceedings for an abatement or review of any tax and Landlord agrees to cooperate with Tenant in any such proceedings. Tenant shall be entitled to receive any proceeds from such abatement proceedings.

6.1 If the Premises are not assessed separately from Landlord's other and adjacent property as to real estate taxes and/or special assessments, Landlord shall pay such taxes and/or assessments before interest and penalties accrue, and Tenant's portion thereof shall be determined as follows:

6.1.1 Tenant's portion of special and benefit assessments and real estate taxes on the land shall be equal to the product of the sum of the total taxes attributable to land (land assessments multiplied by the aggregate of tax rates of all taxing authorities) multiplied by a fraction, the numerator of which shall be the square footage of the Premises and the denominator of which shall be the square footage of all land assessed and included in the same tax bill as the Premises; plus

6.1.2 If Tenant's building on the Premises is separately assessed for real estate taxes independently from other buildings, or if the office records of the assessing authorities reflect the amount of the total improvements assessment allocable to Tenant's building on the Premises, then such separate assessment or office record allocation shall be multiplied by the aggregate tax rate of the tax authorities, and the result shall represent the real estate taxes attributable to Tenant's building on the Premises; or

6.1.3 If Tenant's building on the Premises is not separately assessed or allocable on the office records of the assessing authorities, then the real estate taxes attributable to all assessed improvements (including Tenant's) by a fraction, the numerator of which shall be the square footage of floor space of Tenant's building located on the Premises and denominator of which shall be the square footage of floor space of all structures existing or under construction at the time of assessment (including Tenant's building) which shall have been assessed and included in the same tax bill as Tenant's building.

6.2 All sums payable by Tenant to Landlord under paragraph 6.1 shall be paid five (5) days prior to accrual of interest or penalty by the taxing authority for non-payment or within thirty (30) days after receipt of a bill from Landlord, whichever is later. Upon completion of Tenant's building on the Premises, the parties shall measure Tenant's building to determine the square foot area thereof. The square foot area of Tenant's building shall include all floor space as measured from the outside face of outside walls, including all floor space available for Tenant's exclusive use, such as (without limitation) storage, utility, washroom and other incidental floor space.

### **Purpose and Use**

7.0 Landlord and Tenant agree that the Premises or any portion thereof may be used for any legitimate and lawful business purpose.

7.1 Tenant shall have the absolute and unconditional right from time to time to construct buildings and improvements on the Premises and to alter, improve, expand, repair, destroy, rebuild and relocate any and all buildings, structures or other improvements, or any portion of any of same, that is or may from time to time be located on the Premises, provided that (i) all such work shall be performed and completed at Tenant's cost and expense; (ii) all of such work

complies with all applicable statutes, ordinances and other governmental requirements; and (iii) the value of the Premises after the completion of such work shall be at least equal in value to the Premises immediately prior to the commencement of such work. In furtherance thereof, Landlord covenants and agrees that it shall, promptly, upon request by Tenant, execute, acknowledge, and deliver such permit applications and other documents as may be customarily required by any authority having jurisdiction over the Premises and/or any such work. If Landlord shall fail to do so within five (5) days of the request therefor, Landlord hereby designates and appoints Tenant as its agent, coupled with an interest, to sign on behalf of Landlord and all permits, applications, or other documents necessary or desirable in order for Tenant to comply with any and all governmental rules, regulations or laws with respect to any of such work, desired or required to be performed by Tenant.

