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February 12, 1998

D. BRUCE MAY
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VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Joint Application for Approval of Transfer of Majority Organizational Control of Spruce Creek South Utilities, Inc. (Holder of Certificates Nos. 511-W and 467-S) In Marion and Sumter Counties to Del Webb's Spruce Creek Communities, Inc., Docket No. 980338-WLS

Dear Ms. Bayo:

Enclosed for filing are the original and 15 copies of Spruce Creek South Utilities, Inc. and Del Webb's Spruce Creek Communities, Inc.'s Joint Application for Approval of Transfer of Majority Organizational Control. For our records, please acknowledge your receipt of this filing on the enclosed copy of this letter.

Thank you for your consideration in this matter.

Sincerely,

HOLLAND & KNIGHT LLP


D. Bruce May

DBM/kdw
Enclosures

cc: Marty Deterding, Esq.
Mary Alexander, Esq.

TAL-124949 BUREAU OF RECORDS
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DOCUMENT NUMBER-DATE
02190 FEB 12 98
FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Application for)
approval of transfer of majority)
organizational control of Spruce)
Creek South Utilities, Inc. (holder)
of Certificates Nos. 511-W and 467-S))
in Marion and Sumter Counties to)
Del Webb's Spruce Creek)
Communities, Inc.)

Docket No. 980238

Filed: _____

**JOINT APPLICATION FOR APPROVAL OF TRANSFER OF
MAJORITY ORGANIZATIONAL CONTROL OF SPRUCE CREEK
SOUTH UTILITIES, INC. (HOLDER OF CERTIFICATES NOS.
511-W and 467-S) IN MARION AND SUMTER COUNTIES
TO DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC.**

Spruce Creek South Utilities, Inc. ("the Utility") and Del Webb's Spruce Creek Communities Inc. ("Buyer"), a wholly owned subsidiary of Del Webb Corporation, by and through undersigned counsel, and pursuant to Section 367.071, Florida Statutes, and Rule 25-30.037(3), Florida Administrative Code, hereby file this Joint Application for approval of transfer of majority organizational control of the Utility to the Buyer. Del Webb Communities, Inc., also a wholly owned subsidiary of Del Webb Corporation, through execution of a Stock Purchase Agreement, will acquire all of the issued and outstanding capital stock of the Utility which is currently held by Harvey D. Erp, Brenda Erp, Jay A. Thompson and Lori A. Thompson (collectively the "Sellers"). Del Webb Communities, Inc. then will assign all of its rights, title and interests in the capital stock of the Utility to the Buyer. The purchase price of the stock has been placed in escrow and will only be released to Sellers upon final non-appealable approval of the transfer of majority organizational control by the Florida Public Service Commission (the "Commission"). A copy of the Stock Purchase Agreement is attached

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FPSC-RECORDS/REPORTING

as Exhibit "A." For the reasons described below, the transfer of majority organizational control is in the public interest, and therefore, this Joint Application should be granted.

1. The complete names and addresses of the Sellers are:

Harvey D. Erp
17575 S.E. 102nd Avenue
Summerfield, Florida 34491

Brenda Erp
17575 S.E. 102nd Avenue
Summerfield, Florida 34491

Jay A. Thompson
17575 S.E. 102nd Avenue
Summerfield, Florida 34491

Lori A. Thompson
17575 S.E. 102nd Avenue
Summerfield, Florida 34491

2. The complete name and address of the Buyer is:

Del Webb's Spruce Creek Communities, Inc.
6001 North 24th Street
Phoenix, Arizona 85016

3. Buyer's corporate officers and directors are as follows:

LeRoy C. Hanneman	President & Director
Jay A. Thompson	Sr. Vice President & General Manager
John A. Spencer	Vice President & Director
Robertson C. Jones	Vice President & Director
David E. Rau	Vice President
Donald V. Mickus	Vice President & Treasurer
Mary S. Alexander	Vice President & Assistant Secretary
Phillip H. Darrow	Secretary
Andrew G. Miller	Assistant Secretary
C. Patrick Dempsey	Assistant Treasurer
Beth Jo Zeitzer	Assistant Secretary
Darrell C. Sherman	Assistant Secretary

The address for all of Buyer's corporate officers and directors is 6001 North 24th Street, Phoenix, Arizona, 85016. All Buyer's issued and outstanding shares are owned by Del Webb Corporation, 6001 North 24th Street, Phoenix, Arizona 85016.

4. Buyer does not own any other water or wastewater utilities.

5. As previously noted, Buyer has acquired all of the issued and outstanding capital stock of the Utility held by Sellers subject to Commission approval. The stock was acquired by cash payment to Sellers.

6. The transfer of majority organizational control of the Utility to Buyer is in the public interest for the following reasons:

(a) The Utility provides water and wastewater service to retirement communities in Central Florida known as the Spruce Creek Golf and Country Club and the Spruce Creek Preserve (collectively the "Developments"), as well as a development community known as Spruce Creek South. Through a large commercial transaction separate from the Stock Purchase Agreement, Buyer has acquired the Developments. By execution of the Stock Purchase Agreement, ownership of the Utility will follow ownership of the Developments. The Commission has recognized the public benefit resulting from the ownership of a utility by a developer or property owner with a continuing interest in the utility system. The alignment of the utility owner's interest with that of the development owner ensures the continued provision of high quality water and wastewater service to the development. See In re: Application for the transfer of Certificate No. 267-W and 209-S from MAGNOLIA SERVICE CORPORATION to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF

ORLANDO, in Seminole County, Florida pursuant to Section 367.071, Florida Statutes,
Docket No. 780299-WS, Order No. 8504 (Oct. 4, 1978).

(b) Buyer will continue to employ the operations and clerical personnel currently employed by the Utility, including the utility managers, after the stock acquisition. Buyer will also continue to utilize the name Spruce Creek South Utilities, Inc., and therefore, the stock acquisition will be transparent to the Utility's customers.

(c) Buyer has the financial resources to provide real and significant benefits to the Utility's customers as the Utility's capital or operational needs demand. Buyer is a wholly owned subsidiary of Del Webb Corporation. The most recent Form 10-Q which Del Webb Corporation has filed with the Securities and Exchange Commission is attached as Exhibit "B."

(e) Buyer will fulfill the commitments, obligations and representations of Sellers with regard to Utility matters.

7. All funding to the Buyer will be from its parent company -- Del Webb Corporation. The parent company will provide funding to the Utility as and when needed for capital improvements.

8. After reasonable investigation, the Buyer has determined that the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Florida Department of Environmental Protection ("DEP"). The water and wastewater systems are not the subject of any outstanding Notice of Violation or Consent Order issued by DEP.

9. Evidence that the Utility owns or has a long term right to utilize the property on which the Utility's water and wastewater facilities are located, is attached as Composite Exhibit "C."

10. Following the stock acquisition, Del Webb will continue to separately operate the Utility under the name Spruce Creek South Utilities, Inc. The Utility's tariffs are currently filed under the name Spruce Creek South Utilities, Inc. Therefore, there is no need to reflect the change in majority organizational control on the Utility's tariffs except to reflect the name of the new issuing officer. The original and two copies of sample tariff sheets reflecting the name of the new issuing officer are attached as Composite Exhibit "D."

11. The Utility's original water and wastewater certificates have been filed with the Commission in Docket No. 971404-WS. In that docket, the Utility is requesting an extension of territory to provide water and wastewater service to a relatively small commercial development in Sumter County, Florida which is immediately adjacent to area already served by the Utility. Copies of the Utility's current water and wastewater certificates are attached as Composite Exhibit "E."


12. The Utility currently has the capacity to serve more than 4,000 equivalent residential connections for both its water and wastewater systems. In accordance with the requirements of Rule 25-30.020(2)(c), Florida Administrative Code, two checks in the amount of \$3,000 each are enclosed with this Joint Application. These checks constitute the filing fees of \$3,000 each for the water and wastewater systems.


13. Proof of compliance with the applicable notice provision of Rule 25-30.030, Florida Administrative code, will be provided as late-filed Exhibit "F."

WHEREFORE, the Utility and Buyer hereby request that the Commission:

- (a) approve the transfer of majority organizational control of the Utility to Buyer; and
- (b) grant such other relief as the Commission deems appropriate.

Respectfully submitted this 12th day of February, 1998.


D. Bruce May
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Attorney for Spruce Creek South
Utilities, Inc.

TAL-122823



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STOCK PURCHASE AGREEMENT

BY AND AMONG

DEL WEBB COMMUNITIES, INC., an Arizona Corporation,

and

HARVEY D. ERP, BRENDA ERP, JAY A. THOMPSON AND LORI A. THOMPSON.

December 22, 1997

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "Agreement") is entered into effective as of December 22, 1997 by and among, Del Webb Communities, Inc., an Arizona corporation ("Buyer"), Harvey D. Erp ("H. Erp"), Brenda Erp ("B. Erp"), Jay A. Thompson ("J. Thompson") and Lori A. Thompson ("L. Thompson") (H. Erp, B. Erp, J. Thompson and L. Thompson hereinafter are referred to collectively as "Sellers"). Buyer and Sellers may hereinafter be referred to singularly as "Party" or collectively as "Parties."

RECITALS

A. Sellers are the sole owners of all the issued and outstanding capital stock of Spruce Creek South Utilities, Inc. ("Company"), consisting of Fifty shares of common stock, par value One Dollar (\$1.00) per share (the "Shares").

B. Company operates a utility company which, in part, services retirement communities in Central Florida known as the "Spruce Creek Golf and Country Club" and the "Spruce Creek Preserve." The Spruce Creek Golf and Country Club and the Spruce Creek Preserve hereinafter are sometimes referred to as the "Developments." (Company's operations in connection with the utility company hereinafter are referred to as the "Business").

C. Del Webb Communities, Inc. ("Communities"), Spruce Creek Golf and Country Club, Inc. ("Golf and Country Club") Spruce Creek Golf and Country Club Homeowners' Association, Inc. ("SCGCCHOA") and Spruce Creek Preserve Homeowners' Association ("SCPHOA") have entered into an Asset Acquisition Agreement of even date herewith (the "Asset Acquisition Agreement") related to the acquisition by Communities of certain assets used by Golf and Country Club, SCGCCHOA and SCPHOA as the developer of the Developments.

D. Buyer desires to acquire from Sellers, and Sellers desire to sell, transfer and assign to Buyer, the Shares for the purchase price and upon the terms and subject to the conditions hereinafter set forth.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties hereby agree as follows:

1 Definitions. All capitalized terms used but not defined herein shall have the meanings given to them in the Asset Acquisition Agreement.

"Utility Assets" shall mean the all of Company's Irrigation Assets and Systems, Wastewater Assets and Collection System, and Water Assets and Distribution System, such being more fully described as follows:

"Irrigation Assets and Systems" shall mean all of Company's irrigation ponds, all wells and the pumping stations, and all lines, pipes and other facilities and physical improvements comprising the irrigation system, together with all contracts and licenses exclusively associated therewith, all other assets and facilities owned by Company and used exclusively in the operation therewith, and any plans and specifications prepared exclusively for the Irrigation Assets and Systems, or any part thereof.

"Wastewater Assets and Collection System" shall mean the Company's sewage treatment plant(s), the Company's lift stations, all lines, pipes, and other facilities comprising the wastewater collection system located between the sewage treatment plant(s) and the various lift stations servicing the present and future improved parcels serviced by the Company, all Real Property on which such physical improvements are located, all contracts and licenses exclusively associated therewith, all other assets and facilities owned by Company and used exclusively in

the operation therewith, and any plans and specifications prepared exclusively for the Wastewater Assets and Collection System or any part thereof.

"*Water Assets and Distribution System*" shall mean the water treatment plant(s) located on the Real Property, all lines, pipes and other facilities comprising the Company's water distribution system, and all the Company's existing water meters, all contracts and licenses exclusively associated therewith, all other assets and facilities owned by Company and used exclusively in the operation therewith, and any plans and specifications prepared exclusively for the Water Assets and Distribution System or any part thereof.

2 *Basic Transaction.*

2.1 *Purchase and sale of shares.* On and subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Sellers, and Sellers agree to sell, transfer, convey, and deliver to Buyer, all of the Shares at the Closing for the consideration specified below in this §2.

2.2 *Assumption of liabilities.* On and subject to the terms and conditions of this Agreement, Buyer agrees to assume and become responsible for all of the liabilities set forth on Schedule 2.2 hereof ("*Assumed Liabilities*") at the Closing. Sellers shall indemnify Buyer for any other obligation or Liability of Company not included on Schedule 2.2 pursuant to §8.

2.3 *Purchase Price.* Buyer agrees to pay to Sellers at the Closing an amount equal to the difference between: i) the book value of the Utility Assets as set forth on the books and records of Company on December 31, 1997; provided, however, that the book value of the Utility Assets for this purpose shall not include the book value of assets transferred from the books of Golf and Country Club to Company on or about December 31, 1997 equal to approximately One Million Two Hundred Thousand Dollars (\$1,200,000) (book value as determined under this subclause (i) shall be referred to hereinafter as the "*Purchase Price*"), less; ii) the Assumed Liabilities.

2.3.1 *Purchase Price Adjustment.*

(a) The book value of the Utility Assets will be determined as of October 31, 1997. There will be pre-Closing adjustments to the Purchase Price to the extent the book value is determined to have changed as of December 31, 1997 based upon changes in the Utility Assets from October 31, 1997 through the December 31, 1997. If feasible, within forty (40) days after the Closing Date, Sellers shall deliver to Buyer a balance sheet of the Business as of the Closing Date (the "*Closing Date Balance Sheet*") prepared by Sellers and examined on a limited basis by KPMG Peat Marwick, reflecting the Utility Assets held by Company. Such balance sheet shall be prepared in accordance with a method acceptable to Buyer applied on a basis consistent with the preparation of the Most Recent Financial Statements.

(b) If Buyer has any objection to the Closing Date Balance Sheet, Buyer shall deliver to Sellers a detailed statement describing such objections within ten (10) days after Buyer's receipt of the Closing Date Balance Sheet. Buyer and Sellers shall use reasonable efforts to resolve any such objections. In the event that Buyer and Sellers are unable to finally resolve such objections within thirty (30) days after Sellers' receipt of such objections, Buyer and Sellers shall, within ten (10) days after such thirty-day period, notify the Orlando, Florida office of Price Waterhouse or its successor to resolve any remaining objections. The determination made by Price Waterhouse or its successor shall be made within thirty (30) days, shall be set forth in writing and shall be conclusive and binding upon the Parties hereto. The fees and expenses of Price Waterhouse or its successor shall be shared equally by Buyer and Sellers. Buyer will revise the Closing Date Balance Sheet to reflect the resolution of any objections thereto pursuant to this §2.3.1(b).

(c) If the aggregate book value of the Utility Assets as reflected on the Closing Date Balance Sheet, as revised to reflect any revisions thereto made pursuant to §2.3.1(b) and as revised to exclude any assets transferred from the books of Golf and Country Club to Company on or about December 31, 1997 as contemplated above, is less than the book value of the Utility Assets used to determine the Purchase Price in subclause 2.3(i) above, Sellers will pay to Buyer an amount equal to such deficiency plus interest thereon at the Applicable Rate from the Closing Date to the date such payment is made by wire transfer or other immediately available funds within three business days after the date on which the Closing Date Balance Sheet is finally determined pursuant to §2.3.1(b). If the aggregate book value of the Utility Assets as reflected on the Closing Date Balance Sheet, as revised to reflect any revisions thereto made pursuant to §2.3.1(b) and as revised to exclude any assets transferred from the books of Golf and Country Club to Company on or about December 31, 1997 as contemplated above, is greater than the book value of the Utility Assets used to determine the Purchase Price in subclause 2.3(i) above, Buyer will pay to Sellers an amount equal to such excess plus interest thereon at the Applicable Rate from the Closing Date to the date such payment is made by wire transfer or other immediately available funds within three business days after the date on which the Closing Date Balance Sheet is finally determined pursuant to §2.3.1(b).

2.4 The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Holland & Knight in Orlando, Florida, commencing at 10:00 a.m. local time on January 15, 1998, or on such other date as shall be agreed in writing by Buyer and Sellers or as extended by §7.1 hereof (the "Closing Date").

2.5 Documents to be Delivered at Closing.

2.5.1 Ancillary Agreements. At Closing, the Parties shall execute, enter into and deliver the following documents ("Ancillary Agreements") (the Ancillary Agreements shall be delivered to the Escrow Agent):

(a) an escrow agreement ("Utility Company Escrow Agreement") by and among Sellers, Buyer and First American Title Insurance Company, as escrow agent ("Escrow Agent"), substantially in the form attached hereto as Exhibit B.

(b) a water and wastewater capacity standby agreement whereby the Company agrees to provide services to Buyer ("Water and Wastewater Capacity Standby Agreement") by and among Company and Buyer, substantially in the form attached hereto as Exhibit C.

(c) an operating agreement whereby Buyer agrees to perform certain obligations of the Company during the term of the Utility Company Escrow Agreement ("Operating Agreement") by and among Company, Sellers and Buyer, substantially in the form attached hereto as Exhibit D.

2.5.2 Closing Documents. At Closing, the Parties, as appropriate, shall deliver the following documents and items ("Closing Documents") (the Closing Documents shall be delivered to the Escrow Agent):

(a) Deliveries by Sellers.

(1) Certificates representing Fifty (50) shares of the capital stock of the Company with all required documentary stamp taxes affixed thereto;

(2) Sellers shall deliver to Escrow Agent a certificate to the effect that each of the conditions specified below in §7.1.2 through §7.1.8 are satisfied in all respects. -

(3) Sellers shall deliver to Escrow Agent a certificate to the effect that all representations and warranties herein and Schedules attached hereto are true, correct and complete as of Closing;

(4) Sellers shall deliver evidence to Escrow Agent that all recorded financing statements reflecting a Security Interest in the Utility Assets have been terminated, including the Barnett Bank loan, unless assumed by Buyer; provided, however, that any Liability other than Assumed Liabilities that is not paid off at the time of delivery to Escrow Agent hereunder shall be paid off by Escrow Agent prior to any disbursements from escrow.

(5) Sellers shall deliver to Escrow Agent resignations of the officers and directors of the Company as of the Closing;

(6) Sellers shall execute and deliver to Escrow Agent such other documents or instruments as may be reasonably necessary to consummate the transaction contemplated hereby.

(b) *Deliveries by Buyer.*

(1) The Purchase Price will be paid to Escrow Agent in Cash at Closing payable by wire transfer to be held in escrow in an interest-bearing escrow account and disbursed pursuant to the Utility Company Escrow Agreement.

(2) Buyer shall deliver to Escrow Agent certified copies of resolutions of the Board of Directors of Buyer authorizing the transaction contemplated hereby.

(3) Buyer shall deliver to Escrow Agent an officer's certificate to the effect that each of the conditions specified below in §7.2.1 through §7.2.4 are satisfied in all respects.

The Ancillary Agreements and the Closing Documents should be released from escrow pursuant to the terms of the Utility Company Escrow Agreement.

3 *Representations and Warranties of Sellers.* Each of the Sellers jointly and severally represents and warrants to Buyer that the statements contained in this §3 are correct and complete as of the date of this Agreement, except as set forth in the schedules accompanying this Agreement and initialed by the Parties (the "Schedules"). The Schedules shall be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this §3.

3.1 *Legal Capacity and Authorization of transaction.* Sellers each have the legal capacity to own and hold the Shares. Sellers have full power and authority to execute and deliver this Agreement and to perform their obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Sellers, enforceable in accordance with its terms and conditions.

3.2 *Noncontravention.* Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above), shall (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which any Seller or Company is subject or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which any Seller or Company is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets).

3.3 *Consents.* Sellers do not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government, governmental agency or other third party in order for the

Parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in §2 above) except as disclosed in Schedule 3.3. There are no additional notices, filings, authorizations, consents or approvals required to convey the Shares from Sellers to Buyer other than those set forth on Schedule 3.3.