### **Landlord's Warranties and Covenants**

8.0 Landlord represents, warrants, covenants and agrees as follows:

8.1 Landlord represents and warrants that Landlord has good, clear and marketable fee simple title to the Premises and has full right and lawful authority to enter into this Lease for the full term hereof; that the Premises are free from any encumbrance, easement or restriction under which Tenant's rights to possession and use of the Premises may be affected, disturbed or terminated; and that there is presently no mortgage or deed of trust on the premises, except as set forth in Exhibit "A". Landlord covenants that no mortgage, deed of trust, lien or other encumbrance, easement or restriction will be placed against the Premises prior to the recording of this Lease or a memorandum or notice of this Lease without the prior written consent of Tenant. Landlord, at its expense, will obtain and provide to Tenant prior to the commencement of the Initial Term a leasehold title insurance commitment (or a rider to Landlord's existing policy, if available) insuring Tenant's leasehold estate, or where not obtainable, a certificate of an attorney or recognized title examiner, such policy and certificate to be from companies, attorneys or examiners and in such form and amount as are reasonably acceptable to Tenant. The title so insured or certified shall conform to Landlord's representations herein.

8.2 Landlord represents and warrants that the use of the Premises is and will be a permitted use under the zoning laws or ordinances applicable to the Premises.

8.3 Landlord shall be responsible for all costs incurred in preparing the Premises for construction of Tenant's building and improvements including the removal of any existing signs and structures from the Premises and acceptable grading and subsoil conditions, as required by Tenant.

8.4 Landlord represents and warrants that it has never generated, stored, handled or disposed of any Hazardous Substance in or upon the Premises. Landlord further represents to the best of its knowledge, that Landlord is not aware of the generation, storage, handling or disposal of any Hazardous Substance, in or upon the Premises, at any time, by anyone else. Landlord shall indemnify and hold Tenant harmless from and against any and all damages, losses, demands, claims, enforcement actions, costs and expenses, including reasonable attorney's fees, arising out of any Hazardous Substance in existence in or upon the Premises prior to the date of this Lease. Landlord will, at its expense, obtain and provide to Tenant prior to the commencement of the Initial Term, a current environmental report of the Premises which report shall confirm there are

no hazardous substances in existence in or upon the Premises, subject only to exceptions and qualifications as may be usual and customary.

8.5 Landlord further warrants and covenants that as long as Tenant is not in default under this Lease, during the term of this Lease and any extension of said term, Tenant shall have quiet and peaceable enjoyment of the Premises and will not be disturbed.

8.6 Landlord acknowledges that Tenant in executing the Lease is relying upon the representations, warranties, covenants and agreements expressly set forth in paragraphs 8.1 through 8.5 above and agrees that any breach thereof shall, without limitation, be grounds for Tenant to terminate this Lease and/or to pursue any and all remedies available to Tenant at law or in equity.

8.7 Intentionally Deleted.

8.8 Landlord agrees to execute such instruments as may be reasonably required from time to time during the term of this Lease to allow Tenant to construct any structure or building on the Premises; provided, however, that Landlord will not be required to execute any instrument subordinating its fee interest in the Premises. Landlord further agrees that the buildings referred to in paragraph 7.1 of this Lease which may be placed upon the Premises by Tenant shall at all times and under all circumstances during the term of the Lease be considered personal property and shall not be considered as affixed to or part of the Premises, nor as property of Landlord. 8.9

Landlord agrees to deliver to Tenant, at any time and from time to time hereafter, within ten (10) days after request by Tenant, a waiver, duly executed and acknowledged by Landlord and any mortgagee or other person holding an interest in the Premises derived from Landlord, of all right, title and interest in the equipment, signs and fixtures installed or to be installed by Tenant or its successors or assigns, or any tenants thereof, in or upon the Premises.

#### **Subordination and Non-Disturbance**

9.0 Landlord warrants and covenants that the holder of any mortgage or deed of trust placed on the Premises at any time prior to the recording of this Lease (or a memorandum or notice hereof) shall, upon request, execute, acknowledge and deliver to Tenant a Non-Disturbance Agreement, as described in paragraph 3.9. Any breach of the foregoing warranty and covenants shall, without limitation, be grounds for Tenant to terminate this Lease and/or to pursue any and all other remedies available to Tenant at law or in equity.