3.4 Organization, Qualification, and Corporate Power. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida. The Company is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required. The Company has full corporate power and authority and all licenses, permits, and authorizations necessary to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. Schedule 3.4 lists the directors and officers of the Company. The Sellers have delivered to the Buyer correct and complete copies of the articles of incorporation and bylaws of the Company (as amended to date). The minute books (containing the records of meetings of the stockholders, the board of directors, and any committees of the board of directors), the stock certificate books, and the stock record books of the Company are correct and complete. The Company is not in default under or in violation of any provisions of its Articles of Incorporation or bylaws.

3.5 Capitalization. The entire authorized capital stock of the Company consists of Fifty (50) shares of common stock, of which Fifty (50) shares are issued and outstanding and no company shares are held in treasury. All of the issued and outstanding company shares have been duly authorized, are validly issued, fully paid, and nonassessable, and are held of record by the respective Sellers as set forth in Schedule 3.5. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contract or commitments that could require the Company to issue, sell or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the Company. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the capital stock of the Company.

3.6 Subsidiaries and Investments. The Company does not own or control (directly or indirectly), nor has it ever owned or controlled (directly or indirectly), any shares of capital stock of or other equity interest in any corporation, partnership, joint venture or other entity. Sellers do not own or control (directly or indirectly) any interest in any corporation, partnership, joint venture or other entity which is a competitor or potential competitor of the Company.

3.7 Brokers' fees. Sellers and Company have no Liability or obligation to pay any fees, commissions, or other compensation to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Buyer could become liable or obligated.

3.8 Title to assets. The Company has good and marketable title to, or a valid leasehold interest in, the properties and assets used by it, located on its premises, or shown on the Most Recent Balance Sheet or acquired after the date thereof, free and clear of all Security Interests, except for properties and assets disposed of in the Ordinary Course of Business since the date of the Most Recent Balance Sheet and except for the Security Interests set forth on Schedule 3.8.

3.9 Financial Statements. Attached hereto as Exhibit E are the following financial statements (collectively the "Financial Statements"): (i) unaudited balance sheet and statements of income, changes in stockholders' equity, and cash flow as of and for the fiscal years ended December 31, 1994, December 31, 1995, and December 31, 1996, (the "Most Recent Fiscal Year End") for Company; and (ii) unaudited balance sheet and statements of income, changes in stockholders' equity, and cash flow (the "Most Recent Financial Statements") as of and for the ten (10) months ended October 31, 1997, (the "Most Recent Fiscal Month End") for Company. The Financial Statements (including the notes thereto) have been prepared in accordance with a method acceptable to Buyer applied on a consistent basis throughout the periods covered thereby, present fairly the financial condition of Company as of such dates and the results of operations of Company for such periods, are correct and complete, and are consistent with the books and records of Company (which books and records are correct and complete).

3.10 Events subsequent to Most Recent Fiscal Period End. Since October 31, 1997, there has not been any adverse change in the business, financial condition, operations, results of operations, or future prospects of Company, outside the Ordinary Course of Business. Without limiting the generality of the foregoing, since that date, outside the Ordinary Course of Business:

3.10.1 Company has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than for a fair consideration;

3.10.2 Company has not entered into any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses);

3.10.3 no party (including Company or Sellers) has accelerated, terminated, modified, or cancelled any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses), to which Company is a party or by which it is bound;

3.10.4 Company has not imposed or granted any Security Interest upon any of its assets, tangible or intangible;

3.10.5 Company has not made any capital expenditure (or series of related capital expenditures);

3.10.6 Company has not made any capital investment in, any loan to, or any acquisition of the securities or assets of, any other Person (or series of related capital investments, loans, and acquisitions);

3.10.7 Company has not issued any note, bond, or other debt security or created, incurred, assumed, or guaranteed any indebtedness for borrowed money or capitalized lease obligation;

3.10.8 Company has not delayed or postponed the payment of accounts payable and other Liabilities;

3.10.9 Company has not cancelled, compromised, waived, or released any right or claim (or series of related rights and claims);

3.10.10 Company has not granted any license or sublicense of any rights under or with respect to any Intellectual Property;

3.10.11 there has been no change made or authorized in the Articles of Incorporation or bylaws of Company;

3.10.12 Company has not issued, sold, or otherwise disposed of any of their capital stock, or granted any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any of its capital stock;

3.10.13 Company has not declared, set aside, or paid any dividend or made any distribution with respect to its capital stock (whether in cash or in kind) or redeemed, purchased, or otherwise acquired any of its capital stock;

3.10.14 Company has not experienced any damage, destruction, or loss (whether or not covered by insurance) to their property;

3.10.15 Company has not made any loan to, or entered into any other transaction with, any of its directors, officers, and employees;

3.10.16 Company has not entered into any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing such contract or agreement;

3.10.17 Company has not granted any increase in the base compensation of any of its directors, officers, and employees;

3.10.18 Company has not adopted, amended, modified or terminated any bonus, profit-sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of their directors, officers, and employees (or taken any such action with respect to any other Employee Benefit Plan);

3.10.19 Company has not made any other change in employment terms for any of its directors, officers, and employees;

3.10.20 Company has not made or pledged to make any charitable or other capital contribution;

3.10.21 Company has not paid any amount to any third party with respect to any Liability or obligation (including any costs and expenses Company has incurred or may incur in connection with this Agreement and the transactions contemplated hereby) that would not constitute an Assumed Liability if in existence as of the Closing;

3.10.22 there has not been any other occurrence, event, incident, action, failure to act, or transaction involving Company; and

3.10.23 Company has not committed to any of the foregoing.

3.11 Undisclosed liabilities. Except as set forth on Schedule 3.11, Company has no Liability (and there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against it giving rise to any Liability).

3.12 Legal compliance. To the best of Sellers' Knowledge, Company has complied with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof), including, but not limited to, the Florida Public Service Commission, ADA, and laws relating to political contributions, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against them alleging any failure so to comply. Company has not received any notices of inquiries, audits or other reviews or correspondence from governmental agencies related to compliance or non-compliance with any laws, rules or other regulations other than as set forth on Schedule 3.12.

3.13 Tax matters.

3.13.1 To the best of Sellers' Knowledge, Company has filed all Tax Returns that it was required to file. All such Tax Returns were correct and complete in all respects. All Taxes owed by Company (whether or not shown on any Tax Return) have been paid. There are no Security Interests on any of the Utility Assets that arose in connection with any failure (or alleged failure) to pay any Tax.

3.13.2 To the best of Sellers' Knowledge, Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

3.13.3 No Seller or director or officer (or employee responsible for Tax matters) of Company expects any authority to assess any additional Taxes for any period for which Tax Returns have been filed. There is no dispute or claim concerning any Tax Liability of Company either (A) claimed or raised by any authority in writing or (B) as to which any of Sellers and the directors and officers (and employees

responsible for Tax matters) of Company has Knowledge based upon personal contact with any agent of such authority. Schedule 3.13.3 lists all federal, state, local, and foreign income Tax Returns filed with respect to Company for taxable periods ended on or after December 31, 1996, indicates those Tax Returns that have been audited, and indicates those Tax Returns that currently are the subject of audit. Company has delivered to Buyer correct and complete copies of all federal income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by Company since December 31, 1996.

3.13.4 Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

3.13.5 Company has not been a United States real property holding corporation within the meaning of Code Section 897(c)(2) during the applicable period specified in Code Section 897(c)(1)(A)(ii). Company has disclosed on its federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Code Section 6662.

3.13.6 Schedule 3.13.6 sets forth the following information with respect to Company as of the most recent practicable date (as well as on an estimated pro forma basis as of the Closing giving effect to the consummation of the transactions contemplated hereby): (A) the basis of Company in its assets; and (B) the amount of any net operating loss, net capital loss, unused investment or other credit, unused foreign tax, or excess charitable contribution allocable to Company.

3.13.7 The unpaid Taxes of Company (A) did not, as of the Most Recent Fiscal Month End, exceed the reserve for Tax Liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) and (B) do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of Company in filing its Tax Returns.

3.14 Real property.

3.14.1 Schedule 3.14 lists and describes briefly all real property that Company owns and is transferring to Buyer ("Real Property"). Except as set forth on Schedule 3.14, with respect to each such parcel of owned Real Property:

(a) the identified owner has good and marketable title to the parcel of Real Property, free and clear of any Security Interest, easement, covenant, or other restriction, except for installments of special assessments not yet due and payable and recorded easements, covenants, and other restrictions that do not impair the current use, occupancy, or value, or the marketability of title, of the property subject thereto, except for Permitted Exceptions;

(b) there are no pending or threatened condemnation proceedings, lawsuits, or administrative actions relating to the property or other matters affecting adversely the current use, occupancy, or value thereof;

(c) the legal description for the parcel contained in the deed thereof describes such parcel fully and adequately, the buildings and improvements are located within the boundary lines of the described parcels of land, to the best of Sellers' Knowledge, are not in violation of applicable setback requirements, zoning laws, and ordinances (and none of the properties or buildings or improvements thereon are subject to "permitted non-conforming structure" or similar classifications), and, to the best of Sellers' Knowledge, do not encroach on any easement that may burden the land, to the best of Sellers' Knowledge, and the land does not serve any adjoining property for any purpose inconsistent with the use of the land, and the property is not located within any flood plain or subject to any similar type restriction for which any permits or licenses necessary to the use thereof have not been obtained;

(d) the Real Property and all facilities thereon have received all required approvals of governmental authorities (including licenses and permits) required in connection with the ownership or present operation thereof and have been operated and maintained in accordance with applicable laws, rules, and regulations; provided that Company has complied with the Spruce Creek Golf and Country Club FQD Development Order, the Spruce Creek Preserve Planned Unit Development Order, Construction and development permits, site plan approvals, other development agreements or development plans, all other development orders, zoning and land use approvals; and provided, further, that Company has obtained and complied with environmental approvals and required environmental permits from appropriate governmental agencies including, but not limited to, the Florida Department of Environmental Protection, the Southwest Florida Water Management District and the St. John's Water Management District, as appropriate. Schedule 3.14.1(d) sets forth all licenses, permits and approvals (including those expressly referenced above) which Company has obtained in connection with the operation of the utility company. Schedule 3.14.1(d) sets forth all obligations which must be met to comply with the licenses, permits and approvals set forth on Schedule 3.14.1(d). With respect to each such license, permit and approval, (A) the license, permit or approval is legal, valid, binding, enforceable and in full force and effect (B) the license, permit or approval shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments delivered hereunder) and (C) Company has not been notified that it is in default of any such license, permit or approval, and no event has occurred that with notice or lapse of time would constitute a default or permit termination, modification or revocation of such license, permit or approval. Furthermore, the Real Property otherwise fully complies with all other statutes, ordinances, rule, regulations, orders and requirements of federal, state, county and municipal governments, and political subdivisions, agencies or departments thereof, or any court or any other authority pertaining to the Real Property.

(e) there are no leases, subleases, licenses, concessions, or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of the parcel of Real Property other than as set forth on Schedule 3.14.1(e);

(f) there are no outstanding options or rights of first refusal to purchase the Real Property, or any portion thereof or interest therein other than sales of lots and personal residences in the Ordinary Course of Business;

(g) there are no parties (other than Company) in possession of the Real Property, other than tenants under any leases disclosed on Schedule 3.14.1(e) who are in possession of space to which they are entitled;

(h) all facilities located on the Real Property are supplied with utilities and other services necessary for the operation of such facilities, including gas, electricity, water, telephone, sanitary sewer, and storm sewer, all of which services are adequate in accordance with all applicable laws, ordinances, rules, and regulations and are provided via public roads or via permanent, irrevocable, appurtenant easements benefitting the Real Property; and

(i) each parcel of Real Property abuts on and has direct vehicular access to a public road, or has access to a public road via a permanent, irrevocable, appurtenant easement benefitting the parcel of real property, and access to the property is provided by paved public right-of-way with adequate curb cuts available.

(j) there are no taxes, assessments or levies of any type whatsoever arising out of or in connection with the Real Property other than those for the current calendar year which are not past due or delinquent, and Sellers have no Knowledge or notice that the Real Property, or any portion thereof, is or will be subject to or affected by any special taxes, levies or assessments.

(k) all bills for labor, services, materials and utilities, and all trade accounts which are in any way connected with or arise from the Real Property, or any portion thereof, are current or will be current at Closing.

(l) there are no contracts, leases or agreements now in force between Company and any other parties (including governmental or quasi-governmental authorities or utilities) with respect to or affecting the Real Property, or any portion thereof, except those as disclosed in Schedule 3.14.1(l).

3.14.2 Schedule 3.14.2 lists and describes briefly all real property leased or subleased to Company. Schedule 3.14.2 also identifies the leased or subleased properties for which title insurance policies are to be procured in accordance with §5.8 below. Company has delivered to Buyer correct and complete copies of the leases and subleases listed on Schedule 3.14.2 (as amended to date). With respect to each lease and sublease listed on Schedule 3.14.2:

(a) the lease or sublease is legal, valid, binding, enforceable, and in full force and effect;

(b) the lease or sublease shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above);

(c) no party to the lease or sublease is in breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit termination, modification, or acceleration thereunder;

(d) no party to the lease or sublease has repudiated any provision thereof;

(e) there are no disputes, oral agreements, or forbearance programs in effect as to the lease or sublease;

(f) with respect to each sublease, the representations and warranties set forth in subsections 3.12.2.(a) through 3.12.2.(e) above are true and correct with respect to the underlying lease;

(g) Company has not assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in the leasehold or subleasehold;

(h) all facilities leased or subleased thereunder have received all approvals of governmental authorities (including licenses and permits) required in connection with the operation thereof and have been operated and maintained in accordance with applicable laws, rules, and regulations;

(i) all facilities leased or subleased thereunder are supplied of said facilities; and

(j) the owner of the facility leased or subleased has good and marketable title to the parcel of real property, free and clear of any Security Interest, easement, covenant, or other restriction, except for installments of special easements not yet delinquent and recorded easements, covenants, and other restrictions that do not impair the current use, occupancy, or value, or the marketability of title, of the property subject thereto.

3.15 Easements. Company has acquired or will acquire prior to Closing all required easements to properly operate its Business subsequent to Closing, including, but not limited to, the provision of services to the development Spruce Creek South and any commercial development which it services.

3.16 Intellectual Property.

3.16.1 Company owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property necessary or desirable for the operation of the businesses of Company as presently conducted and as presently proposed to be conducted. Each item of Intellectual Property owned or used by Company immediately prior to the Closing hereunder shall be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder. Company has taken all necessary and desirable action to maintain and protect each item of Intellectual Property that it owns or uses.

3.16.2 Company has not interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and none of Sellers and the directors and officers (and employees with responsibility for Intellectual Property matters) of Company has ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that Company must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of any of Sellers and the directors and officers (and employees with responsibility for Intellectual Property matters) of Company, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of Company.

3.16.3 Schedule 3.16.3 identifies each patent or registration that has been issued to Company with respect to any of its Intellectual Property, identifies each pending patent application or application for registration that Company has made with respect to any of its Intellectual Property, and identifies each license, agreement, or other permission that Company has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). Company has delivered to Buyer correct and complete copies of all such patents, registrations, applications, licenses, agreements, and permissions (as amended to date). Schedule 3.16.3 also identifies each trade name or unregistered trademark used by Company. With respect to each item of Intellectual Property required to be identified in Schedule 3.16.3:

- (a) Company possesses all right, title, and interest in and to the item, free and clear of any Security Interest, license, or other restriction;
- (b) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;
- (c) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and
- (d) Company has never agreed to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

3.16.4 Schedule 3.16.4 identifies each item of Intellectual Property that any third party owns and that Company uses pursuant to license, sublicense, agreement, or permission. Company has delivered to Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified on Schedule 3.16.4:

- (a) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;

(b) the license, sublicense, agreement, or permission shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above);

(c) no party to the license, sublicense, agreement, or permission is in breach or default, and no event has occurred that with notice or default or permit termination, modification, or acceleration thereunder;

(d) no party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(e) with respect to each sublicense, the representations and warranties set forth in subsections 3.13.4.1 through 3.13.4.4 above are true and correct with respect to the underlying license;

(f) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(g) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, is threatened that challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(h) Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

3.16.5 To the Knowledge of any of Sellers, and the directors and officers (and employees with responsibility for Intellectual Property matters) of Company, Buyer shall not interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties as a result of this acquisition and the continued operation of the Business as presently conducted and as presently proposed to be conducted.

3.16.6 None of Sellers and the directors and officers (and employees with responsibility for Intellectual Property matters) of Company has any Knowledge of any new products, inventions, procedures, or methods of manufacturing or processing that any competitors or other third parties have developed that reasonably could be expected to supersede or make obsolete any product or process of Company.

3.17 Tangible assets. Company owns or leases all buildings, machinery, equipment, and other tangible assets necessary for the conduct of its businesses as presently conducted and as presently proposed to be conducted. Schedule 3.17 sets forth all such tangible assets. Each such tangible asset is free from known defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear), and is suitable for the purposes for which it presently is used and presently is proposed to be used.

3.18 Contracts. Schedule 3.18 lists the following contracts and other agreements to which Company is a party:

3.18.1 any agreement (or group of related agreements) for the lease of personal property to or from any Person;

3.18.2 any agreement (or group of related agreements) for the purchase or sale of raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which shall extend over a period of more than one year, or result in a loss to Company;

3.18.3 any agreement concerning a partnership or joint venture;

3.18.4 any agreement (or group of related agreements) under which Company has created, incurred, assumed, or guaranteed any indebtedness for borrowed money, or any capitalized lease obligation, or under which it has imposed a Security Interest on any of its assets, tangible or intangible, other than in the Ordinary Course of Business;

3.18.5 any agreement concerning confidentiality or noncompetition;

3.18.6 any agreement between Company and any of Sellers and their Affiliates (other than Company).

There are no profit sharing, stock option, stock purchase, stock appreciation, deferred compensation, severance, or other plans or arrangements for the benefit of any current or former directors, officers, and employees, no collective bargaining agreements, no agreements for the employment of any individual on a full-time, part-time, consulting, or other basis providing annual compensation in excess of Fifty Thousand Dollars (\$50,000) or providing severance benefits, no agreements under which Company has advanced or loaned any amount to any of its directors, officers, and employees outside the Ordinary Course of Business, no agreements under which the consequences of a default or termination could have an adverse effect on the business, financial condition, operations, results of operations, or future prospects of Company.

Sellers have delivered to Buyer a correct and complete copy of each written agreement listed on Schedule 3.18 and a written summary setting forth the terms and conditions of each oral agreement referred to on Schedule 3.18. With respect to each such agreement: (A) the agreement is legal, valid, binding, enforceable, and in full force and effect; (B) the agreement shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments delivered hereunder) and Company has not been notified that it is in breach or default of such agreement, and no event has occurred that with notice or lapse of time would constitute a breach or default, or permit termination, modification, or acceleration, under the agreement; and (C) no party has repudiated any provision of the agreement.

3.19 Prepays and Receivables (IF APPLICABLE). Schedule 3.19 sets forth all the notes and accounts receivable of the Company. All notes and accounts receivable set forth on Schedule 3.19 are reflected properly on their books and records, are valid receivables subject to no setoffs or counterclaims, are current and collectible, and shall be collected in accordance with their terms at their recorded amounts, subject only to the reserve for bad debts set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of Company. Schedule 3.19 lists as of December 31, 1997 all receivables to be acquired hereunder, the amount owing and the aging of such receivable, the name and last known address of the party from whom such receivable is owing, and any security in favor of Company for the repayment of such receivable. Sellers have identified and provided Buyer complete and correct copies of all instruments, documents and agreements evidencing such receivables and of all instruments, documents or agreements creating security therefor.

3.20 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of Company.

3.21 Insurance. Schedule 3.21 sets forth the following information with respect to each insurance policy (including policies providing property, casualty, liability, and workers' compensation coverage and bond and surety arrangements) to which Company has been a party, a named insured, or otherwise the beneficiary of coverage at any time within the past ten (10) years:

3.21.1 the name, address, and telephone number of the agent;

3.21.2 the name of the insurer, the name of the policyholder, and the name of each covered insured;

3.21.3 the policy number and the period of coverage;

3.21.4 the scope (including an indication of whether the coverage was on a claims made, occurrence, or other basis) and amount (including a description of how deductibles and ceilings are calculated and operated) of coverage; and

3.21.5 a description of any retroactive premium adjustments or other loss-sharing arrangements.