9.1 Any future mortgage or deed of trust covering the Premises shall be subject and subordinate to the rights of Tenant under this Lease. Tenant shall, upon request, execute, acknowledge and deliver to Landlord a written agreement to subordinate this Lease to any such mortgage or deed of trust, provided however that the holder thereof shall first have executed, acknowledged and delivered to Tenant a Non-Disturbance Agreement, as described in paragraph 3.9. Landlord shall promptly give Tenant and any Interest Holder notice of the creation of any such mortgage or deed of trust and shall furnish Tenant with a copy thereof.

#### **Tenant's Covenants**

10.0 Tenant covenants and agrees as follows:

10.1 Tenant agrees to procure and maintain, or cause to be procured and maintained, at its own expense, in the names of Landlord and Tenant, a policy or policies of general liability insurance against claims and damages in connection with the Premises. Such policy or policies shall include coverage with a single limit of two million dollars (\$2,000,000) for bodily injury and property damage combined and such statutory insurance as may be required in the state in which the Premises are located.

10.2 Tenant agrees to keep the building constructed on the Premises by Tenant insured against loss or damage by fire, with extended coverage, for its full replacement cost value.

10.3 Tenant agrees to keep the Premises in as good order, repair and condition as the same were in at the commencement of the term or may be put in thereafter, except for reasonable wear and use and for damage resulting from fire or casualty.

10.4 Tenant agrees not to generate, store, handle or dispose of any hazardous substance in or upon the Premises during the term of the Lease. In the event, however, that any substance used in Tenant's business shall, during the Lease term, become designated as a hazardous substance, then Tenant shall, to the extent practicable, discontinue use of the substance on the Premises. If it is not practicable for Tenant to discontinue such use, then Tenant agrees that it shall only continue use of the hazardous substance on the Premises in a manner consistent with all standards and regulations for the safe use of such hazardous substance promulgated by governmental agencies having jurisdiction. Tenant shall indemnify and hold Landlord harmless from and against any and all demands, claims, enforcement actions, costs and expenses, including reasonable attorney fees, arising out of the breach of this paragraph 10.4 by Tenant.

10.5 Provided Landlord is not then in default, Tenant agrees to relinquish all of its interests in the building placed upon and improvements made to the Premises, including all filling, grading, hardtopping, curb cuts and utilities, at the expiration of the term of Lease or any extension thereof.

### **Rights to Terminate**

11.0 Landlord shall have the right to terminate this Lease at any time upon thirty (30) days written notice by Landlord to Tenant or this lease may be terminated by the written agreement of both Landlord and Tenant. Upon any such termination, provided Landlord is not then in default, this Lease shall terminate as though the termination were the date originally fixed as the end of the term. In the event that Landlord or both parties shall exercise this right of termination, Tenant, after causing to be removed its equipment, fixtures, signs and advertising devices, shall return the Premises to Landlord, allowing to remain thereon all of the improvements made to the Premises, including any buildings and improvements and all filling, grading, hardtopping, curb cuts and utilities. In the event that Landlord or both parties exercise this right of termination, Tenant further agrees to satisfy all mortgages, liens or encumbrances placed on its interests in the Premises.

## **Tenant's Rights of Mortgage, Assignment and Sublease**

12.0 Tenant shall have no right to do any one or more of the following: (i) mortgage or assign its interests hereunder, (ii) assign this Lease, and (iii) sublease the Premises or any part thereof; Tenant shall remain liable for the payment of all rent required to be paid hereunder and for the performance of all terms, covenants and conditions herein undertaken by Tenant.

## **Rights of Interest Holders**

13.0 Landlord shall not, without the prior written consent of any Interest Holder of which Landlord has knowledge, accept any surrender of any portion of the Premises, termination or cancellation of this Lease nor permit any modifications, change, or waiver of the terms of this Lease. Landlord also agrees to give any such Interest Holder a true copy of any notice of default hereunder mailed to Tenant, at the same time such notice is mailed to Tenant. For the applicable period specified in paragraph 18.0 and for an additional period of fifteen (15) days in the event of a default in the payment of rent and for an additional period of thirty (30) days in the event of any other default hereunder, said Interest Holder shall have the right to take such action or make such payment as may be necessary or appropriate to cure any default specified in said notice or in the event such default cannot be reasonably cured within such thirty (30) day period to begin to cure such default, it being the intention of the parties hereto that Landlord will not exercise its right to terminate this Lease without affording to the Interest Holder the aforesaid opportunity to cure or to begin to cure the claimed default.

## **Tenant's Right of First Refusal**

14.0 Tenant shall have no Right of First Refusal under this Lease.

## **Other Duties of Parties**

15.0 All insurance policies required to be carried by either party hereunder shall be written in the names of Landlord and Tenant as their respective interests may appear, with appropriate endorsements in favor of any other parties who may have an interest in the Premises, by responsible insurance companies authorized to write insurance in the state where the Premises are located, and shall contain provisions denying to the insurer acquisition by subrogation of rights of recovery against Landlord or Tenant. Each party shall be entitled to duplicates or certificates of the insurance policies and satisfactory evidence of prompt payments of premiums.

15.1 Each party doing any construction, maintenance or repair work shall pay for it and shall promptly discharge or bond any liens arising therefrom.

15.2 Each party shall, without charge, at any time and from time to time hereafter, within ten (10) days after request by the other party, or any Interest Holder, certify by a written instrument duly executed and acknowledged as to the validity and force and effect of this Lease, in accordance with its tenor, as then constituted, and as to the existence of any default on that part of any party hereunder.

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15.3 Upon request of either party, the other party shall execute, acknowledge and deliver an appropriate recordable instrument giving notice of this Lease. Recording costs shall be borne by the requesting party.

15.4 If either party shall default in any of its obligations hereunder, the other party may at its option, cure the default at the expense of the party in default. Any sums expended by Landlord under this paragraph shall be deemed to be additional rent for nonpayment of which Landlord shall have the same remedies as in the case of nonpayment of any other rent hereunder.

#### **Fire or Casualty**

16.0 If the building located on the Premises, or any part thereof, shall be damaged at any time by fire or casualty and Tenant shall elect not to restore said building, then Tenant shall have the right to terminate this Lease by giving Landlord at least one hundred and twenty (120) days written notice. Except during the first ten (10) years of the Initial Term or during the ten (10) year period immediately following the completion of any substantial remodeling of the Premises costing in excess of fifty percent (50%) of the replacement cost of the building constructed on the Premises at the time of such remodeling, if Tenant elects to terminate this Lease under the provisions of this paragraph, any proceeds from the insured casualty shall inure to the benefit of Landlord. If Tenant elects to restore the Premises, Tenant will accomplish such restoration with reasonable dispatch and a just proportion of the rent hereunder shall be abated pending restoration according to the nature and extent of the impairment to the conduct of the business on the Premises.

#### **Eminent Domain**

17.0 In the case the Premises or any part thereof shall be taken by the exercise of the right of eminent domain, then Tenant shall have the option to terminate this Lease if the taking is of such character as to impair or prevent Tenant from conducting its business substantially as theretofore conducted, provided said election shall be made within ninety (90) days after the receipt of notice of said taking. If Tenant shall not so elect to terminate, then in case of such taking rendering the said Premises unfit for use and occupation, a just proportion of the rent shall be abated according to the nature and extent of the taking or damage or destruction until such Premises or what may remain thereof have been put by Landlord in the proper condition for use and occupation by Tenant. If this Lease shall not be so terminated and Tenant shall remain in occupation hereunder then there shall be a permanent reduction of rent according to the nature and extent of the deprivation to Tenant of the property as previously constituted. It is agreed that the interests of each party hereto in any condemnation award shall be dealt with according to law and that each party shall have the right to participate and represent its own interest in any such proceeding and that Tenant shall be reimbursed out of the amount of any recovery awarded for damages, including therein damages sustained to the building and other improvements to the Premises provided by Tenant. Landlord hereby represents to Tenant that, as of the date Landlord signs this Lease, Landlord has no actual or constructive knowledge of any proposed condemnation of any part of the Premises, which has not been disclosed in writing to Tenant. Landlord further agrees to promptly notify Tenant of any proposed condemnation of the Premises, whether total or partial, temporary or permanent, of which Landlord becomes aware during the term of this Lease.