With respect to each such insurance policy: (A) the policy is legal, valid, binding, enforceable, and in full force and effect; (B) the policy shall continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above); (C) neither Company nor any other party to the policy is in breach or default (including with respect to the payment of premiums or the giving of notices), and no event has occurred which, with notice or the lapse of time, would constitute such a breach or default, or permit termination, modification, or acceleration, under the policy; and (D) no party to the policy has repudiated any provision thereof. Company has been covered during the past ten (10) years by insurance in scope and amount customary and reasonable for the businesses in which they have engaged during the aforementioned period. Schedule 3.21 describes any self-insurance arrangements affecting Company.

3.22 Litigation. Schedule 3.22 sets forth each instance in which Company (i) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) is a party or, to the Knowledge of any Seller, and the directors and officers (and employees with responsibility for litigation matters) of Company, is threatened to be made a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator. None of the actions, suits proceedings, hearings, and investigations set forth on Schedule 3.22 could result in any adverse change in the business, financial condition, operations, results of operations, or future prospects of Company. None of Sellers and the directors and officers (and employees with responsibility for litigation matters) of Company has any reason to believe that any such action, suit, proceeding, hearing, or investigation may be brought or, to their Knowledge, threatened against Company.

3.23 Warranty. The water provided by the Company is suitable for human consumption and meets all standards for water quality provided by the Florida Department of Environmental Protection and other state or local regulatory agencies.

3.24 Product Liability. Company has no Liability (and, to the best of Sellers' Knowledge, there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against them giving rise to any Liability) arising out of any injury to individuals or property as a result of the ownership, possession, or use of any product sold, leased, or delivered by Company.

3.25 Employees. Schedule 3.25(a) lists all the employees of Company and includes their names, addresses, social security numbers, dates of hire, rates of pay, and salary histories. Sellers and Buyer have agreed that the employees listed in Schedule 3.25(b) will continue to be employed by Company post-Closing. To the knowledge of any of Sellers, and the directors and officers (and employees with responsibility for employment matters) of Company, no executive, key employee, or group of employees has any plans to terminate employment with Company. Company is not a party to or bound by any collective bargaining agreement, nor has it experienced any strikes, grievances, claims of unfair labor practices, or other collective bargaining disputes. Company has not committed any unfair labor practice. None of Sellers and the directors and officers (and employees with responsibility for employment matters) of Company has any Knowledge of any organizational effort presently being made or threatened by, or on behalf of any labor union with respect to employees of Company.

3.26 Employee Benefits. Neither the Company, nor any organization that is a member of a controlled group of organizations within the meaning of Code Sections 414(b), (c), (m) or (o) of which the Company is a member ("ERISA Affiliate"), maintains currently or has ever maintained an Employee Pension Benefit Plan.

an Employee Welfare Benefit Plan or any Employee Benefit Plan, program or arrangement of any kind. Neither the Company nor any ERISA Affiliate is required currently or has ever been required to contribute to or otherwise participate in an Employee Pension Benefit Plan, an Employee Welfare Benefit Plan or any Employee Benefit Plan, program or arrangement of any kind. Neither the Company nor any ERISA Affiliate participates currently or has ever participated in or is required currently or has ever been required to contribute to any Multiemployer Plan.

3.27 Guaranties. Company is not a guarantor or otherwise is liable for any Liability or obligation (including indebtedness) of any other Person, which will survive Closing.

3.28 Environmental Matters.

3.28.1 No Third Party Claims and/or Regulatory Actions have been asserted or assessed against Company or the Real Property, and no Third Party Claims and/or Regulatory Actions are pending or threatened against Company or the Real Property, arising out of or due to, or allegedly arising out of or due to, (i) the Release on, under or from the Real Property of any Hazardous Substances; (ii) any Contamination of the Real Property, including without limitation, the presence of any Hazardous Substance which has come to be located on or under the Real Property from another location; (iii) any material violation or alleged violation of any Environmental Laws with respect to the Real Property or Company Business operations; (iv) any injury to human health or safety or to the environment by reason of the past or present condition of, or past or present activities on or under, the Real Property; or (v) the generation, manufacture, storage, treatment, handling, transportation or other use, however defined, of any Hazardous Substance on the Real Property; (any acts, omissions, circumstances, status or condition described in or contemplated by clauses (i) through (v) of this §3.28.1 are hereinafter referred to collectively as an "Environmental Condition").

3.28.2 Company storage, transportation, handling, use or disposal, if any, of Hazardous Substances on or under the Real Property of Hazardous Substances generated on or from the Real Property is currently, and at all times has been, in compliance in all material respects with all applicable Environmental Laws.

3.28.3 Company has delivered to or has caused to be delivered to Buyer, prior to the execution and delivery of this Agreement, complete copies of any and all Environmental Documents.

3.28.4 (i) Company has not transported or arranged for the transportation of any Hazardous Substances to any location which is listed on the National Priorities List, nor (ii) has it been identified as a potentially responsible party at any site proposed for inclusion on the National Priorities List, CERCLIS or any similar state list.

3.28.5 None of the Real Property is listed in the National Priorities List or any other list maintained by any federal, state or local governmental agency with respect to sites from which there is or has been a Release of any Hazardous Substance or any Contamination.

3.28.6 No part of the Real Property is now being used, by Company (A) as a landfill, dump or other disposal, storage, transfer or handling area for Hazardous Substances, excepting, however, for the routine storage, use and sale of Hazardous Substances from time to time in the Ordinary Course of Business, in compliance with Environmental Laws; (B) for industrial, military or manufacturing purposes; or (C) as a gasoline service station or a similar facility for selling, dispensing, storing, transferring or handling petroleum and/or petroleum products.

3.28.7 There are no underground or aboveground storage tanks (whether or not currently in use), polychlorinated biphenyls (PCBs) or nuclear fuels or wastes, located on or under the Real Property.

3.28.8 There is no ongoing Release of any Hazardous Substance on, under or from the Real Property.

3.28.9 There is not now present any Contamination of the Real Property caused by Company.

3.28.10 The Real Property and the ownership, use and operation thereon, are currently and, at all times during Company's ownership or operation thereof, have been in material compliance with all applicable Environmental Laws.

3.28.11 There are no liens against the Real Property arising under any Environmental Laws, or based upon a Regulatory Action and/or Third Party Claim.

3.29 Certain business relationships With Company. Schedule 3.29 lists all business arrangements and relationships involving the Sellers and their Affiliates with Company within the past twelve (12) months. Schedule 3.29 lists all assets, tangible or intangible, that are used in the Business and which are owned by Sellers and their Affiliates (other than Company).

3.30 Disclosure. No representation or warranty contained in this Agreement, or in any certificate or document furnished or to be furnished by Company or Sellers to Buyer or its representatives in connection herewith or pursuant hereto, contains or shall contain a material untrue statement of a fact or omits or fails to state any material fact required to make the statements herein or therein contained not misleading where necessary in order to provide a prospective purchaser of the Shares with full, complete and accurate information as to Company and the condition (financial and otherwise) of the properties, assets, liabilities, and Business of Company. The representations and warranties contained in this §3 or elsewhere in this Agreement, or any document delivered pursuant hereto or in connection herewith, shall not be affected or deemed waived by reason of the fact that Buyer or its representatives knew or should have known that any such representation or warranty is or might be inaccurate in any respect.

3.31 Utility Company Services. The services provided by the Company are adequate to meet the current or projected needs of the Developments. To the extent that the Company's services are not adequate, there are adequate public and private alternatives, including providers of water, electricity, gas, telephone, sewer, garbage collection and cable television.

3.32 Net Book Value. The depreciated net book value (i.e., aggregate rate base) of the Utility Assets is set forth in Schedule 3.32. If applicable, Sellers are obligated to update this valuation to the extent required by §5.6 hereof.

4 Representations and Warranties of Buyer. Buyer represents and warrants to Sellers that the statements contained in this §4 are correct and complete as of the date of this Agreement, except as set forth in the Schedules. The Schedules shall be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this §4.

4.1 Organization of Buyer. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

4.2 Authorization of transaction. Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Buyer, enforceable in accordance with its terms and conditions.

4.3 Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in §2 above), shall (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling,

charge, or other restriction of any government, governmental agency, or court to which Buyer is subject or any provision of its charter or bylaws of Buyer or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Buyer is a party or by which it is bound or to which any of its assets is subject.

4.4 Consents. Buyer does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government, governmental agency or other third party in order for the Parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in §2 above) except as disclosed in Schedule 4.4. There are no additional notices, filings, authorizations, consents or approvals required to convey the Shares from Sellers to Buyer other than those set forth on Schedule 4.4.

4.5 Brokers' fees. Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Sellers could become liable or obligated.

5 Pre-Closing Covenants. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing.

5.1 General. Each of the Parties shall use its best efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in §7 below).

5.2 Notices and consents. Sellers shall or shall cause Company to give any notices to third parties, and Sellers shall use their best efforts to obtain any third party and governmental consents, that Buyer may request in connection with the matters referred to in §3.4 above. Each of the Parties shall give any notices to, make any filings with, and use its best efforts to obtain any authorizations, consents, and approvals of governments and governmental agencies in connection with the matters referred to in §3.3 and §4.4 above.

5.3 Operation of business. Without Buyers' written approval, Sellers shall not cause the Company to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Without limiting the generality of the foregoing, Company shall not (i) declare, set aside, or pay any dividend or make any distribution with respect to their capital stock or redeem, purchase, or otherwise acquire any of their capital stock, or (ii) otherwise engage in any practice, take any action, or enter into any transaction of the sort described in §3.8 above.

5.4 Preservation of business. Sellers shall cause Company to keep its business and properties substantially intact, including its present operations, physical facilities, working conditions, and relationships with lessors, licensors, suppliers, customers, and employees.

5.5 Full access. Sellers shall permit, and the Sellers shall cause Company to permit, representatives of Buyer to have full access to all premises, properties, personnel, books, records (including Tax records), contracts, and documents of or pertaining to Company and shall furnish Buyer with copies of such documents and instruments and with such information with respect to the affairs of Company as Buyer may from time-to-time request. Such obligations of Sellers shall include, but not be limited to, permitting a physical inventory of the assets of Company and permitting an environmental consulting or other firm selected by Buyer to perform an assessment and investigation sufficient to permit it to provide Buyer a "Phase I Environmental Site Assessment Report" or similar report with respect to the "Utility Assets," including any real estate owned or leased by the Company, in scope, form, and content acceptable to Buyer. Sellers shall permit, and the Sellers shall cause Company to permit, representatives of Buyer to have further access if, after reviewing such report, Buyer desires to have further environmental-related assessments, tests, audits, or investigations made; provided, however, that Buyer agrees to immediately restore any portions of the Real Property affected by such studies to substantially the

same condition said Real Property was in prior to performance of such studies and to indemnify and hold Sellers harmless from and against any and all loss, liability, obligation, cost, damage, claim, penalty, judgment, fine or expense (including but not limited to attorneys' fees) resulting or arising, directly or indirectly, from the entry upon the Real Property or the conduct of such inspections, tests or studies by Buyer, their employees, contractors or agents. Sellers shall cooperate with Buyer's assessment, inspection and analysis of the Real Property. No investigation by Buyer shall affect in any manner the representations and warranties made by Sellers in this Agreement, nor any other certificate or agreement furnished or to be furnished by Sellers to Buyer or its representatives in connection herewith or pursuant hereto, and the right of Buyer to rely on the... Sellers shall use their best efforts to keep Buyer fully informed as to the affairs of Company and advise Buyer of all important matters pertaining to Company prior to Closing. If Buyer chooses not to proceed with the transaction contemplated hereby as a result of its due diligence investigation on or before the expiration of the Due Diligence Period, Buyer shall advise Sellers in writing, and this Agreement shall immediately terminate as provided by §9 hereof; provided that Buyer shall, within five (5) days after such termination, furnish Sellers with copies of all surveys, reports, environmental studies, engineering reports and other documents, studies and reports secured by Buyer during the Due Diligence Period; provided, however, that Buyer will not be obligated to provide Sellers with documents prepared internally by Del Webb Corporation, Communities, Buyer or their agents (title reports and environmental reports, if any, would be returned).

5.6 Notice of developments. In the event that a representation or warranty made hereunder by Sellers or a Schedule attached hereto is not correct, complete or accurate at or prior to Closing, Sellers shall give prompt written notice to the Buyer of any development causing the Sellers' representations, warranties and Schedules to be incorrect, incomplete, or inaccurate, and Sellers immediately shall supplement such representations, warranties and Schedules; provided, however, that the Schedules shall not be considered supplemented without Buyer's initialing the updated Schedules. Further, no disclosure by Sellers pursuant to this §5.6, shall be deemed to prevent or cure any misrepresentation, breach of warranty, or breach of covenant for purposes of Buyer's right to terminate under §9.

5.7 Exclusivity. During the term of this Agreement, Sellers will not and will cause the Company not to enter into any agreement, discussion, or negotiation with, or provide information to, or solicit, encourage, entertain or consider any inquiries or proposals from, any other corporation, firm or other person with respect to (a) the possible disposition of a material portion of the Business, or (b) any business combination involving the Business, whether by way of merger, consolidation, share exchange or other transaction.

5.8 Title insurance. Within five (5) days of the full execution of this Agreement, Sellers shall order, at Sellers' expense, and furnish to Buyer a title insurance commitment ("Title Commitment") issued by First American Title Company agreeing to issue to Company an owner's policy of title insurance ("Title Insurance"), upon a standard 1970 ALTA Form B, in the amount of the Purchase Price insuring Company's title to the Real Property subject only to the Permitted Exceptions which are attached hereto as Exhibit F and other title matters which have been approved in writing by Buyer (all of which shall then become collectively the "Permitted Exceptions"). Company shall have marketable title subject only to the Permitted Exceptions. Marketable title shall be determined according to applicable Title Standards adopted by the authority of the Florida Bar and in accordance with the law. Buyer shall have ten (10) business days from the date of receiving said Title Commitment to examine same. If title is found defective, Buyer shall within three (3) days thereafter, notify Sellers in writing specifying defect(s) ("Defects"). If the Defect(s) render title unmarketable, Sellers will have the later of thirty (30) days from receipt of notice or the Closing Date to remove the Defects. Sellers shall, if title is found unmarketable, use diligent effort to correct Defects in the title within the time provided therefor. If Sellers are unable to remove the Defect(s) in the time allowed therefor, Buyer shall either waive the Defect(s) or terminate the Agreement, thereby releasing Buyer and Sellers from all further obligations under this Agreement. Sellers shall not allow the Company to further encumber, permit or create any Defect(s) to title after the date of the issuance of the Title Commitment.

5.9 Survey. With respect to each parcel of Real Property, and as to which a title insurance policy is to be procured pursuant to §5.8 above, Sellers shall procure or shall cause the Company to procure in preparation for the Closing a current survey of the Real Property certified to Buyer, prepared by a licensed surveyor and

conforming to current ALTA Minimum Detail Requirements for Land Title Surveys, disclosing the location of all improvements, easements, party walls, sidewalks, roadways, utility lines, and other matters shown customarily on such surveys, and showing access affirmatively to public streets and roads (the "Survey"). Sellers shall order, at Sellers' expense the Survey from a reputable surveyor; provided, however, if no significant Defects exist and Company's existing survey describes Real Property in a manner sufficient for the Title Commitment, then Buyer will be responsible for expenses of updating Company's survey as needed to obtain Buyer's desired title coverages. Buyer shall, within ten (10) business days after receipt of the Survey, approve or object in writing to the matters disclosed by the Survey. Any matters disclosed by the Title Commitment to which Buyer fails to object shall be deemed approved. If the Survey shows encroachment on the Real Property or that improvements located on the Real Property encroach on setback lines, easement, lands of others or violates any restrictions, agreements, covenants or applicable governmental regulation, the same shall constitute and be treated as a title Defect.

5.10 Insurance. Sellers shall cause the Company to maintain all insurance policies (including policies providing property, casualty, liability, medical, dental and workers' compensation coverage and bond and surety arrangements) in effect from the date hereof through the Closing Date.

5.11 Confidentiality. The Parties will not disclose information obtained or discovered about the other Parties during the term of this Agreement. The Parties shall not disclose the terms of this Agreement, other than disclosures to their respective representatives as necessary for the parties or their representatives to perform the obligations contemplated hereunder. All press releases and public announcements relating to the acquisition of the Business will be agreed to and prepared jointly by Sellers and Buyer. Any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party shall use its reasonable best efforts to advise the other Party prior to making the disclosure).

5.12 Condemnation. In the event prior to the Closing or prior to disbursement under the Utility Company Escrow Agreement, the Real Property, or any portion thereof, shall be taken or condemned by any governmental authority, or shall be subject to a bona fide threat of condemnation or other taking, Sellers shall so notify Buyer, and Buyer shall have the option of either (a) terminating this Agreement by giving notice thereof to Sellers, and this Agreement shall be deemed null and void and of no force or effect and no Party hereto shall have any further rights, obligations, or liability hereunder, or (b) requiring Sellers to transfer the Shares to Buyer pursuant to the terms and provisions hereof and to transfer and assign to Buyer at the Closing all of Sellers' right, title and interest in and to such award made or that may be made by reason of such condemnation.

5.13 Pre-closing transfers. Prior to Closing, Sellers shall cause the Company to acquire title to all assets, including tangible personal property and Real Property, and to acquire all easements necessary for the Company to continue to properly operate its Business, including, but not limited to, the provision of services to the development Spruce Creek South and any commercial development which it services. The title transfer shall occur within sufficient time to allow Buyer to review the status of title prior to Closing as contemplated by §5.8.

5.14 Application for Public Service Commission Approval. Within fourteen (14) business days (Christmas Day, the day after Christmas Day, and New Year's Day shall not be considered business days) of the execution of this Agreement, Buyer and Sellers shall file an application with the Florida Public Service Commission to seek approval of the transfer of the Shares hereunder from the Florida Public Service Commission.

6 Post-Closing Covenants. The Parties agree as follows with respect to the period following the Closing.

6.1 General. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as the other Party reasonably may request, at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under §8 below). Sellers acknowledge and agree that, from and after the Closing, Buyer shall be entitled to

possession of copies of all documents, books, records (including Tax records), agreements, and financial data of any sort relating to the Utility Assets and Assumed Liabilities.

6.2 Litigation support. If and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Company, the other Party shall cooperate with the contesting or defending Party and its counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under §8 below).

6.3 Confidentiality. Sellers shall treat and hold as such all of the Confidential Information, refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to Buyer or destroy, at the request and option of Buyer, all tangible embodiments (and all copies) of the Confidential Information that are in their possession. If Sellers are requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, Sellers shall notify Buyer promptly of the request or requirement so that Buyer may seek an appropriate protective order or waive compliance with the provisions of this §6.3. If, in the absence of a protective order or the receipt of a waiver hereunder, Sellers are, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, Sellers may disclose the Confidential Information to the tribunal; provided, however, that Sellers shall use their best efforts to obtain, at the request of Buyer, an order or other assurance that confidential treatment shall be accorded to such portion of the Confidential Information required to be disclosed as Buyer shall designate.

6.4 Return of Escrowed Funds. If the Florida Public Service Commission fails to issue a final, non-appealable order approving the transfer of the Shares to Buyer within eighteen (18) months from the date hereof, funds deposited by Buyer into escrow to acquire the Shares, pursuant to the Utility Company Escrow Agreement, shall be returned to Buyer.