### **Provisions of Default**

18.0 If Tenant defaults in any rent payment required by this Lease and such default continues for fifteen (15) days after written notice thereof to Tenant, or if Tenant defaults in any of its other covenants herein contained and within a period of thirty (30) days after written notice specifying such default to Tenant, Tenant has not cured any default or defaults so specified or, if the same cannot reasonably be cured within said period, has not begun to cure such default, Landlord may, at its option, but subject to the provisions of paragraph 13.0 terminate this Lease and Tenant will remove its property as set forth in paragraph 11.0 hereof.

18.1 If Landlord defaults in any of its covenants herein contained and within a period of thirty (30) days after written notice specifying such default to Landlord, Landlord has not cured any default(s) so specified, or if the same cannot reasonably be cured within said period, has not begun to cure such default and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure default(s), Tenant may, at its option, cure such default at Landlord's expense or may terminate this Lease and/or avail itself of any other remedies available in equity and at law.

### **Proprietary Interests**

19.0 The use on the Premises by Tenant of any trademark, service mark or other proprietary mark or symbol shall not create in Landlord any rights to the use thereof. Landlord agrees that if, for any reason, this Lease is terminated and the building becomes the property of Landlord, Tenant may remove all features of the improvements upon the Premises which are distinctive of Tenant's business, trademarks and other proprietary marks or symbols.

### **Waivers**

20.0 One or more waivers of any covenant, condition or agreement herein contained shall not be construed as a waiver of a further breach of the same covenant, condition or agreement or of any other covenant, condition or agreement, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to any subsequent similar act by Tenant. Except as expressly set forth in this Lease, neither party shall be liable to the other party, or to any insurance company (by way of subrogation or otherwise) insuring the other party, for any loss or damage to any building, structure or other tangible property, or losses under worker's compensation laws or benefits, even though such loss or damage might have been caused by the negligence of such party, its agents or employees. Each party does hereby waive trial by jury in any action, proceeding or counterclaim arising out of or connected in any way with this Lease or Tenant's occupation of the Premises.

### **Broker**

21.0 Any and all commissions, compensations or other broker expense incident to this Lease shall be paid by Landlord. The parties represent that they have dealt with no broker regarding this Lease. Each party, as "indemnitor", agrees to hold the other party harmless from any expense arising out of any broker's claim to have represented such indemnitor, with respect to the creation of this Lease.

**Notices**

22.0 All notices hereunder by Landlord to Tenant shall be given by certified or registered mail, return receipt requested, addressed to Tenant at the address set forth in paragraph 1.0, or to such other address as Tenant may from time to time give by certified mail to Landlord for this purpose; all notices by Tenant to Landlord shall be given by certified or registered mail, return receipt requested, addressed to Landlord at the address set forth in paragraph 1.0 above or at such other address as Landlord may from time to time give by certified mail to Tenant for this purpose; all notices to any Interest Holder shall be given by certified mail addressed to said Interest Holder at the place specified in any notice of the creation of said interest given to Landlord by notice hereunder. The date of service for notices shall be the date such notices are received (as indicated by the return receipt or otherwise) or first refused, if that be the case.

**Miscellaneous**

23.0 It is further agreed by the parties hereto that the covenants and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executor, administrators, successors and assigns. The captions in this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease. This Lease represents the final agreement between the two parties and any other representations other than what is contained in this Lease are not valid or binding.

23.1 Nothing contained in this Lease shall render Landlord in anyway a partner, joint venturer or associate with Tenant in the operation of the Premises or subject Landlord to any obligation, loss, charge or expense in connection with or arising from the operation of the Premises. Notice is hereby given to all whom it may concern of the foregoing.