7 Conditions to Obligation to Close.

7.1 Conditions to obligation of Buyer. The obligation of Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions at or prior to Closing:

7.1.1 Buyer's satisfactory completion of a full due diligence review of the Business and operations of Company to the extent deemed necessary or desirable by Buyer on or prior to January 10, 1998;

7.1.2 the representations and warranties set forth in §3 above shall be true and correct in all material respects at and as of the Closing Date;

7.1.3 Sellers shall have performed and complied with all of their covenants hereunder in all respects through the Closing;

7.1.4 Sellers shall have procured all of the third party consents specified in §3.3 above, all of the Title Insurance, Title Commitments, Title Policies, and riders specified in §5.8 above, indicating that Company has title to the Real Property free and clear of all liens, encumbrances, easements, conditions and other matters affecting title, other than Permitted Exceptions, and all of the surveys specified in §5.9 above;

7.1.5 there shall have been no material adverse change in the Business or operation of Company or in its financial condition from the date hereof through the Closing Date;

7.1.6 no action, suit, or proceeding shall be pending before any court or quasi-judicial or administrative agency of any federal, state, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) affect adversely the right of Buyer to own the Shares, and to control the Company, or (D) affect adversely the right of the Company to own its assets or operate its business as a result of such acquisition (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

7.1.7 Sellers and Buyer shall have received all other authorizations, consents, and approvals of governments and governmental agencies referred to in §3.3 and §4.4 above;

7.1.8 The Real Property shall have received appropriate environmental approvals and required environmental permits from the appropriate governmental agencies including, but not limited to, the Florida Department of Environmental Protection, the Southwest Florida Water Management District and the St. John's River Water Management District, as appropriate.

7.1.9 At Closing, the services provided by the Company shall be or shall have the potential to be adequate to meet the current and projected needs of the Developments. If the Company's services are not adequate, there must be adequate public or private alternatives, including providers of water, electricity, gas, telephone, sewer, garbage collection and cable television to be determined in Buyer's absolute discretion.

7.1.10 all actions to be taken by Sellers in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby shall be reasonably satisfactory in form and substance to Buyer.

7.1.11 Sellers shall have executed and delivered to Buyer the Closing Documents and Ancillary Agreements required pursuant to §2.5.

If any of the conditions precedent to Buyer's obligations to close set forth in this §7 have not been satisfied on or prior to the Closing Date, Buyer may (a) terminate this Agreement as provided by §9.1, (b) waive in writing, in Buyer's sole discretion, any such condition precedent without waiving any other condition precedent or any of Buyer's rights herein, or (c) extend the time period for satisfaction of the condition precedent for up to an additional ten (10) days to enable such condition precedent to be satisfied by delivering a written notice of such extension to Sellers; provided, that, the Closing Date provided by §2.4 shall also be extended. If Buyer elects to extend the time period for satisfaction of any condition precedent, and at the expiration of such extended time period, such condition precedent still has not been satisfied, clause (a) or (b) above shall apply.

7.2 Conditions to obligation of Sellers. The obligation of Sellers to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

7.2.1 the representations and warranties set forth in §4 above shall be true and correct in all material respects at and as of the Closing Date;

7.2.2 Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

7.2.3 no action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator

wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement or (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

7.2.4 Sellers and Buyer shall have received all other authorizations, consents, and approvals of governments and governmental agencies referred to in §3.3 and §4.4 above;

7.2.5 all actions to be taken by Buyer in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby shall be reasonably satisfactory in form and substance to Sellers.

7.2.6 Buyer shall have executed and delivered to Sellers the Closing Documents and Ancillary Agreements required pursuant to §2.5.

Sellers may waive any condition specified in this §7.2 if they execute a writing so stating at or prior to the Closing.

8 Survival; Indemnification.

8.1 Survival of Representations, Warranties and Covenants. The representations, warranties, covenants, indemnification provisions and agreements of the Parties made or set forth herein or in any Ancillary Agreement or Closing Document delivered pursuant hereto, shall survive the execution and delivery hereof or thereof, the Closing, and any investigation made by the Parties and shall continue in full force and effect thereafter. Indemnification under this §8 shall be the sole and exclusive remedy for any Party to this Agreement for any breach of warranty, representation, covenant or other agreement made or set forth herein or in any Ancillary Agreement or Closing Document delivered pursuant hereto.

8.2 Indemnification Rights and Obligations.

8.2.1 Sellers, jointly and severally, hereby agree to indemnify Buyer (which term shall be deemed to include, for the purposes of this §8, as appropriate, Buyer, Del Webb Corporation and the Entity Related Parties of Buyer) with respect to, and hold Buyer harmless from, any Liability or Impairment which Buyer may directly or indirectly incur or suffer by reason of, or which results from, arises out of or is based upon (i) the inaccuracy of any representation or warranty made by Sellers herein, (ii) the failure of Sellers to comply with any covenants made by Sellers herein; (iii) the conduct of the Business on or prior to the date of Closing, to the extent such Liability or Impairment was not specifically set forth as an Assumed Liability on Schedule 2.2, (iv) the conduct of past, current or future business by the Sellers, and the entities related to Sellers listed on Exhibit A attached hereto, which is unrelated to the acquisition of the Shares hereunder, or (v) any and all finder's fees, brokerage commissions or similar payments incurred by Sellers in connection with the transactions contemplated herein.

8.2.2 Buyer hereby agrees to indemnify Sellers including Entity Related Parties of Sellers with respect to, and hold Sellers harmless from, any Liability or Impairment which Sellers may directly or indirectly incur or suffer by reason of, or which results from, arises out of or is based upon (i) the inaccuracy of any representation or warranty made by Buyer herein, (ii) the failure of Buyer to comply with any covenants made by Buyer, (iii) the conduct of the Business by Buyer subsequent to the Closing Date.

8.2.3 Anything herein to the contrary notwithstanding, no Party shall make any Indemnification Claim against any other Party or for any breach of representations, warranties or covenants contained in this Agreement until the dollar amount of all Liabilities or Impairments suffered or incurred by the Party seeking such indemnity hereunder shall exceed, in the aggregate, the amount of Fifty Thousand Dollars (\$50,000.00), but, if such amount is exceeded, the indemnifying Party shall be required to pay the full

amount of such aggregate Liabilities or Impairments (without deduction for such Fifty Thousand Dollars (\$50,000.00) threshold amount) for which indemnification rights and obligations are provided under this §8.

8.2.4 Anything herein to the contrary notwithstanding, no Party shall be liable to any other Party under this §8 for punitive or consequential damages, including lost profits, except to the extent contained in a settlement, award or judgment obtained by a third party.

8.3 Method of Asserting Claims. All Indemnification Claims by a Party entitled to be indemnified hereunder (an "Indemnitee") by another Party hereto (an "Indemnitor"), under this §8, shall be asserted and resolved as follows:

8.3.1 Buyer is hereby designated the representative of (i) Buyer, and (ii) the Entity Related Parties of Buyer, to the extent necessary to give effect to the provisions of §§ 8.3 through 8.4, and in that representative capacity, Buyer is referred to as Indemnitee or Indemnitor, as appropriate.

8.3.2 H. Erp is hereby designated the representative of Sellers to the extent necessary to give effect to the provisions of §§ 8.3 through 8.4 hereof, and in that representative capacity, H. Erp is referred to as the Indemnitee or Indemnitor, as appropriate.

8.3.3 In the event that any Liability for which Indemnitor is obligated to indemnify Indemnitee hereunder is asserted against or sought to be collected by a third party, Indemnitee shall promptly notify the Indemnitor of such Liability, specifying the nature of such Liability and the amount or the estimated amount thereof to the extent then feasible to estimate (which estimate shall not be conclusive of the final amount of such Liability) (the "Claim Notice"). The Indemnitor shall have ten (10) days from its receipt of the Claim Notice (the "Notice Period") to notify Indemnitee (i) whether or not Indemnitor disputes its obligation to indemnify Indemnitee hereunder with respect to such Liability, and (ii) if it does not dispute such obligation to indemnify, whether or not it desires, at its sole cost and expense, to defend or control the defenses of Indemnitee against such Liability; provided, however, that Indemnitee is hereby authorized prior to and during the Notice Period to file any motion, answer or other pleading which it shall deem necessary or appropriate to protect its interests. In the event that Indemnitor notifies Indemnitee within the Notice Period that the Indemnitor does not dispute such obligation to indemnify and desires to defend or control the defenses of Indemnitee against such Liability, then, except as hereinafter provided, the Indemnitor shall have the right to defend by appropriate proceedings, which proceedings shall be promptly settled or brought to a final conclusion in such a manner as to avoid any risk of Indemnitee becoming liable for any additional Liability. If Indemnitee desires to participate in any such defense or settlement it may do so, but it shall not be in control of such defense or settlement and its participation shall be at its sole cost and expense. If in the reasonable opinion of Indemnitee, any such Liability involves an issue or matter which could have a materially adverse effect on the business, operations, assets, properties or prospects of Indemnitee or any division of the Indemnitee, Indemnitee shall have the right to control the defense or settlement of any such Liability, and its reasonable costs and expenses thereof shall be included as part of the indemnification obligations of Indemnitor hereunder. If the Indemnitor disputes the Indemnitor's obligation to indemnify with respect to such Liability or elects not to defend against such Liability, whether by not giving timely notice as provided above or otherwise, then the amount of any such Liability, or, if the same be contested by the Indemnitor or by Indemnitee (but Indemnitee shall not have any obligation to contest any such claim or demand), then that portion thereof as to which such defense is unsuccessful, shall be conclusively deemed to be an obligation to indemnify of the Indemnitor hereunder (subject, if the Indemnitor has timely disputed any obligation to indemnify, to a determination that any disputed obligation to indemnify is covered by these indemnification provisions).

8.3.4 In the event Indemnitee should have an Indemnification Claim against the Indemnitor which does not involve a Liability being asserted against or sought to be collected from it by a third party, Indemnitee shall promptly send a Claim Notice with respect to such Liability or Impairment to the

Indemnitor. If the Indemnitor does not notify Indemnitee within the Notice Period that it disputes such Liability or Impairment, the amount of such Liability or Impairment shall be conclusively deemed a Liability of the Indemnitor hereunder. If an Indemnitor does respond within the Notice Period and such response disputes such claim or Liability, in whole or in part, the Indemnitee shall have no remedy other than to initiate the Resolution Process under §10.

8.3.5 Nothing herein shall be deemed to prevent any Indemnitee from making an Indemnification Claim with respect to potential or contingent Liabilities or Impairments, provided the Claim Notice sets forth the specific basis for any such potential or contingent Liabilities or Impairments and the estimated amount thereof to the extent then feasible and the indemnified party has reasonable grounds to believe that such a Liability will be asserted or Impairment will be incurred or suffered.

8.3.6 The indemnification rights under this §8 shall not apply unless a Claim Notice has been delivered to Indemnitor within eighteen (18) months following the Closing.

8.4 Payment of Indemnification Obligations.

8.4.1 In the event that any party has an obligation to indemnify another under §8.3, such party shall promptly pay the indemnified party the amount of such obligation. If there should be a dispute as to the amount or manner of determining any indemnity obligation owed under this §8, the party from which indemnification is due shall nevertheless pay, when due, such portion, if any, of the obligation as shall not be subject to dispute. The difference, if any, between the amount of the obligation ultimately determined as due under this §8 and the portion, if any, theretofore paid shall bear interest as provided in §8.4.3. Upon the payment in full of any indemnity obligation, either by setoff or otherwise, the party making payment shall be subrogated to the rights of the indemnified party against any person, firm, corporation or other entity with respect to the Liability or Impairment on which the indemnity obligation is based.

8.4.2 The Parties acknowledge that the Escrow Agent holds a standby letter of credit ("Standby Letter of Credit") in the amount of One Million Two Hundred Thousand Dollars (\$1,200,000) pursuant to the terms of §8 of the Asset Acquisition Agreement and pursuant to an escrow agreement of even date herewith by and among the parties to the Asset Acquisition Agreement and the Parties hereto (the "Deposit Escrow Agreement"). The Parties hereto acknowledge that Buyer is entitled to make a claim against the Standby Letter of Credit for any indemnification obligations of Sellers under the terms of this Agreement as contemplated by the Deposit Escrow Agreement.

8.4.3 If all or part of any indemnification obligation under this Agreement is not paid when due, then the indemnifying party or parties shall pay the indemnified party or parties interest on the unpaid amount of the obligation for each day from the date the amount became due until payment in full, payable on demand, at the Applicable Rate.

9 Termination.

9.1 Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

9.1.1 All Parties may terminate this Agreement by unanimous written consent at any time prior to the Closing;

9.1.2 Buyer may terminate this Agreement by giving written notice to Sellers on or before January 10, 1998 if Buyer is not satisfied with the results of its continuing business, legal, and accounting due diligence of Company;

9.1.3 Buyer may terminate this Agreement by giving written notice to Sellers at any time prior to the Closing (A) if Sellers have breached any material representation, warranty, or covenant contained in this Agreement in any material respect, Buyer has notified Sellers of the breach, and the breach has continued without cure for a period of ten (10) days after the notice of breach (B) pursuant to its rights under §5.8 (C) pursuant to its right under §5.12 or (D) if the Closing shall not have occurred on or before January 25, 1998 (or such later date permitted herein), by reason of the failure of any condition precedent under §7.1 hereof (unless the failure results primarily from Buyer itself breaching any representation, warranty, or covenant contained in this Agreement); and

9.1.4 Sellers may terminate this Agreement by giving written notice to Buyer at any time prior to the Closing (A) if Buyer has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, Sellers have notified Buyer of the breach, and the breach has continued without cure for a period of ten (10) days after the notice of breach or (B) if the Closing shall not have occurred on or before January 25, 1998 (or such later date permitted herein), by reason of the failure of any condition precedent under §7.2 hereof (unless the failure results primarily from Sellers themselves breaching any representation, warranty, or covenant contained in this Agreement).

9.2 Effect of termination. If any Party terminates this Agreement pursuant to §9.1 above, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to any other Party (except for any Liability of any Party then in breach).

10 Resolution of Disputes. The following procedures ("Resolution Process") shall be used to resolve any controversy, disagreement or dispute (collectively, "Dispute") arising out of or relating to this Agreement:

10.1 The Parties shall attempt in good faith to resolve any Dispute promptly by negotiations between executives who have authority to settle the Dispute. Any Party may give another Party written notice of any Dispute not resolved in the normal course of business ("Notice of Dispute"). Within ten (10) days following delivery of such Notice of Dispute, executives of the Parties shall meet at a mutually acceptable time and place (by mutual agreement, such meeting may be held by telephone), and thereafter as often as they deem necessary, to exchange relevant information and to attempt to resolve the Dispute. If the matter has not been resolved within twenty (20) days following delivery of such Notice of Dispute, or if the Parties fail to meet within ten (10) days, any Party may initiate mediation of the Dispute or claim as provided in §10.2.

10.2 If any Dispute has not been resolved by negotiation as provided in §10.1, the Parties shall endeavor to resolve the Dispute by mediation under the then current Model Procedure for Mediation of Business Disputes of the Center for Public Resources, Inc. ("CPR"), 366 Madison Avenue, New York, New York 10017. The neutral third party will be selected from the CPR Panel of Neutrals. If the Parties encounter difficulty in agreeing on a neutral, they will seek the assistance of CPR in the selection process. Unless otherwise agreed by the Parties, the place of mediation shall be Orlando, Florida.

10.3 Any Dispute that has not been resolved by mediation, as provided in §10.2 within forty-five (45) days of the initiation of such procedure, shall be finally settled by arbitration conducted expeditiously in accordance with the CPR Rules for Non-Administered Arbitration of Business Disputes by a sole arbitrator; provided, however, that if one Party has requested the other Party to participate in a non-binding dispute resolution procedure under §§10.1 or 10.2 and the other Party has failed to participate therein, the other Party may initiate arbitration before expiration of the above time period. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1-16, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of arbitration shall be Orlando, Florida. The arbitrator is not empowered to award damages in excess of compensatory damages (i.e., no punitive or speculative) and each Party hereby irrevocably waives any damages in excess of compensatory damages. The decision of the arbitrator shall be final.

10.4 The Parties shall maintain all applicable books and records until expiration of the time periods set forth in §8 and thereafter with respect to those relating to any Dispute until the Resolution Process with respect to such Dispute is completed.

10.5 The Parties shall bear their respective costs in connection with the dispute resolution procedures described in §§10.1 and 10.2, except that the Parties shall share equally the fees and expenses of any neutral third party or arbitrator and the costs of any facility used in connection with such dispute resolution procedures. The prevailing Party in any binding arbitration proceeding described in §10.3 or any other action hereunder shall be awarded its reasonable attorneys' fees and costs.

10.6 All negotiations relating to any of the procedures provided in this §10 are confidential and shall be treated as compromise and settlement negotiations for purposes of the rules of evidence of all applicable jurisdictions.

11 *Miscellaneous.*

11.1 No third-party beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

11.2 Entire agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof, including, but not limited to, the Letter of Intent.

11.3 Succession and assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party; provided, however, that Buyer may: (i) assign its rights and interests hereunder to one or more corporations controlling, controlled by or under common control with Buyer and (ii) designate one or more corporations controlling, controlled by or under common control with Buyer to perform its obligations hereunder (in any or all of which cases Buyer shall no longer be responsible for the performance of the obligations so assigned).

11.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

11.5 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

11.6 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to Sellers:

Mr. Harvey D. Erp
17575 S.E. 102nd Ave.
Summerfield, Florida 34491
Facsimile No:

Copy to:

Kenneth F. Oswald, Esq.
Suite 110
600 Courtland Street
Orlando, Florida 32804
Facsimile No: (407) 647-6283

Ms. Brenda Erp
17575 S.E. 102nd Ave.
Summerfield, Florida 34491
Facsimile No:

Kenneth F. Oswald, Esq.
Suite 110
600 Courtland Street
Orlando, Florida 32804
Facsimile No: (407) 647-6283

Mr. Jay A. Thompson
17575 S.E. 102nd Ave.
Summerfield, Florida 34491
Facsimile No:

Kenneth F. Oswald, Esq.
Suite 110
600 Courtland Street
Orlando, Florida 32804
Facsimile No: (407) 647-6283

Ms. Lori A. Thompson
17575 S.E. 102nd Ave.
Summerfield, Florida 34491
Facsimile No:

Kenneth F. Oswald, Esq.
Suite 110
600 Courtland Street
Orlando, Florida 32804
Facsimile No: (407) 647-6283

If to Buyer:

Del Webb Communities, Inc.
6001 North 24th St.
Phoenix, Arizona 85016
Attn: Robertson C. Jones, Esq.
Facsimile No: (602) 808-8015

Copy to:

Holland & Knight, LLP
Attn: Glenn A. Adams, Esq.
200 S. Orange Ave., Suite 2600
Orlando, Florida 32801
Facsimile No: (407) 244-5288

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, facsimile transmission, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient; provided, however, that if notice is sent by U.S. mail it shall be deemed received on the fifth (5th) business day after it is sent. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

11.7 Governing law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Florida.

11.8 Amendments and waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

11.9 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

11.10 Expenses. Each Party shall bear his or its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. At Closing, Sellers shall pay expenses of examination of title, title insurance premium, documentary stamp taxes on the transfer of the Shares, recording costs, and Sellers' attorneys' fees. With respect to title insurance, Buyer will be responsible for expenses associated with extended owner's coverage (also known as ALTA Form 9 coverage). Either Sellers or Buyer shall pay the cost of the Survey as contemplated by §5.9. All normal and customary adjustments/prorations shall be made as of Closing, including without limitation, rent and other income, utilities and taxes. Real property and tangible personal property ad valorem taxes assessed against the Utility Assets for the year in which the Closing occurs shall be prorated between Sellers and Buyer as of the Closing Date, said proration to be based upon the most recently available tax rates and valuations with respect to the Utility Assets. If the tax information shall be based on a valuation of a larger parcel of unimproved land which includes the Real Property, then the assessed value of the Real Property shall be based on the relative square footage or acreage of the property to the total square footage or acreage of such parcel. Upon the rendering of the appropriate taxing authorities of the ad valorem tax bills for the year in which Closing occurs, any adjustment required shall be promptly made between Buyer and Sellers. This provision shall survive the Closing.

11.11 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. Nothing in the Schedules shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Schedules specifically identify the exception with particularity and describe the relevant facts in detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter (regardless of the relative levels of specificity) that the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, or covenant.