23.2 Whenever Landlord's consent or approval is required hereunder, Landlord shall not unreasonably withhold, condition or delay the granting of its consent or approval.

23.3 Neither party shall be in default hereunder nor liable to the other party if such party is unable to fulfill any of its obligations, or is delayed in doing so, due to events beyond its control. In any such case, the time for performance shall be extended by a period of time equal to the duration of such events. Events beyond a party's control include, without limitation, war, civil unrest, weather conditions, accidents, breakage, strike, labor troubles, acts of God, government regulations, moratorium or the governmental action or inaction, and the inability despite the exercise of reasonable diligence to obtain electricity water or fuel. If any delay or inability to perform can be avoided by the payment of money, such delay or inability shall not constitute an event beyond a party's control.

**(SIGNATURE PAGE TO FOLLOW)**

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IN WITNESS HEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

Signed, sealed and delivered in the presence of:

(Landlord)

**SJRC, LLC, a Florida limited liability company**

By Rachel A Wachs  
Managing Member

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

RACHEL A WACHS  
Print Name

Signed, sealed and delivered in the presence of:

(Tenant)

**St. John's River Club Utility Company, LLC, a Florida limited liability company**

By Rachel A Wachs  
Managing Member

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

RACHEL A WACHS  
Print Name

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STATE OF FLORIDA  
COUNTY OF PALM BEACH

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me on December 1, 2006, by Rachel A. Wachs,  who is personally known to me.



{notarial seal}

NOTARY PUBLIC:

*[Handwritten Signature]*  
Brian Louis Lipshy  
(print or type name beneath signature line)  
State of Florida at Large  
My commission expires:  
My commission number is:

**Exhibit "A"**

DESCRIPTION of the property located at 100 Bayou Drive Satsuma, Florida 32189 being the Premises in the Lease dated December 1, 2006, by and between SJRC, LLC ("Landlord"), and St. John's River Club Utility Company, LLC ("Tenant").

LEGAL DESCRIPTION ATTACHED HERETO

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REVISED SEWERAGE TREATMENT PLANT; A PART OF THE JOSEPH M. HERNANDEZ GRANT, SECTION 39, TOWNSHIP 10 SOUTH, RANGE 26 EAST, AND A PART OF THE JOSEPH M. HERNANDEZ GRANT, SECTION 39, TOWNSHIP 11 SOUTH, RANGE 26 EAST, PUTNAM COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE MOST NORTHERLY CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 470, PAGE 1722, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 61 DEG. 33 MIN. 00 SEC. WEST, ALONG THE NORTHERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 470, PAGE 1722, A DISTANCE OF 50.00 FEET TO THE MOST WESTERLY CORNER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 470, PAGE 1722; THENCE SOUTH 28 DEG. 27 MIN. 00 SEC. EAST, ALONG THE WESTERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 470, PAGE 1722, A DISTANCE OF 801.19 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 28 DEG. 27 MIN. 00 SEC. WEST, CONTINUING ALONG SAID WESTERLY LINE OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 470, PAGE 1722, A DISTANCE OF 480.35 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF COUNTY ROAD 309-B; THENCE SOUTHEASTERLY ALONG SAID NORTHERLY RIGHT OF WAY LINE OF COUNTY ROAD 309-B, ALONG THE ARC OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1860.08 FEET, A CHORD BEARING OF SOUTH 53 DEG. 26 MIN. 35 SEC. EAST AND A CHORD DISTANCE OF 118.34 FEET; THENCE NORTH 28 DEG. 27 MIN. 00 SEC. WEST, ALONG THE EASTERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 470, PAGE 1722, A DISTANCE OF 106.79 FEET TO THE MOST WESTERLY CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 178, PAGE 326, OF SAID PUBLIC RECORDS; THENCE NORTH 30 DEG. 10 MIN. 10 SEC. EAST, ALONG THE WESTERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 178, PAGE 326, A DISTANCE OF 121.99 FEET TO THE MOST NORTHERLY CORNER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 178, PAGE 326; THENCE SOUTH 39 DEG. 08 MIN. 00 SEC. EAST, ALONG THE NORTHERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 178, PAGE 326, A DISTANCE OF 90.00 FEET TO THE WESTERLY RIGHT OF WAY OF PINE LAKE DRIVE; THENCE NORTHWESTERLY ALONG SAID WESTERLY RIGHT OF WAY LINE OF PINE LAKE DRIVE, ALONG THE ARC OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 115.00 FEET; A CHORD BEARING OF NORTH 17 DEG. 11 MIN. 44 SEC. WEST AND A CHORD DISTANCE OF 44.89 FEET; THENCE NORTH 39 DEG. 08 MIN. 00 SEC. WEST, A DISTANCE OF 80.11 FEET; THENCE NORTH 07 DEG. 12 MIN. 24 SEC. WEST, A DISTANCE OF 171.23 FEET; THENCE NORTH 28 DEG. 27 MIN. 00 SEC. WEST, A DISTANCE OF 96.19 FEET; THENCE NORTH 61 DEG. 33 MIN. 00 SEC. EAST, A DISTANCE OF 100.38 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 197.95 FEET, A CHORD BEARING OF NORTH 30 DEG. 13 MIN. 29 SEC. WEST AND A CHORD DISTANCE OF 12.26 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 28 DEG. 27 MIN. 00 SEC. WEST, A DISTANCE OF 17.74 FEET; THENCE SOUTH 61 DEG. 33 MIN. 00 SEC. WEST, A DISTANCE OF 100.00 FEET; THENCE NORTH 28 DEG. 27 MIN. 00 SEC. WEST, A DISTANCE OF 41.07 FEET; THENCE SOUTH 74 DEG. 58 MIN. 55 SEC. WEST, A DISTANCE OF 236.46 FEET TO THE POINT OF BEGINNING.