11.12 Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

11.13 Failure of performance. In the event Buyer fails to perform its obligations to close as provided for with respect to the Closing, Sellers' sole right and remedy shall be to terminate this Agreement by giving notice thereof to Buyer, and upon such termination, this Agreement shall be deemed null and void and of no force or effect and no Party hereto shall have any further rights, obligations or liabilities hereunder. If, Sellers fail, neglect or refuse to perform this Agreement, Buyer may seek specific performance without thereby waiving any action for damages resulting from Sellers' breach; provided, however, that Buyer's right to damages hereunder shall be limited to a situation where Sellers or Company have transferred any Utility Assets or the Shares to a third party on or prior to the date that is one (1) year from the date hereof following a breach of this Agreement by Sellers.

11.14 Submission to jurisdiction. Each of the Parties submits to the jurisdiction of any state or federal court sitting in Orange County, Florida, in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court except as otherwise provided by §10 hereof. Each party also agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other Party with respect thereto. Any Party may make service on the other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner

provided for the giving of notices in §11.6 above. Nothing in this §11.14, however, shall affect the right of any Party. Each Party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

11.15 KNOWING WAIVER OF JURY TRIAL. THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION HEREWITH. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BUYER'S ENTERING INTO THIS AGREEMENT.

[INTENTIONALLY LEFT BLANK]

The Parties hereto have executed this Agreement effective as of the date first above written.

BUYER:

Del Webb Communities, Inc.
an Arizona corporation

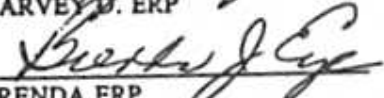
By: 

Name: John A. Spencer


Title: Senior Vice President

SELLERS:


HARVEY D. ERP


BRENDA ERP


JAY A. THOMPSON


LORI A. THOMPSON

ORL1-213397 & 3222



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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the period ended **September 30, 1997**.
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the transition period from N/A to N/A.

Commission File Number: 1-4785

DEL WEBB CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	86-0077724 (IRS Employer Identification Number)
6001 North 24th Street, Phoenix, Arizona (Address of principal executive offices)	85016 (Zip Code)
(602) 808-8000 (Registrant's phone number, including area code)	

NONE

Former name, former address and former fiscal year, if changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

As of October 31, 1997 Registrant had outstanding 17,645,150 shares of common stock.

DEL WEBB CORPORATION
FORM 10-Q
FOR THE QUARTER ENDED
SEPTEMBER 30, 1997

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DEL WEBB CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands Except Share Data)

	September 30, 1997 (Unaudited)	June 30, 1997	September 30, 1996 (Unaudited)
Assets			
Real estate inventories (Notes 2, 3 and 6)	\$ 965,887	\$ 939,684	\$ 922,065
Cash and short-term investments	4,921	24,715	7,662
Receivables	22,294	28,892	29,248
Property and equipment, net	19,330	20,937	23,800
Deferred income taxes (Note 4)	4,378	6,526	10,331
Other assets	49,861	65,908	53,101
	\$ 1,066,671	\$ 1,086,662	\$ 1,046,207
Liabilities and Shareholders' Equity			
Notes payable, senior and subordinated debt (Note 3)	\$ 548,716	\$ 563,068	\$ 550,912
Contractor and trade accounts payable	64,114	70,827	72,416
Accrued liabilities and other payables	66,997	79,959	55,111
Home sale deposits	76,416	69,476	93,357
Income taxes payable (Note 4)	4,189	3,502	3,949
Total liabilities	760,432	786,832	775,745
Shareholders' equity:			
Common stock, \$.001 par value. Authorized 30,000,000 shares; issued 17,679,783 shares at September 30, 1997, 17,691,118 shares at June 30, 1997 and 17,548,958 shares at September 30, 1996	18	18	18
Additional paid-in capital	159,814	160,308	158,378
Retained earnings	151,168	145,922	116,148
	311,000	306,248	274,544
Less cost of common stock in treasury, 49,950 shares at September 30, 1997, 124,509 shares at June 30, 1997 and 6,801 shares at September 30, 1996	(762)	(1,914)	(105)
Less deferred compensation	(3,999)	(4,504)	(3,977)
Total shareholders' equity	306,239	299,830	270,462
	\$ 1,066,671	\$ 1,086,662	\$ 1,046,207

See accompanying notes to consolidated financial statements.

DEL WEBB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(In Thousands Except Per Share Data)
(Unaudited)

	Three Months Ended September 30,	
	1997	1996
Revenues (Note 5)	\$ 248,043	\$ 264,295
Costs and expenses (Note 5):		
Home construction, land and other	190,944	205,164
Interest (Note 6)	11,067	11,584
Selling, general and administrative	36,461	38,184
	238,472	254,932
Earnings before income taxes	9,571	9,363
Income taxes (Note 4)	3,446	3,371
Net earnings	\$ 6,125	\$ 5,992
Weighted average shares outstanding	17,938	17,897
Net earnings per share	\$.34	\$.33

See accompanying notes to consolidated financial statements.

DEL WEBB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Three Months Ended September 30,	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers related to community home sales	\$ 190,022	\$ 198,896
Cash received from commercial land and facility sales	15,067	3,335
Cash paid for costs related to community home construction	(122,452)	(140,333)
Net cash provided by community sales activities	82,637	61,898
Cash paid for land acquisitions at operating communities	(2,495)	(733)
Cash paid for lot development at operating communities	(26,447)	(26,138)
Cash paid for amenity development at operating communities	(9,321)	(15,313)
Net cash provided by operating communities	44,374	19,714
Cash paid for costs related to communities in the pre-operating stage	(13,718)	(24,851)
Cash received from customers related to conventional homebuilding	54,734	54,584
Cash paid for land, development, construction and other costs related to conventional homebuilding	(52,556)	(57,218)
Cash received from residential land development project	918	3,177
Cash paid for corporate activities	(15,367)	(17,833)
Interest paid	(20,205)	(19,247)
Cash paid for income taxes	(558)	(1,887)
NET CASH USED FOR OPERATING ACTIVITIES	(2,378)	(43,561)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(206)	(1,233)
Investments in life insurance policies	(2,036)	(937)
NET CASH USED FOR INVESTING ACTIVITIES	(2,242)	(2,170)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	63,149	87,555
Repayments of debt	(78,150)	(51,735)
Proceeds from exercise of common stock options	709	110
Purchases of treasury stock	(3)	-
Dividends paid	(879)	(877)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(15,174)	35,053
NET DECREASE IN CASH AND SHORT-TERM INVESTMENTS	(19,794)	(10,678)
CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF PERIOD	24,715	18,340
CASH AND SHORT-TERM INVESTMENTS AT END OF PERIOD	\$ 4,921	\$ 7,662

See accompanying notes to consolidated financial statements.

DEL WEBB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In Thousands)
(Unaudited)

	Three Months Ended September 30,	
	1997	1996
Reconciliation of net earnings to net cash used for operating activities:		
Net earnings	\$ 6,125	\$ 5,992
Allocation of non-cash common costs in costs and expenses, excluding interest	53,274	65,403
Amortization of capitalized interest in costs and expenses	11,067	11,584
Deferred compensation amortization	420	455
Depreciation and other amortization	1,566	1,958
Deferred income taxes	2,147	2,281
Net (increase) decrease in home construction costs	11,074	(18,865)
Land acquisitions	(11,295)	(12,179)
Lot development	(40,349)	(38,460)
Amenity development	(14,310)	(23,506)
Pre-acquisition costs	(2,412)	(9,032)
Net change in other assets and liabilities	(19,685)	(29,190)
Net cash used for operating activities	\$ (2,378)	\$ (43,561)

See accompanying notes to consolidated financial statements.

DEL WEBB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Three Months Ended September 30,	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers related to community home sales	\$ 190,022	\$ 198,896
Cash received from commercial land and facility sales	15,067	3,335
Cash paid for costs related to community home construction	(122,452)	(140,333)
Net cash provided by community sales activities	82,637	61,898
Cash paid for land acquisitions at operating communities	(2,495)	(733)
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Net cash provided by operating communities	44,374	19,714
Cash paid for costs related to communities in the pro-operating stage	(13,718)	(24,851)
Cash received from customers related to conventional homebuilding	54,734	54,584
Cash paid for land, development, construction and other costs related to conventional homebuilding	(52,556)	(57,218)
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Cash paid for corporate activities	(15,367)	(17,833)
Interest paid	(20,205)	(19,247)
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NET CASH USED FOR OPERATING ACTIVITIES	(2,378)	(43,561)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(206)	(1,233)
Investments in life insurance policies	(2,036)	(937)
NET CASH USED FOR INVESTING ACTIVITIES	(2,242)	(2,170)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	63,149	87,555
Repayments of debt	(78,150)	(51,735)
Proceeds from exercise of common stock options	709	110
Purchases of treasury stock	(3)	-
Dividends paid	(879)	(877)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(15,174)	35,053
NET DECREASE IN CASH AND SHORT-TERM INVESTMENTS	(19,794)	(10,678)
CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF PERIOD	24,715	18,340
CASH AND SHORT-TERM INVESTMENTS AT END OF PERIOD	\$ 4,921	\$ 7,662

See accompanying notes to consolidated financial statements.

DEL WEBB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In Thousands)
(Unaudited)

	Three Months Ended September 30,	
	1997	1996
Reconciliation of net earnings to net cash used for operating activities:		
Net earnings	\$ 6,125	\$ 5,992
Allocation of non-cash common costs in costs and expenses, excluding interest	53,274	65,403
Amortization of capitalized interest in costs and expenses	11,067	11,584
Deferred compensation amortization	420	455
Depreciation and other amortization	1,566	1,956
Deferred income taxes	2,147	2,281
Net (increase) decrease in home construction costs	11,074	(18,865)
Land acquisitions	(11,295)	(12,179)
Lot development	(40,349)	(38,460)
Amenity development	(14,310)	(23,506)
Pre-acquisition costs	(2,412)	(9,032)
Net change in other assets and liabilities	(19,685)	(29,190)
Net cash used for operating activities	\$ (2,378)	\$ (43,561)

See accompanying notes to consolidated financial statements.

DEL WEBB CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(1) Basis of Presentation

The consolidated financial statements include the accounts of Del Webb Corporation and its subsidiaries ("Company"). In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments, primarily eliminations of all significant intercompany transactions and accounts) necessary to present fairly the financial position, results of operations and cash flows for the periods presented.

The Company develops residential communities ranging from smaller-scale, non-amenitized communities within its conventional homebuilding operations to large-scale, master-planned communities with extensive amenities. The Company currently conducts its operations in the states of Arizona, Nevada, California, Texas and South Carolina. The Company's communities are generally large-scale, master-planned residential communities at which the Company controls all phases of the master plan development process from land selection through the construction and sale of homes. Within its communities, the Company is usually the exclusive builder of homes. The Company's conventional homebuilding operations encompass the construction and sale of homes in various locations in Arizona and Nevada.

These consolidated financial statements should be read in conjunction with the consolidated financial statements and the related disclosures contained in the Company's Annual Report on Form 10-K for the year ended June 30, 1997, filed with the Securities and Exchange Commission.

In the Consolidated Statements of Cash Flows, the Company defines operating communities as communities generating revenues from home closings. Communities in the pre-operating stage are those not yet generating revenues from home closings.

The results of operations for the three months ended September 30, 1997 are not necessarily indicative of the results to be expected for the full fiscal year.

DEL WEBB CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(2) Real Estate Inventories

The components of real estate inventories are as follows:

	In Thousands		
	September 30, 1997 (Unaudited)	June 30, 1997	September 30, 1996 (Unaudited)
Home construction costs	\$ 170,944	\$ 182,018	\$ 196,665
Unamortized improvement and amenity costs	503,730	489,142	447,517
Unamortized capitalized interest	48,068	46,121	44,143
Land held for housing	199,750	174,930	168,574
Land and facilities held for future development or sale	43,395	47,473	65,166
	<u>\$ 965,887</u>	<u>\$ 939,684</u>	<u>\$ 922,065</u>

At September 30, 1997 the Company had 437 completed homes and 382 homes under construction that were not subject to a sales contract. These homes represented \$34.1 million and \$8.1 million, respectively, of home construction costs at September 30, 1997. At September 30, 1996 the Company had 332 completed homes and 724 homes under construction (representing \$27.3 million and \$14.0 million, respectively, of home construction costs) that were not subject to a sales contract.

Included in land and facilities held for future development or sale at September 30, 1997 were 375 acres of residential land, commercial land and worship sites that are currently being marketed for sale at the Company's communities and conventional homebuilding operations.

During the three months ended September 30, 1997, the Company acquired the initial portions of land for a potential large-scale master-planned community in the southern Las Vegas valley and for a planned smaller-scale, less-amenitized community in northern California. Accordingly, capitalized pre-acquisition costs previously classified as other assets for these communities are now classified as real estate inventories.

(3) Notes Payable, Senior and Subordinated Debt

Notes payable, senior and subordinated debt consists of the following:

	In Thousands		
	September 30, 1997 (Unaudited)	June 30, 1997	September 30, 1996 (Unaudited)
10 $\frac{3}{4}$ % Senior Notes, net	\$ -	\$ -	\$ 97,647
9 $\frac{3}{4}$ % Senior Subordinated Debentures due 2003, net	97,773	97,670	97,362
9% Senior Subordinated Debentures due 2006, net	97,697	97,628	97,423
9 $\frac{3}{4}$ % Senior Subordinated Debentures due 2008, net	145,007	144,889	-
Notes payable to banks under a revolving credit facility and short-term lines of credit	186,000	185,990	229,000
Real estate and other notes	22,239	36,891	29,480
	<u>\$ 548,716</u>	<u>\$ 563,068</u>	<u>\$ 550,912</u>

DEL WEBB CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(3) Notes Payable, Senior and Subordinated Debt (continued)

At September 30, 1997 the Company had \$182.0 million outstanding under its \$350 million senior unsecured revolving credit facility and \$4.0 outstanding under its \$20 million of short-term lines of credit.

At September 30, 1997, under the most restrictive of the covenants in the Company's debt agreements, \$17.1 million of the Company's retained earnings was available for payment of cash dividends and for the acquisition by the Company of its common stock.

(4) Income Taxes

Components of Income Taxes

The components of income taxes are:

	In Thousands (Unaudited)	
	Three Months Ended September 30,	
	1997	1996
Current:		
Federal	\$ 1,226	\$ 1,058
State	73	32
	1,299	1,090
Deferred:		
Federal	1,815	2,328
State	332	(47)
	2,147	2,281
	\$ 3,446	\$ 3,371

DEL WEBB CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(5) Revenues and Costs and Expenses

The components of revenues and costs and expenses are:

	In Thousands (Unaudited)	
	Three Months Ended September 30,	
	1997	1996
Revenues:		
Homebuilding:		
Communities	\$ 178,802	\$ 196,953
Conventional	51,528	49,335
Total homebuilding	230,328	246,288
Land and facility sales	15,518	15,628
Other	2,197	2,379
	\$ 248,043	\$ 264,295
Costs and expenses:		
Home construction and land:		
Communities	\$ 135,183	\$ 150,344
Conventional	44,035	41,177
Total homebuilding	179,218	191,521
Cost of land and facility sales	10,953	12,758
Other cost of sales	773	885
Total home construction, land and other	190,944	205,164
Interest	11,067	11,584
Selling, general and administrative	36,461	38,184
	\$ 238,472	\$ 254,932

DEL WEBB CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(6) Interest

The following table shows the components of interest:

	In Thousands (Unaudited)	
	Three Months Ended September 30,	
	1997	1996
Interest incurred and capitalized	\$ 13,014	\$ 12,066
Amortization of capitalized interest in costs and expenses	\$ 11,067	\$ 11,584
Unamortized capitalized interest included in real estate inventories at period end	\$ 48,068	\$ 44,143
Interest income	\$ 253	\$ 372

Interest income is included in other revenues in the Consolidated Statements of Earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the results of operations and financial condition should be read in conjunction with the accompanying consolidated financial statements and notes thereto and the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1997, filed with the Securities and Exchange Commission.

CERTAIN CONSOLIDATED FINANCIAL AND OPERATING DATA

	Three Months Ended September 30,		Change	
	1997	1996	Amount	Percent
OPERATING DATA :				
Number of net new orders: ¹				
Sun Cities Phoenix ²	262	274	(12)	(4.4%)
Sun Cities Las Vegas ³	278	209	69	33.0%
Sun City Palm Desert	62	14	48	342.9%
Sun City Roseville	176	98	78	79.6%
Sun City Hilton Head	95	76	19	25.0%
Sun City Georgetown	85	101	(16)	(15.8%)
Other communities ⁴	14	N/A	14	N/A
Coventry Homes	302	251	51	20.3%
Total current communities	1,274	1,023	251	24.5%
Completed operations:				
Sun City Tucson ⁵	N/A	24	(24)	(100.0%)
Terravita ⁶	N/A	28	(28)	(100.0%)
Coventry Homes - Southern California ⁷	N/A	56	(56)	(100.0%)
Total	1,274	1,131	143	12.6%
Number of home closings:				
Sun Cities Phoenix ²	259	232	27	11.6%
Sun Cities Las Vegas ³	242	253	(11)	(4.3%)
Sun City Palm Desert	41	43	(2)	(4.7%)
Sun City Roseville	118	173	(55)	(31.8%)
Sun City Hilton Head	84	75	9	12.0%
Sun City Georgetown	111	143	(32)	(22.4%)
Terravita ⁶	82	84	(2)	(2.4%)
Other communities ⁴	N/A	N/A	N/A	N/A
Coventry Homes	279	302	(23)	(7.6%)
Total current communities	1,216	1,305	(89)	(6.8%)
Completed operations:				
Sun City Tucson ⁵	N/A	55	(55)	(100.0%)
Coventry Homes - Southern California ⁷	20	22	(2)	(9.1%)
Total	1,236	1,382	(146)	(10.6%)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

CERTAIN CONSOLIDATED FINANCIAL AND OPERATING DATA (Continued)

	Three Months Ended September 30,		Change	
	1997	1996	Amount	Percent
BACKLOG DATA:				
Homes under contract at September 30:				
Sun Cities Phoenix ²	695	595	100	16.8%
Sun Cities Las Vegas ²	569	598	(29)	(4.8%)
Sun City Palm Desert	147	83	64	77.1%
Sun City Roseville	338	302	36	11.9%
Sun City Hilton Head	170	194	(24)	(12.4%)
Sun City Georgetown	176	336	(160)	(47.6%)
Terravita ⁶	38	248	(210)	(84.7%)
Other communities ⁴	14	N/A	14	N/A
Coventry Homes	481	521	(40)	(7.7%)
Total current communities	2,628	2,877	(249)	(8.7%)
Completed operations:				
Sun City Tucson ³	N/A	14	(14)	(100.0%)
Coventry Homes - Southern California ⁷	N/A	57	(57)	(100.0%)
Total ⁸	2,628	2,948	(320)	(10.9%)
Aggregate contract sales amount (dollars in millions)	\$ 527	\$ 575	\$ (48)	(8.3%)
Average contract sales amount per home (dollars in thousands)	\$ 201	\$ 195	\$ 6	3.1%
AVERAGE REVENUE PER HOME CLOSING:				
Sun City West	\$ 153,500	\$ 154,200	\$ (700)	(0.5%)
Sun Cities Las Vegas ²	189,500	179,600	9,900	5.5%
Sun City Palm Desert	230,800	239,700	(8,900)	(3.7%)
Sun City Roseville	210,700	200,700	10,000	5.0%
Sun City Hilton Head ³	169,200	158,000	11,200	7.1%
Sun City Georgetown ³	198,200	180,300	17,900	9.9%
Terravita ⁶	276,300	283,600	(7,300)	(2.6%)
Other communities ⁴	N/A	N/A	N/A	N/A
Coventry Homes	171,300	147,300	24,000	16.3%
Weighted average current communities	186,300	178,600	7,700	4.3%
Completed operations:				
Sun City Tucson ⁵	N/A	168,100	N/A	N/A
Coventry Homes - Southern California ⁷	186,600	220,100	(33,500)	(15.2%)
Total weighted average	186,300	178,200	8,100	4.5%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

CERTAIN CONSOLIDATED FINANCIAL AND OPERATING DATA (Continued)

	Three Months Ended September 30,		Change	
	1997	1996	Amount	Percent
OPERATING STATISTICS :				
Cost and expenses as a percentage of revenues:				
Home construction, land and other	77.0%	77.6%	(0.6%)	(0.8%)
Interest	4.5%	4.4%	0.1%	2.3%
Selling, general and administrative	14.7%	14.4%	0.3%	2.1%
Ratio of home closings to homes under contract in backlog at beginning of period	47.7%	43.2%	4.5%	10.4%

- ¹ Net of cancellations. The Company recognizes revenue at close of escrow.
- ² Includes Sun City West and Sun City Grand. The Company began taking new home sales orders at Sun City Grand in October 1996. Home closings began at Sun City Grand in February 1997.
- ³ Includes Sun City Summerlin and Sun City MacDonald Ranch.
- ⁴ As of September 30, 1997, the Company had one smaller-scale community in Arizona at which net new order activity began in September 1997.
- ⁵ The Company completed net new order activity at Sun City Tucson in February 1997. Home closings at Sun City Tucson were completed in April 1997.
- ⁶ The Company completed net new order activity at Terravita in April 1997.
- ⁷ The Company completed net new order activity for its Coventry Homes - Southern California operations in June 1997. Home closings for these operations were completed in August 1997.
- ⁸ A majority of the backlog at September 30, 1997 is currently anticipated to result in revenues in the next 12 months. However, a majority of the backlog is contingent upon the availability of financing for the customer, sale of the customer's existing residence or other factors. Also, as a practical matter, the Company's ability to obtain damages for breach of contract by a potential home buyer is limited to retaining all or a portion of the deposit received. In the three months ended September 30, 1997 and 1996, cancellations of home sales orders as a percentage of new home sales orders written during the period were 14.0 percent and 20.8 percent, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

RESULTS OF OPERATIONS

Revenues. Revenues decreased to \$248.0 million for the three months ended September 30, 1997 from \$264.3 million for the the three months ended September 30, 1996. Decreased home closings at Sun City Roseville and Sun City Georgetown (each of which had a substantially lower backlog at the beginning of the 1997 quarter than at the beginning of the 1996 quarter) accounted for \$11.0 million and \$5.8 million, respectively, in decreased revenues. Decreased home closings at Sun City Tucson (reflecting the April 1997 completion of that community) resulted in a \$9.2 million decrease in revenues. These decreases were partially offset by an increase in the average revenue per home closing, which resulted in increased revenues of \$11.4 million.

Home Construction, Land and Other Costs. The decrease in home construction, land and other costs to \$190.9 million for the 1997 quarter compared to \$205.2 million for the 1996 quarter was primarily due to the decrease in home closings. These costs as a percentage of revenues decreased to 77.0 percent for the 1997 quarter compared to 77.6 percent for the 1996 quarter, with the decrease primarily due to improved margins on land and facility sales. The improved margins on land and facility sales were primarily due to the declining contribution from lower-margin land sales at Foothills, the Company's nearly complete residential land development project in Phoenix.

Interest. As a percentage of revenues, amortization of capitalized interest was 4.5 percent for the 1997 quarter compared to 4.4 percent for the 1996 quarter. This increase was primarily due to changes in the mix of home closings among the Company's communities and conventional homebuilding operations.

Selling, General and Administrative Expenses. As a percentage of revenues, selling, general and administrative expenses increased to 14.7 percent for the 1997 quarter as compared to 14.4 percent for the 1996 quarter. This increase resulted primarily from the spreading of relatively fixed corporate overhead over lower revenues.

Income Taxes. The small increase in income taxes in the 1997 quarter as compared to the 1996 quarter was due to the increase in earnings before income taxes. The effective tax rate was 36 percent in both quarters.

Net New Order Activity and Backlog. Net new orders in the 1997 quarter were 12.6 percent higher than in the 1996 quarter. Exclusive of completed operations, net new orders increased 24.5 percent. The increase was largely due to increases at Sun City Roseville and Sun City Palm Desert, which management believes may indicate continued improvement in the California real estate economy. In addition, both of these California communities benefitted from the introduction of new product offerings, which management believes had a positive impact on new orders.

Net new orders at the Sun Cities Las Vegas increased 33.0 percent, which management believes is primarily due to the continued strength of the Las Vegas market. At Sun City Hilton Head, net new orders increased 25.0 percent, which management believes may be partially due to the fact that important commercial and service-related businesses have announced development plans for the area adjacent to Sun City Hilton Head. These increases were partially offset by a 15.8 percent decrease in net new orders at Sun City Georgetown. That community is in the process of introducing new product offerings which are designed to appeal to a larger segment of the Texas active adult market.

The number of homes under contract at September 30, 1997 was 10.9 percent lower than at September 30, 1996. This backlog decrease was largely due to decreases attributable to the approaching completion of Terravita and the August 1997 completion of Coventry Homes' southern California operations. Sun City Georgetown has also experienced a significant backlog decrease as net new orders did not keep pace with home closings at that community over the past 12 months.

LIQUIDITY AND FINANCIAL CONDITION OF THE COMPANY

At September 30, 1997 the Company had \$4.9 million of cash and short-term investments, \$182.0 million outstanding under its \$350 million senior unsecured revolving credit facility and \$4.0 million outstanding under its \$20 million of short-term lines of credit.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Management believes that the Company's current borrowing capacity, when combined with existing cash and short-term investments and currently anticipated cash flows from the Company's operating communities and conventional homebuilding activities, will provide the Company with adequate capital resources to fund the Company's currently anticipated operating requirements for the next 12 months. However, these operating requirements reflect some limitations on the timing and extent of new projects and activities that the Company may otherwise desire to undertake.

The Company's senior unsecured revolving credit facility and the indentures for the Company's publicly-held debt contain restrictions which could, depending on the circumstances, affect the Company's ability to borrow in the future. If the Company at any time is not successful in obtaining sufficient capital to fund its then planned development and expansion expenditures, some or all of its projects may be significantly delayed. Any such delay could result in cost increases and may adversely affect the Company's results of operations.

The cash flow for each of the Company's communities can differ substantially from reported earnings, depending on the status of the development cycle. The initial years of development or expansion require significant cash outlays for, among other things, land acquisition, obtaining master plan and other approvals, construction of amenities (including golf courses and recreation centers), model homes, sales and administration facilities, major roads, utilities, general landscaping and interest. Since these costs are capitalized, this can result in income reported for financial statement purposes during those initial years significantly exceeding cash flow. However, after the initial years of development or expansion, when these expenditures are made, cash flow can significantly exceed earnings reported for financial statement purposes, as costs and expenses include amortization charges for substantial amounts of previously expended costs.

During the 1997 quarter the Company generated \$82.6 million of net cash from community sales activities, used \$38.3 million of cash for land and lot and amenity development at operating communities, paid \$13.7 million for costs related to communities in the pre-operating stage, generated \$2.2 million of net cash from conventional homebuilding operations and used \$35.2 million of cash for other operating activities. The resulting \$2.4 million of net cash used for operating activities (which was primarily attributable to expenditures for communities not yet generating home sales revenues and for corporate activities) was funded mainly through utilization of cash and short-term investments existing at the beginning of the period.

At September 30, 1997, under the most restrictive of the covenants in the Company's debt agreements, \$17.1 million of the Company's retained earnings was available for payment of cash dividends and for the acquisition by the Company of its common stock.

In October 1997 a shelf registration statement filed by the Company with the Securities and Exchange Commission, covering up to \$200 million of the Company's debt and equity securities, became effective. The shelf registration statement provides the Company with additional flexibility to respond to market conditions. The securities covered by the registration statement may be offered for sale from time to time in the future in one or more series and in the form of senior, senior subordinated or subordinated debt, common stock, preferred stock or warrants to purchase such securities.

FORWARD LOOKING INFORMATION; CERTAIN CAUTIONARY STATEMENTS

Certain statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section that are not historical results are forward looking statements. These forward looking statements involve risks and uncertainties including, but not limited to, risks associated with the development of future and newer communities (including development in new geographic areas), governmental regulation and environmental considerations, the geographic concentration of the Company's operations, the cyclical nature of real estate operations and other conditions generally, competition, fluctuations in labor and material costs, the availability and cost of financing, natural risks that exist in certain of the Company's market areas and other matters set forth in the Company's Form 10-K for the year ended June 30, 1997. Actual results may differ materially from those projected or implied. Further, certain forward looking statements are based upon assumptions of future events, which may not prove to be accurate.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibit 27 Financial Data Schedule
- (b) The Company did not file any reports on Form 8-K during the period covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, who are duly authorized to do so.

DEL WEBB CORPORATION
(Registrant)

Date: November 10, 1997

/s/ Phillip J. Dion
Phillip J. Dion
Chairman and Chief Executive Officer

Date: November 10, 1997

/s/ John A. Spencer
John A. Spencer
Senior Vice President and Chief Financial Officer

SPRUCE CREEK SOUTH UTILITIES, INC.

Application for Transfer of
Majority Organizational Control

Evidence of the Utility's Right to Use of Land
Spruce Creek Preserve Property

EXHIBIT C-1

LEASE AGREEMENT

This Lease Agreement made and entered into this 21 day of March, 1996, by and between Spruce Creek Golf & Country Club, Inc., hereinafter referred to as "Lessor" and Spruce Creek South Utilities, Inc., hereinafter referred to as "Lessee".

WITNESSETH

WHEREAS, "Lessor" is the owner of that certain real property described in paragraph 2 below and the developer of SPRUCE CREEK PRESERVE, a single family residential subdivision located in Marion County, Florida, and

WHEREAS, "Lessee", is a water and sanitary sewer utility company certified and capable to provide central water and central sewer utility service to the homes located in SPRUCE CREEK PRESERVE by the Public Service Commission of the State of Florida, and

WHEREAS, "Lessee" desires to lease from "Lessor" and "Lessor" agrees to lease to "Lessee" that real property described in paragraph 2 below on which will be located a potable water well, chlorinated plant and water storage tank and a central sewage treatment facility, which will be owned by "Lessee" based upon the terms, covenants and conditions as provided for herein.

NOW THEREFORE, for and in consideration of the mutual terms, covenants and conditions as described herein and other good and valuable consideration, receipt of which each of the parties hereto acknowledge receiving from the other. The "Lessor" and the "Lessee" contract and agree as follows.

1. LEASE OF THE PREMISES. The "Lessor" hereby leases and lets unto the "Lessee" that real property described in paragraph 2 hereof.

2. LEGAL DESCRIPTION.

Legal Description for Wells and Water Plant Site
Spruce Creek Preserve

A tract of land situated in the Southeast 1/4 of Section 9, Township 17 South, Range 20 East, Marion County, Florida, being more particularly described as follows

Commencing at the Southeast corner of Section 9, Township 17 South, Range 20 East, thence North 00 00'21" West along the East boundary thereof, 950.72 feet; thence departing said boundary proceed south 89 58'39" West, perpendicular to said boundary, a distance of 1523.53 feet to the Point of Beginning (P.O.B.). From said P.O.B. continue South 89 58'39" West, 210.00 feet; thence North 00 00'21" West, 210.00 feet; thence North 89 58'39" East, 210.00 feet; thence South 00 00'21" East 210.00 feet to the Point of Beginning. Containing 1.01 acres more or less

Legal Description of the Wastewater Treatment Plant Site,
Spruce Creek Preserve

A tract of land situated in that part of the Southeast 1/4 of Section 4 and that part of the Northeast 1/4 of Section 9, Township 17 South, Range 20 East, lying South and East of State Road No. 200 (100 feet wide), being more particularly described as follows.

Commencing at the Northeast corner of Section 9, Township 17 South, Range 20 East, proceed South 89 47'24" West along the North boundary thereof, 50.00 feet to the Point of Beginning (P.O.B.). From said P.O.B. proceed South 00 05'47" East along a line parallel to and 50.00 feet West of the East boundary of said Section 9, a distance of 29.00 feet; thence departing said East boundary, proceed South 89 47'24" West, parallel to the North boundary of said Section 9, a distance of 300.00 feet; thence North 00 05'47" West, 29.00 feet to said North boundary, thence continue North 00 05'47" West 11.51 feet to the Southeasterly right of way line of State Road No. 200, thence North 41 54'55" East along said Right-of-Way Line 447.88 feet; thence departing said Right-of-Way line, proceed South 00 09'31" East along a line parallel to and 50.00 feet West of the East boundary of Section 4, Township 17 South, Range 20 East, a distance of 343.55 feet to the Point of Beginning.

All being in Marion County, Florida and containing 1.85 acres more or less

**Legal Description of the Wastewater Effluent Sprayfield Site,
Spruce Creek Preserve**

A tract of land situated in the Northeast 1/4 of Section 9, Township 17 South, Range 20 East, being more particularly described as follows.

Commencing at the Northeast corner of Section 9, Township 17 South, Range 20 East, proceed South 89 47'24" West along the North boundary of said Section 9, a distance of 50.00 feet; thence proceed South 00 05'47" East along a line parallel to, and 50.00 feet West of the East boundary of said Section 9, a distance of 29.00 feet to the Point of Beginning (P.O.B.) From said P.O.B., continue South 00 05'47" East along said parallel line, a distance of 1491.00 feet; thence North 89 47'24" East, 50.00 feet to said East boundary; thence South 00 05'47" East along said East boundary 400.00 Feet; thence departing said East boundary, proceed 400.00 feet, thence departing said East boundary, proceed North 03 31'53" West, 559.02 feet; thence North 18 20'19" East, 474.34 feet, thence North 00 05'47" West, 1190.31 feet; thence North 89 47'24" East, 300.00 feet to the Point of Beginning

All being in Marion County, Florida and containing 13.68 acres more or less.

3 USE OF THE PREMISES. The "Lessee", its principles, officers, employees, agents and servants shall have access to and the right to utilize the above described premises for the purposes of providing, supplying and maintaining potable water and sanitary sewer to the individual residences located in SPRUCE CREEK PRESERVE.

4 TERM OF LEASE. The term of this lease shall be for ninety-nine (99) consecutive years commencing on the date and year first above written and terminating the date and year ninety-nine years hence, unless terminated by the "Lessee" purchasing from the "Lessor" the real property described in paragraph 2 above


5 AD-VALOREM TAXES. The "Lessee" shall pay any and all Ad-Valorem taxes assessed to the premises on or before thirty (30) days prior to the taxes becoming delinquent. "Lessee" shall furnish to "Lessor", proof of payment of the aforementioned taxes

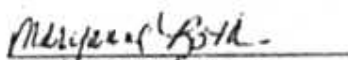
6 INSURANCE. The "Lessee" shall, at all time during the term of the Lease, maintain liability insurance coverage on the premises in amounts not less than \$500,000.00 per incident and \$1,000,000.00 per occurrence. "Lessee" shall provide to "Lessor", a copy of the insurance policy and/or Certificate of Insurance coverage evidencing the aforementioned coverage

7. TERMINATION OF LEASE. This Lease Agreement may be terminated by either the "Lessor" or "Lessee" with out without cause upon ninety (90) days notice of its intent to terminate to the other.


8. LAW OF GOVERNING: This Lease Agreement shall be governed by and in accordance with the laws of the State of Florida.

WITNESSES.


Chris A. Murray


Margaret Roth
MARGARET ROTH


Chris A. Murray


Margaret Roth
MARGARET ROTH

LESSOR:
SPRUCE CREEK GOLF & COUNTRY
CLUB, INC

BY: 
HARVEY D. ERP, PRESIDENT

LESSEE:
SPRUCE CREEK SOUTH
UTILITIES, INC.

BY: 
JAY A. THOMPSON, VICE PRESIDENT

SPRUCE CREEK SOUTH UTILITIES, INC.

Application for Transfer of
Majority Organizational Control

Evidence of the Utility's Right to Use of Land
Spruce Creek Golf and Country Club Property

EXHIBIT C-2

LEASE AGREEMENT

This Lease Agreement made and entered into this 19th day of May, 1996, by and between Spruce Creek Golf & Country Club, Inc., hereinafter referred to as "Lessor" and Spruce Creek South Utilities, Inc., hereinafter referred to as "Lessee".

WITNESSETH

WHEREAS, "Lessor" is the owner of that certain real property described in paragraph 2 below and the developer of SPRUCE CREEK GOLF & COUNTRY CLUB, a Florida Quality Development located in Marion County, Florida, and

WHEREAS, "Lessee", is a water and sanitary sewer utility company certified and capable to provide central water and central sewer utility service to the homes located in SPRUCE CREEK GOLF & COUNTRY CLUB by the Public Service Commission of the State of Florida, and

WHEREAS, "Lessee" desires to lease from "Lessor" and "Lessor" agrees to lease to "Lessee" that real property described in paragraph 2 below on which will be located a potable water well, chlorinated plant and water storage tank and a wastewater treatment facility, which will be owned by "Lessee" based upon the terms, covenants and conditions as provided for herein.

NOW THEREFORE, for and in consideration of the mutual terms, covenants and conditions as described herein and other good and valuable consideration, receipt of which each of the parties hereto acknowledge receiving from the other. The "Lessor" and the "Lessee" contract and agree as follows:

1. LEASE OF THE PREMISES: The "Lessor" hereby leases and lets unto the "Lessee" that real property described in paragraph 2 hereof.

2. LEGAL DESCRIPTION:

Legal Description for Wells and Water Plant Site
Spruce Creek Golf & Country Club

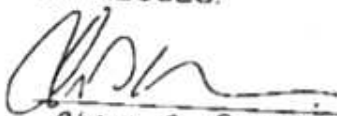
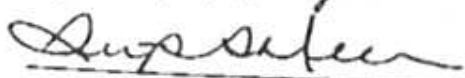
See Exhibit "A", attached hereto and made a part hereof. and,

Legal Description of the Wastewater Treatment Plant Site,
Spruce Creek Golf & Country Club


See Exhibit "B", attached hereto and made a part hereof.

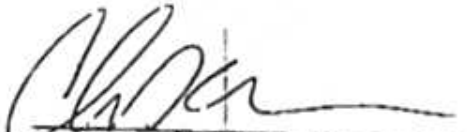
3. USE OF THE PREMISES: The "Lessee", its principles, officers, employees, agents and servants shall have access to and the right to utilize the above described premises for the purposes of providing, supplying and maintaining potable water and sanitary sewer to the individual residences located in SPRUCE CREEK GOLF & COUNTRY CLUB.
4. TERM OF LEASE: The term of this lease shall be for ninety-nine (99) consecutive years commencing on the date and year first above written and terminating the date and year ninety-nine years hence, unless terminated by the "Lessee" purchasing from the "Lessor" the real property described in paragraph 2 above.
5. AD-VALOREM TAXES: The "Lessee" shall pay any and all Ad-Valorem taxes assessed to the premises on or before thirty (30) days prior to the taxes becoming delinquent. "Lessee" shall furnish to "Lessor", proof of payment of the aforementioned taxes.
6. INSURANCE: The "Lessee" shall, at all time during the term of the Lease, maintain liability insurance coverage on the premises in amounts not less than \$500,000.00 per incident and \$1,000,000.00 per occurrence. "Lessee" shall provide to "Lessor", a copy of the insurance policy and/or Certificate of Insurance coverage evidencing the aforementioned coverage.
7. TERMINATION OF LEASE: This Lease Agreement may be terminated by either the "Lessor" or "Lessee" with out without cause upon ninety (90) days notice of its intent to terminate to the other.
8. LAW OF GOVERNING: This Lease Agreement shall be governed by and in accordance with the laws of the State of Florida.

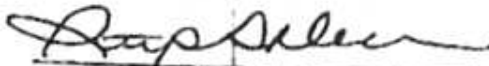
WITNESSES:


Glen A. Manning

Stephen S. Decker

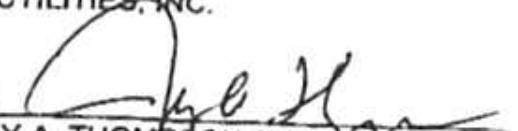
LESSOR:
SPRUCE CREEK GOLF & COUNTRY
CLUB, INC.