AND INCLUDING:

REVISED WATER PLANT: A PART OF SECTION 33 AND 34, TOWNSHIP 10 SOUTH, RANGE 26 EAST,

PUTNAM COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE MOST NORTHERLY CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 470, PAGE 1722, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE NORTH 28 DEG. 27 MIN. 00 SEC. WEST ALONG THE EASTERLY RIGHT OF WAY LINE OF THE CSX TRANSPORTATION 200 FEET RIGHT OF WAY, A DISTANCE OF 400.43 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 28 DEG. 27 MIN. 00 SEC. WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE OF THE CSX TRANSPORTATION 200 FOOT RIGHT OF WAY, A DISTANCE OF 168.19 FEET; THENCE NORTH 67 DEG. 12 MIN. 00 SEC. EAST, A DISTANCE OF 63.57 FEET; THENCE SOUTH 30 DEG. 40 MIN. 00 SEC. EAST, A DISTANCE OF 113.80 FEET; THENCE SOUTH 56 DEG. 35 MIN. 14 SEC. EAST, A DISTANCE OF 28.56 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 40.80 FEET, A CHORD BEARING OF SOUTH 11 DEG. 23 MIN. 18 SEC. WEST AND A CHORD DISTANCE OF 30.00 FEET; THENCE SOUTH 61 DEG. 33 MIN. 00 SEC. WEST, A DISTANCE OF 61.92 FEET TO THE POINT OF BEGINNING.

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**Exhibit "B"**

RENTAL SCHEDULE for the Lease dated December 1, 2006, by and between SJRC, LLC ("Landlord"), and St. John's River Club Utility Company, LLC ("Tenant").

In accordance with the terms of paragraph 5.0 of the Lease, Tenant agrees to pay Landlord the rentals set forth in the following schedule:

Rental Period		Annual	Monthly
From	To	Rental	Installment
<b>Initial Term: 99 Years</b>			
Rent Commencement Date	-	\$1,200.00	\$100.00



TIM SMITH, PUTNAM CO. CLERK OF COURT  
RCD: 02/07/2007 @ 10:11

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