BY: 
HARVEY D. EPP PRESIDENT


Allen H. Manning


Stephen S. Decker

LESSEE:
SPRUCE CREEK SOUTH
UTILITIES, INC.

BY: 
JAY A. THOMPSON, VICE PRESIDENT

WATER PLANT SITEDESCRIPTION:

A TRACT OF LAND SITUATED IN THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, PROCEED THENCE ALONG THE SOUTH BOUNDARY OF SAID NW 1/4, S 89° 48' 20" E. 1315.47 FEET; THENCE N 00° 12' 01" E. 42.50 FEET TO THE POINT OF BEGINNING (P.O.B.). FROM SAID P.O.B. CONTINUE N 00° 12' 01" E 71.02 FEET TO THE POINT OF CURVE (P.C.) OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 420 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE 47.80 FEET, SAID ARC HAVING A CHORD BEARING AND DISTANCE OF N 3° 24' 58" EAST 47.77 FEET; THENCE DEPARTING SAID CURVE PROCEED S 83° 24' 51" E. 102.43 FEET; THENCE S 00° 12' 01" W 107.32 FEET; THENCE N 89° 47' 59" W, 104.47 FEET TO THE P.O.B..

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 0.27 ACRE MORE OR LESS.



WILLIAM E. FRANKLIN, JR.
PROFESSIONAL LAND SURVEYOR
FLA. CERTIFICATE NO. 1536


EXHIBIT B

SEWER TREATMENT PLANTDESCRIPTION:

A TRACT OF LAND SITUATED IN THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SE 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, PROCEED THENCE S 00° 12' 39" W. ALONG THE WEST BOUNDARY OF SAID SE 1/4 OF SW 1/4 OF THE SW 1/4, A DISTANCE OF 253.75 FEET; THENCE DEPARTING SAID WEST BOUNDARY S 89° 52' 30" E. 60.00 FEET TO THE POINT OF BEGINNING (P.O.B.) FROM SAID P.O.B. CONTINUE S 89° 52' 30" E., 300.00 FEET; THENCE N 00° 12' 39" E., 607.50 FEET; THENCE N 89° 52' 30" W., PARALLEL TO THE NORTH BOUNDARY OF THE SW 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SAID SECTION 10, A DISTANCE OF 565.00 FEET; THENCE S 00° 12' 39" W., 293.75 FEET; THENCE S 89° 52' 30" E. ALONG A LINE PARALLEL TO AND 60 FEET NORTH OF THE AFORESAID NORTH BOUNDARY OF THE SW 1/4 OF SW 1/4 OF SW 1/4, A DISTANCE OF 265.00 FEET; THENCE S 00° 12' 39" W., 313.75 FEET TO THE POINT OF BEGINNING.

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 7.47 ACRES MORE OR LESS.


WILLIAM E. FRANKLIN, JR.
PROFESSIONAL LAND SURVEYOR
FLA. CERTIFICATE NO. 1536

SPRUCE CREEK SOUTH UTILITIES, INC.

Application for Transfer of
Majority Organizational Control

Evidence of the Utility's Right to Use of Land
Spruce Creek South Development Property

EXHIBIT C-3

34
30
30

executive line

RECORD AND RETURN TO

THIS INSTRUMENT PREPARED BY:
CHRISTINE E. MCCRANTIE
SPRUCE CREEK DEVELOPMENT CO. OCALA, FLA.
17585 S.E. 102nd AVENUE
SUMMERFIELD, FL 32691

This Indenture

The terms "grantor" and "grantee" herein shall be construed to include all parties and singular or plural as the context indicates.

FILED AND RECORDED IN
PUBLIC RECORDS OF
SUMMER COUNTY, FLA.
SECTION 18
JAN 29 4 01 PM '91
WILLIAMS & SHELTON, JR.
CLERK OF CIRCUIT COURT
IN AND FOR SUMMER COUNTY
FLORIDA

239275

BR1744PG0317

Made this _____ day of May
DOMINIC MARINO and FRANCES J. MARINO, his wife,
29 Cypress Avenue, N. Caldwell, NJ 07006,
of the County of Passaic, State of New Jersey, grantor, and
SPRUCE CREEK SOUTH UTILITIES, INC.,
whose post-office address is 17585 S.E. 102nd Avenue, Summerfield, FL 32691
of the County of Marion, State of Florida, grantee.

Witnesseth: That said grantor, for and in consideration of the sum of TEN (\$10.00)----- Dollars, and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said grantee, and grantee's heirs, successors and assigns forever, the following described land, situate, lying and being in Sumter County, Florida, to-wit:

WASTEWATER TREATMENT PLANT SITE lying in a portion of the NE 1/4, NW 1/4 of Section 2, Township 18 South, Range 23 East, being more particularly described as follows:

Begin at the SW corner of NE 1/4 of the NW 1/4 of Section 2, Township 18 South, Range 23 East; thence North 00°07'23" West a distance of 174.25 feet; thence North 89°41'29" East a distance of 250.00 feet; thence South 00°07'23" East a distance of 174.25 feet; thence South 89°41'29" West a distance of 250.00 feet to the Point of Beginning.

All being and lying in Sumter County, Florida, containing 1.00 acre more or less.



91-035642

and said grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

In Witness Whereof, Grantor has hereunto set grantor's hand and seal the day and year first above written
Signed, sealed and delivered in our presence:

[Signatures of witnesses]

[Signature of Dominic Marino]
DOMINIC MARINO (Seal)
[Signature of Frances J. Marino]
FRANCES J. MARINO (Seal)

STATE OF NEW JERSEY
COUNTY OF PASSAIC
I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared DOMINIC MARINO and FRANCES J. MARINO, his wife,

to me known to be the persons who executed the foregoing instrument and acknowledged before me the execution of same.
WITNESS my hand and official seal of the State of New Jersey and State last aforesaid this _____ day of May, 1991.



[Signature of Notary]
Notary Public
JOSEPH LA MANUJ
My commission expires _____

First American Title Insurance Co.

SCHEDULE A

Date Issued: January 9, 1998

Date Effective: December 18, 1997 at 5:00 p.m.

2. Policy or Policies to be issued:

(a) A. L. T. A. Owner's Policy

\$

Proposed Insured:

(b) A. L. T. A. Loan Policy

\$

Proposed Insured:

3. The estate or interest in the land described or referred to in this Commitment and covered herein is an estate or interest designated as follows:

FEE SIMPLE

4. Title to the estate or interest in the land described or referred to in this Commitment and covered herein (and designated as indicated in No. 3 above) is, at the effective date hereof, vested in:

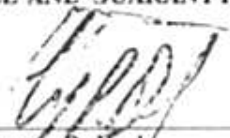
SPRUCE CREEK SOUTH UTILITIES, INC., a Florida Corporation, by virtue of Official Records Book 432, Page 632, Public Records of Sumter County, Florida.

5. The land referred to in this Commitment is in the State of Florida, County of Sumter, and described as follows:

PLEASE SEE ATTACHED EXHIBIT "A"

FIDELITY TITLE AND GUARANTY CO.

BY: _____


Larry P. Deal

First American Title Insurance Co.

SCHEDULE B-I
(Requirements)

The following are the requirements to be complied with:

1. Payment to, or for the account of, the grantors or mortgagors of the full consideration for the estate or interest to be insured.
2. Payment of all taxes, assessments, levied and assessed against subject premises, which are due and payable.
3. Satisfactory evidence shall be produced that all improvements and/or repairs or alterations thereto are completed; that contractor, subcontractor, labor and materialmen are all paid in full.
4. Instruments in insurable form which must be properly executed, delivered and duly filed for record
 - a. Verify that Spruce Creek South Utilities, Inc., a Florida Corporation, was incorporated prior to May 24, 1991 and is active and current upon execution of documents.
 - b. Payment or proof of payment of 1997 Real Property Taxes.

First American Title Insurance Co.

SCHEDULE B-II

(Exceptions)

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Rights or claims of parties in possession not shown by the public records.
3. Easements, or claims of easements, not shown by the public records.
4. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
5. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Any adverse claim to any portion of said land which has been created by artificial means or has accreted to any such portion so created and riparian rights, if any.
7. Taxes or special assessments which are not shown as existing liens by the public records.
8. In the event this Commitment is issued with respect to a construction loan to be disbursed in future periodic installments, then the policy shall contain an additional exception which shall read as follows:
"Pending disbursement of the full proceeds of the loan secured by the mortgage insured, this policy only insures the amount actually disbursed, but increases as proceeds are disbursed in good faith and without knowledge of any intervening lien or interest to or for the account of the mortgagor up to the amount of the policy. Such disbursement shall not extend the date of the policy or change any part thereof unless such change is specifically made by written endorsement duly issued on behalf of the Company. Upon request by the insured (and payment of the proper charges therefore,) the Company will search the public records subsequent to the date of the policy and furnish to the insured a continuation report showing such matters affecting title to the land as they have appeared in the public records subsequent to the date of the policy or the date of the last preceding continuation report, and if such continuation report shows intervening lien, or liens, or interest to or for the account of the mortgagor, then in such event this policy does not increase in liability unless such matters as actually shown on such continuation report are removed from the public records by the insured."
9. General taxes for the year 1998 and thereafter, not yet due and payable.

1997 Real Property Taxes in the gross amount of \$100.73 are Due as to I.D. Number D02-001.

First American Title Insurance Co.

10. That certain Mortgage executed by Spruce Creek South Utilities, Inc., a Florida Corporation, in favor of Barnett Bank of Marion County, N.A. dated March 6, 1996 and filed March 13, 1996 in Official Records Book 584, Page 337, in the original principal amount of \$1,500,000.00; rerecorded March 20, 1996 in Official Records Book 585, Page 374; together with:
 - a. Assignment of Leases, Rents and Profits filed March 13, 1996 in Official Records Book 584, Page 557, Public Records of Sumter County, Florida.
 - b. Receipt For Future Advance filed March 4, 1997 in Official Records Book 625, Page 516, Public Records of Sumter County, Florida.
 - c. Mortgage Modification Agreement filed March 4, 1997 in Official Records Book 625, Page 517, Public Records of Sumter County, Florida.
11. Development Order filed February 27, 1991 in Official Records Book 423, Page 775; together with:
 - a. Amendment made a part thereof (see Exhibit D thereto).
 - b. Second Amendment filed November 17, 1993 in Official Records Book 498, Page 550, Public Records of Sumter County, Florida.
12. Easement filed March 13, 1996 in Official Records Book 584, Page 549 and rerecorded March 20, 1996 in Official Records Book 585, Page 372, Public Records of Sumter County, Florida.

First American Title Insurance Co.

EXHIBIT "A"

WASTEWATER TREATMENT PLANT SITE lying in a portion of the NE¼, NW¼ of Section 2, Township 18 South, Range 23 East, being more particularly described as follows:

Begin at the SW corner of NE¼ of the NW¼ of Section 2, Township 18 South, Range 23 East; thence North 00°07'23" West a distance of 174.25 feet; thence North 89°41'29" East a distance of 250.00 feet; thence South 00°07'23" East a distance of 174.25 feet; thence South 89°41'29" West a distance of 250.00 feet to the Point of Beginning.

All being and lying in Sumter County, Florida, containing 1.00 acre more or less.

Together with:

Easement recorded in Official Records Book 585, Page 372 described as follows:

DESCRIPTION OF INGRESS AND EGRESS FOR WASTEWATER
TREATMENT PLANT AND PERC PONDS

FROM U.S. HIGHWAY 441/27 PROCEED WESTERLY ON S.E. 176TH STREET THRU SPRUCE CREEK SOUTH I, AS RECORDED IN PLAT BOOK 1, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF S.E. 106TH AVENUE; THENCE SOUTHEASTERLY ON S.E. 106TH AVENUE THRU SAID SPRUCE CREEK SOUTH I AND SPRUCE CREEK SOUTH V, AS RECORDED IN PLAT BOOK 2 AT PAGES 12 AND 13, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF S.E. 178TH STREET; THENCE WESTERLY ON S.E. 178TH STREET THRU SAID SPRUCE CREEK SOUTH V TO THE INTERSECTION OF S.E. 105TH TERRACE; THENCE SOUTHEASTERLY ON S.E. 105TH TERRACE THRU SPRUCE CREEK SOUTH VI, AS RECORDED IN PLAT BOOK 2, PAGES 49 AND 50, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF S.E. 179TH LANE; THENCE WESTERLY ON S.E. 179TH LANE THRU SPRUCE CREEK SOUTH VIIA, AS RECORDED IN PLAT BOOK 2, PAGES 90 AND 91, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF THE UNNAMED STREET BETWEEN LOTS 12 AND 13 OF SAID SPRUCE CREEK SOUTH VIIA; THENCE SOUTH ON SAID UNNAMED STREET TO ITS SOUTHERN TERMINUS, ALSO BEING THE BOUNDARY LINE BETWEEN MARION AND SUMTER COUNTIES.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

BEING THE EAST AND SOUTH 20.00 FEET OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THE EAST 400.00 FEET OF THE SOUTH 20.00 FEET OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE WEST 1000.00 FEET OF THE NORTH 20.00 FEET OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4, ALL LYING AND BEING IN SECTION 2, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

First American Title Insurance Co.

SERVICE QUALITY AND AVAILABILITY

First American Title Insurance Company cares about its customers and their ability to obtain information and service on a convenient, timely and accurate basis. A qualified staff of service representatives is dedicated to serving you.

A toll-free number is available for your convenience in obtaining information about coverage and to provide assistance in resolving complaints: 1-800-327-1018.

Office hours will be from 8:30 a.m. through 5:30 p.m., Monday through Friday.

37

executive line

RECORD AND RETURN TO

CHRISTINE E. MOCHANIE
SPRUCE CREEK DEVELOPMENT CO. OCALA, INC.
17585 S.E. 102nd AVENUE
SUMMERFIELD, FL 32691

This Indenture,

(The words "grantor" and "grantee" herein shall be construed to include all grantors and grantees in plural as the context indicates.)

SOUTH
WASTEWATER
PLANT

239 275

BK 1744 PG 0317

Made this _____ day of _____ May

DOMINIC MARINO and FRANCES J. MARINO, his w
29 Cypress Avenue, N. Caldwell, NJ 07006,

of the County of Passaic, State of New Jersey, grantor, and

SPRUCE CREEK SOUTH UTILITIES, INC.,

whose post-office address is 17585 S.E. 102nd Avenue, Summerfield, FL 32691
of the County of Marion, State of Florida, grantee.

Witnesseth: That said grantor, for and in consideration of the sum of TEN (\$10.00)----- Dollars, and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said grantee, and grantee's heirs, successors and assigns forever, the following described land, situate, lying and being in Sumter County, Florida, to-wit:

WASTEWATER TREATMENT PLANT SITE lying in a portion of the NE 1/4, NW 1/4 of Section 2, Township 18 South, Range 23 East, being more particularly described as follows:

Begin at the SW corner of NE 1/4 of the NW 1/4 of Section 2, Township 18 South, Range 23 East; thence North 00°07'23" West a distance of 174.25 feet; thence North 89°41'29" East a distance of 250.00 feet; thence South 00°07'23" East a distance of 174.25 feet; thence South 89°41'29" West a distance of 250.00 feet to the Point of Beginning.

All being and lying in Sumter County, Florida, containing 1.00 acre more or less.



91-035642

and said grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

In Witness Whereof, Grantor has hereunto set grantor's hand and seal the day and year first above written. Signed, sealed and delivered in our presence:

[Signatures]

[Signature]
DOMINIC MARINO
[Signature]
FRANCES J. MARINO
(Seal)

STATE OF NEW JERSEY
COUNTY OF PASSAIC

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared DOMINIC MARINO and FRANCES J. MARINO, his wife,

to me known to be the persons described in and who executed the foregoing instrument and acknowledged before me the execution of same.

WITNESS my hand and official seal of _____ County and State last aforesaid this _____ day of May, 1991.



[Signature]
Notary Public

BY 5. [Signature] DC

9 JUN 1991 (Seal)

2.00
1.00 TF

First American Title Insurance Co.

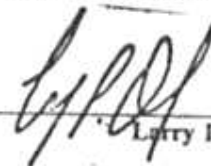
SCHEDULE A

Date Issued: January 15, 1998
Date Effective: January 2, 1998 at 2:44 p.m.

2. Policy or Policies to be issued:
- (a) A. L. T. A. Owner's Policy STBD
Proposed Insured:
TBD
 - (b) A. L. T. A. Loan Policy S
Proposed Insured:
3. The estate or interest in the land described or referred to in this Commitment and covered herein is an estate or interest designated as follows:
FEE SIMPLE
4. Title to the estate or interest in the land described or referred to in this Commitment and covered herein (and designated as indicated in No. 3 above) is, at the effective date hereof, vested in:
SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation
5. The land referred to in this Commitment is in the State of Florida, County of Marion, and described as follows:
PLEASE SEE ATTACHED EXHIBIT "A"

FIDELITY TITLE AND GUARANTY CO.

BY: _____



Larry P. Deal

First American Title Insurance Co.

SCHEDULE B-1
(Requirements)

The following are the requirements to be complied with:

1. Payment to, or for the account of, the grantors or mortgagors of the full consideration for the estate or interest to be insured.
2. Payment of all taxes, assessments, levied and assessed against subject premises, which are due and payable.
3. Satisfactory evidence shall be produced that all improvements and/or repairs or alterations thereto are completed; that contractor, subcontractor, labor and materialmen are all paid in full.
4. Instruments in insurable form which must be properly executed, delivered and duly filed for record
 - a. Verify that Spruce Creek South Utilities, Inc., a Florida corporation, was incorporated prior to January 24, 1996 and is active and current upon execution of documents.
 - b. Payment or proof of payment of 1997 Real Property Taxes.
 - c. Warranty Deed to be executed by Spruce Creek South Utilities, Inc., a Florida corporation, in favor of the proposed insured.

First American Title Insurance Co.

SCHEDULE B-II (Exceptions)

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Rights or claims of parties in possession not shown by the public records.
3. Easements, or claims of easements, not shown by the public records.
4. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises.
5. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Any adverse claim to any portion of said land which has been created by artificial means or has accreted to any such portion so created and riparian rights, if any.
7. Taxes or special assessments which are not shown as existing liens by the public records.
8. In the event this Commitment is issued with respect to a construction loan to be disbursed in future periodic installments, then the policy shall contain an additional exception which shall read as follows:
"Pending disbursement of the full proceeds of the loan secured by the mortgage insured, this policy only insures the amount actually disbursed, but increases as proceeds are disbursed in good faith and without knowledge of any intervening lien or interest to or for the account of the mortgagor up to the amount of the policy. Such disbursement shall not extend the date of the policy or change any part thereof unless such change is specifically made by written endorsement duly issued on behalf of the Company. Upon request by the insured (and payment of the proper charges therefore,) the Company will search the public records subsequent to the date of the policy and furnish to the insured a continuation report showing such matters affecting title to the land as they have appeared in the public records subsequent to the date of the policy or the date of the last preceding continuation report, and if such continuation report shows intervening lien, or liens, or interest to or for the account of the mortgagor, then in such event this policy does not increase in liability unless such matters as actually shown on such continuation report are removed from the public records by the insured."
9. General taxes for the year 1998 and thereafter, not yet due and payable.
1997 Real Property Taxes in the gross amount of \$4,094.00 are Due as to I.D. Number 6015-000-06.
1997 Real Property Taxes in the gross amount of \$514.03 are Due as to I.D. Number 35686-000-04.
1997 Real Property Taxes in the gross amount of \$2,004.88 are Due as to I.D. Number 6003-021-000.

First American Title Insurance Co.

10. That certain Mortgage executed by Spruce Creek South Utilities, Inc., a Florida corporation, in favor of Barnett Bank of Marion County, N.A. dated March 6, 1996 and filed March 18, 1996 in Official Records Book 2229, Page 1512, in the original principal amount of \$1,500,000.00; Assignment of Leases, Rents and Profits filed March 18, 1996 in Official Records Book 2229, Page 1519; Receipt of Future Advance filed February 17, 1997 in Official Records Book 2336, Page 1133; Mortgage Modification Agreement filed February 17, 1997 in Official Records Book 2336, Page 1134, Public Records of Marion County, Florida.

9704769B.cmt/JD\pr

Proofed by _____

First American Title Insurance Co.

EXHIBIT "A"

LEGAL DESCRIPTION:

Being a portion of the South 1/2 of the Northeast 1/4 of the Section 34, Township 17 South, Range 23, East, Marion County, Florida, more particularly described as follows:

Commence at the Southeast corner of said Northeast 1/4; thence North 00 41' 05" West, along the East line of said Northeast 1/4, for 737.10 feet; thence South 89 38'18" West for 280.00 feet to the POINT OF BEGINNING; thence South 89 38'18" West for 80.00 feet; thence South 00 41'05" East for 80.00 feet; thence North 89 38'18" East for 80.00 feet; thence North 00 41'05" West for 80.00 feet to the POINT OF BEGINNING, lying and being in Marion County, Florida.

and,

A Non-Exclusive Easement for Ingress and Egress over the following described land:

Being the North 20.00 feet, lying West of U.S. Hwy 278441 of the Southeast 1/4 and the North 20.00 feet of the Southwest 1/4 of Section 35; the East 20.00 of the North 20.00 feet of the Southeast 1/4; the South 737.10 feet of the East 20.00 feet and the east 280.00 feet of the North 20.00 feet of the South 737.10 feet of the South 1/2 of the Northeast 1/4 of Section 34, Township 17 South, Range 23 East, all lying and being in Marion County, Florida.

Commence at the Northwest corner of the Southwest 1/4 of Section 35, Township 17 South, Range 23 East, Marion County, Florida, Thence North 89deg41'44" East along the North line of said Southwest 1/4, 1263.40 feet; Thence South 00deg18'36" East, a distance of 890.14 feet; Thence North 89deg41'24" East, a distance of 175.00 feet to the Point of Beginning; Thence North 89deg41'24" East, a distance of 150.00 feet; Thence South 00deg18'36" East, a distance of 123.00 feet; Thence South 89deg41'24" West, a distance of 150.00 feet; Thence North 00deg18'36" West, a distance of 123.00 feet to the Point of Beginning.

AND

Description of Easement for Ingress and egress for above described property, more particularly described as follows:

From U.S. Highway 441/27 proceed Westerly on S.E. 176th Street through Spruce Creek South I, II, III, as recorded in Plat Book 1, Pages 62 and 63, 100 and 101 and 144 thru 148 respectively, of the Public Records of Marion County, Florida to the intersection of S.E. 102nd Avenue; thence Northerly on S.E. 102nd Avenue, also being in Spruce Creek South III, for 240.00 feet to a point, said point being on the centerline of said S.E. 102nd and the intersection of a 20.00 foot wide paved asphaltic concrete easement; thence North 89 41'24" East along said centerline, for 220.00 feet to a point, said point being the centerline of 20.00 foot wide easement; thence north 00 18'36" West for 55.50 feet to the above described property.

First American Title Insurance Co.

SERVICE QUALITY AND AVAILABILITY

First American Title Insurance Company cares about its customers and their ability to obtain information and service on a convenient, timely and accurate basis. A qualified staff of service representatives is dedicated to serving you.

A toll-free number is available for your convenience in obtaining information about coverage and to provide assistance in resolving complaints: 1-800-327-1018.

Office hours will be from 8:30 a.m. through 5:30 p.m., Monday through Friday.

Cleon A. Monnig
17585 S.E. 102nd Ave.,
Summerfield, FL 34491

*Per (6-11-96)
Stamp 1820
24.20*

FRANCES E. THIEPIN, CLERK OF CIRCUIT COURT

FILE: 96019696

03/18/96 16:28

OR BOOK/PAGE: 2229/1506

MARION COUNTY - J. JACK



Deed Doc Stamps 18.28 PAID

03/18/96 MARION COUNTY -

CLERK

J. Brennan

Property Appraisers Parcel I.D. (Folio) #: 35686-000-04
Schrug + Carmichael
P.O. Drawer 23109,
Gainesville, FL 32602
Grantee(s) S.S.#(s): 2648001

EW

THIS WARRANTY DEED Made this 14th day of February 1996 by: SPRUCE CREEK DEVELOPMENT COMPANY OF OCALA, INC., a Florida corporation, hereinafter called the grantor(s), to SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation, whose post office address is: 17585 S.E. 102nd Ave., Summerfield, Florida, hereinafter called the grantee:

(Wherever used herein the term "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives and assigns individuals, and the successors and assigns of corporations.)

Witnesseth: That the grantor, for and in consideration of the sum of \$10.00 and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, alien, remises, releases, conveys and confirms unto the grantee all that certain land situate in Marion County, State of Florida, viz:

Commence at the Northwest corner of the Southwest 1/4 of section 35, Township 17 South, Range 23 East, Marion County, Florida. Thence North 89 41'44" East along the North line of said Southwest 1/4, 1253.40 feet; thence South 00 18'34" East, a distance of 590.14 feet, thence North 89 41'24" East a distance of 175.00 feet to the Point of Beginning. Thence North 89 41'24" East a distance of 150.00 feet; thence South 00 18'36" East a distance of 123.00 feet; thence South 89 41'24" West a distance of 150.00 feet; thence North 00 18'36" West a distance of 123.00 feet to the Point of Beginning.

Containing 0.42 acres more or less.

Grantor herein warrants the above described real property does not constitute the Homestead of the Grantor, nor is it contiguous to lands claimed as the Grantor's Homestead and, therefore, is not Homestead property within the definition of Article X of the Florida Constitution.

Together, with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To have and to Hold, the same in fee simple forever.

And, the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes for the current year, easements and restrictions of record; said reference, however, shall not serve to reimpose the same.

In Witness Whereof, the said grantor has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in the presence of:

SPRUCE CREEK DEVELOPMENT COMPANY
OF OCALA, INC.

Cleon A Monnig
Witness Signature - as to all parties

Harvey D. Erp (L.S.)
Her

Cleon A. Monnig
Printed Signature

SOUTH
WATER
TREATMENT
PLANT

Steph S. Decker
Witness Signature - as to all parties

stephen S. Decker
Printed Signature

Post Office Address as to Grantor(s)

17585 S.E. 102nd Ave.
Summerfield, FL 34491

State of Florida
County of Marion

The foregoing was acknowledged before me this 14th day of February 1996, by Harvey D. Erp, President of Spruce Creek Development Company of Ocala, Inc., on behalf of the corporation, who is personally known to me and did not take an oath.

Notary Signature

Elaine J. Japiez

Printed Name



ELAINE J. JAPIEZ
MY COMMISSION # CC45214 EXPIRES
2001.11.1999
KINDLY TAKE THIS FROM MY DEPOSITORY

Cleon A. Monig
17585 S.E. 102nd Ave.,
Summerfield, FL 34491

FILE: 96019697
03/18/96 16:29
OR BOOK/PAGE: 2229/1507
MARION COUNTY

Property Appraisers Parcel I.D. (Folio) #: 5015-000-006

Deed Doc Stamps 3.50 PAID

03/18/96 MARION COUNTY - J. Brennan C.D.R.

Grantee(s) S.S.#(s):
592648001

Rec'd 10.50
Sales 3.50
\$ 14.00

THIS WARRANTY DEED Made this 24 day of January 1996 by SPRUCE CREEK DEVELOPMENT COMPANY OF OCALA, INC. MARION COUNTY, FLORIDA, a Florida Corporation, whose post office address is: 17585 S.E. 102nd Ave., Summerfield, FL 34491, hereinafter called the grantor(s), to SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation, whose post office address is: 17585 S.E. 102nd Ave., Summerfield, Florida, hereinafter called the grantees:

(Whoever used herein the term "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives and assigns individuals, and the successors and assigns of corporations.)

Witnesseth: That the grantor, for and in consideration of the sum of \$10.00 and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, alien, remises, releases, conveys and confirms unto the grantee all that certain land situate in Marion County, State of Florida, viz:

See Exhibit "A", attached hereto and made a part hereof.

Grantor herein warrants the above described real property does not constitute the Homestead of the Grantor, nor is it contiguous to lands claimed as the Grantor's Homestead and, therefore, is not Homestead property within the definition of Article X of the Florida Constitution.

Together, with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining

To have and to hold, the same in fee simple forever.

And, the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes for the current year, easements and restrictions of record; said reference, however, shall not serve to reimpose the same.

In Witness Whereof, the said grantor has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in the presence of:

Cleon A. Monig
Witness Signature - as to all parties

Cleon A. Monig
Printed Signature

Steph S. Decker
Witness Signature - as to all parties

Steph S. Decker
Printed Signature

SOUTH
WELL SITE
@ CONSTR.
COMPOUND

State of FL
County of Marion

The foregoing was acknowledged before me this 24 day of January 1996, by Harvey D. Erp, President, of Spruce Creek Development Company of Ocala, Inc., who being personally known to me of who did not take a

Harvey D. Erp (L.S)
Signature

Signature (L.S)

Post Office Address as to Grantor(s):

17585 SE 102nd Ave
Summerfield, FL 34491



Patricia W. Thomas
Notary Signature

Patricia W. Thomas
Printed Name

Cleon A. Monning
17585 S.E. 102nd Ave.,
Summerfield, FL 34491

Property Appraiser's Parcel I.D. (Folio) #:

Grantee(s) S.S.#(s):
592648001

FRANCIS E. THIGPIN, CLERK OF CIRCUIT COURT

FILE: 96819698

83/18/96 16:30

OR BOOK/PAGE: 2229/1509

MARION COUNTY -

Deed Doc Stamps 8.78 PAID

83/18/96 MARION COUNTY -

CLERK

G. Brennan

EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that SPRUCE CREEK DEVELOPMENT COMPANY OF OCALA, INC., a Florida corporation whose offices are located at 17585 S.E. 102nd Ave, Summerfield, FL 34491, the undersigned, their successors and assigns (GRANTOR herein), in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, grant and convey to SPRUCE CREEK SOUTH UTILITIES, INC., its successors, lessees and assigns (GRANTEE herein), 17585 S.E. 102nd Ave., Summerfield, FL 34491, the Non-Exclusive Easement for Ingress and Egress over the following described lands in Marion County, Florida and referred to hereinafter as the Easement Area, to wit:

From U.S. Highway 441/27 proceed Westerly on S.E. 176th Street through Spruce Creek South I, II, III, as recorded in Plat Book 1, Pages 62 and 63, 100 and 101 and 144 thru 146 respectively, of the Public Records of Marion County, Florida to the intersection of S.E. 102nd Avenue; thence Northerly on S.E. 102nd Avenue, also being in Spruce Creek South III, for 240.00 feet to a point, said point being on the centerline of said S.E. 102nd and the intersection of a 20.00 foot wide paved asphaltic concrete easement; thence North 89 41'24" East along said centerline, for 220.00 feet to a point, said point being the centerline of 20.00 foot wide easement; thence north 00 18'36" West for 55.50 feet to the above described property.

GRANTOR warrants and covenants that is has the right to convey to GRANTEE this easement and that GRANTEE shall have quiet and peaceful possession, use and enjoyment of same.

All covenants, terms, provisions and conditions herein contained shall inure and extend to and be obligatory upon the successors, lessees and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the said GRANTOR has hereunto affixed its hands and seals this 24 day of January, 1996.

Signed, sealed and delivered in the presence of:

SPRUCE CREEK DEVELOPMENT COMPANY OF OCALA, INC.
17585 S.E. 102nd Ave.
Summerfield, FL 34491

Cleon A. Monning
Witness Cleon A. Monning

Stephen S. Decker
Witness Stephen S. Decker

By: *Harvey D. Erp*
Harvey D. Erp, President

STATE OF FLORIDA
COUNTY OF MARION

The foregoing Easement was acknowledged before me this 24 day of January, 1996, by Harvey D. Erp, President of Spruce Creek Development Company of Ocala, Inc., a Florida corporation, on behalf of the corporation, who is personally known to me and who did not take an oath.



Patricia W. Thomas
Notary Public
Patricia W. Thomas

Clean A. Monrig
17585 S.E. 102nd Ave.,
Summerfield, FL 34491

Receiving
Stamp
10.50
.70
11.20

FRANCIS E. THOMPSON, CLERK OF CIRCUIT COURT

FILE: 96019699
03/18/96 16:31

OR BOOK/PAGE: 2229/1510

MARION COUNTY 1200

Property Appraisers Parcel ID (Ede) 75
D02-011

Phil
Schuagst
P.O. Box 23109
Jacksonville, FL 32202
GARMichael

Deed D: SOUTH
WASTEWATER
PLANT

Grantee(s) S.S.#(s):
592648001

03/18/96 MARION

EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that SPRUCE CREEK DEVELOPMENT COMPANY OF OCALA, INC., a Florida corporation whose offices are located at 17585 S.E. 102nd Ave, Summerfield, FL 34491, the undersigned, their successors and assigns (GRANTOR herein), in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, grant and convey to SPRUCE CREEK SOUTH UTILITIES, INC., its successors, lessees and assigns (GRANTEE herein), 17585 S.E. 102nd Ave., Summerfield, FL 34491, the Non-Exclusive Easement for Ingress and Egress over the following described lands in Marion and Sumter County, Florida and referred to hereinafter as the Easement Area, to wit:

See Exhibit "A", attached hereto and made a part hereof.

GRANTOR warrants and covenants that is has the right to convey to GRANTEE this easement and that GRANTEE shall have quiet and peaceful possession, use and enjoyment of same.

All covenants, terms, provisions and conditions herein contained shall inure and extend to and be obligatory upon the successors, lessees and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the said GRANTOR has hereunto affixed its hands and seals this 5 day of March, 1996.

Signed, sealed and delivered in the presence of:

SPRUCE CREEK DEVELOPMENT COMPANY OF OCALA, INC.
17585 S.E. 102nd Ave.
Summerfield, FL 34491

Clean A. Monrig
Witness Clean A. Monrig

Maryanne Roth
Witness MARYANNE ROTH

By: Harvey D. Erp
Harvey D. Erp, President

STATE OF FLORIDA
COUNTY OF MARION

The foregoing Easement was acknowledged before me this 5th day of March, 1996, by Harvey D. Erp, President of Spruce Creek Development Company of Ocala, Inc., a Florida corporation, on behalf of the corporation, who is personally known to me and who did not take an oath.



Patricia W. Thomas
Notary Public

Patricia W. Thomas
Printed Name

**DESCRIPTION OF INGRESS AND EGRESS FOR WASTEWATER
TREATMENT PLANT AND PERC PONDS**

FROM U.S. HIGHWAY 441/27 PROCEED WESTERLY ON S.E. 176TH STREET THRU SPRUCE CREEK SOUTH I, AS RECORDED IN PLAT BOOK 1, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF S.E. 106TH AVENUE; THENCE SOUTHEASTERLY ON S.E. 106TH AVENUE THRU SAID SPRUCE CREEK SOUTH I AND SPRUCE CREEK SOUTH V, AS RECORDED IN PLAT BOOK 2 AT PAGES 12 AND 13, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF S.E. 178TH STREET; THENCE WESTERLY ON S.E. 178TH STREET THRU SAID SPRUCE CREEK SOUTH V TO THE INTERSECTION OF S.E. 105TH TERRACE; THENCE SOUTHEASTERLY ON S.E. 105TH TERRACE THRU SPRUCE CREEK SOUTH VI, AS RECORDED IN PLAT BOOK 2, PAGES 49 AND 50, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF S.E. 179TH LANE; THENCE WESTERLY ON S.E. 179TH LANE THRU SPRUCE CREEK SOUTH VIIA, AS RECORDED IN PLAT BOOK 2, PAGES 90 AND 91, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF THE UNNAMED STREET BETWEEN LOTS 12 AND 13 OF SAID SPRUCE CREEK SOUTH VIIA; THENCE SOUTH ON SAID UNNAMED STREET TO ITS SOUTHERN TERMINUS, ALSO BEING THE BOUNDARY LINE BETWEEN MARION AND SUMTER COUNTIES.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

BEING THE EAST AND SOUTH 20.00 FEET OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THE EAST 400.00 FEET OF THE SOUTH 20.00 FEET OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE WEST 1000.00 FEET OF THE NORTH 20.00 FEET OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4, ALL LYING AND BEING IN SECTION 2, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

SPRUCE CREEK SOUTH UTILITIES, INC.

Application for Transfer of
Majority Organizational Control

Evidence of the Utility's Right to Use of Land
Title Insurance Policy for all Properties

EXHIBIT C-4

LEASE AGREEMENT

15.00 Rec.

This Lease Agreement made and entered into this 8 day of July, 1996, by and between Spruce Creek Golf & Country Club, Inc., hereinafter referred to as "Lessor" and Spruce Creek South Utilities, Inc., hereinafter referred to as "Lessee".

WITNESSETH

WHEREAS, "Lessor" is the owner of that certain real property described in paragraph 2 below and the developer of SPRUCE CREEK PRESERVE, a single family residential subdivision located in Marion County, Florida, and

WHEREAS, "Lessee", is a water and sanitary sewer utility company certified and capable to provide central water and central sewer utility service to the homes located in SPRUCE CREEK PRESERVE by the Public Service Commission of the State of Florida, and

WHEREAS, "Lessee" desires to lease from "Lessor" and "Lessor" agrees to lease to "Lessee" that real property described in paragraph 2 below on which will be located a potable water well, chlorinated plant and water storage tank and a central sewage treatment facility, which will be owned by "Lessee" based upon the terms, covenants and conditions as provided for herein.

NOW THEREFORE, for and in consideration of the mutual terms, covenants and conditions as described herein and other good and valuable consideration, receipt of which each of the parties hereto acknowledge receiving from the other. The "Lessor" and the "Lessee" contract and agree as follows:

1. LEASE OF THE PREMISES: The "Lessor" hereby leases and lets unto the "Lessee" that real property described in paragraph 2 hereof.

2. LEGAL DESCRIPTION:

Legal Description for Wells and Water Plant Site
Spruce Creek Preserve

A tract of land situated in the Southeast 1/4 of Section 9, Township 17 South, Range 20 East, Marion County, Florida, being more particularly described as follows.

Commencing at the Southeast corner of Section 9, Township 17 South, Range 20 East, thence North 00 00'21" West along the East boundary thereof, 950.72 feet; thence departing said boundary proceed south 89 59'39" West, perpendicular to said boundary, a distance of 1523.53 feet to the Point of Beginning (P.O.B.). From said P.O.B. continue South 89 59'39" West, 210.00 Feet; thence North 00 00'21" West, 210.00 feet; thence North 89 59'39" East, 210.00 feet; thence South 00 00'21" East 210.00 feet to the Point of Beginning. Containing 1.01 acres more or less.

Legal Description of the Wastewater Treatment Plant Site,
Spruce Creek Preserve

A tract of land situated in that part of the Southeast 1/4 of Section 4 and that part of the Northeast 1/4 of Section 9, Township 17 South, Range 20 East, lying South and East of State Road No. 200 (100 feet wide), being more particularly described as follows.

Commencing at the Northeast corner of Section 9, Township 17 South, Range 20 East, proceed South 89 47'24" West along the North boundary inereof, 50.00 feet to the Point of Beginning (P.O.B.). From said P.O.B. proceed South 00 05'47" East along a line parallel to and 50.00 feet West of the East boundary of said Section 9, a distance of 29.00 feet; thence proceed South 89 47'24" West, parallel to the North boundary of said Section 9, a distance of 300.00 feet; thence North 00 05'47" West, 29.00 feet to said North boundary; thence continue North 00 05'47" West 11.51 feet to the Southeasterly right of way line of State Road No. 200; thence North 41 54'55" East along said Right-of-Way Line 447.68 feet; thence departing said Right-of-Way line , proceed South 00 09'31" East along a line parallel to and 50.00 feet West of the East boundary of Section 4, Township 17 South, Range 20 East, a distance of 343.55 feet to the Point of Beginning.

All being in Marion County, Florida and containing 1.85 acres more or less.

Legal Description of the Wastewater Effluent Sprayfield Site,
Spruce Creek Preserve

A tract of land situated in the Northeast 1/4 of Section 9, Township 17 South, Range 20 East, being more particularly described as follows.

Commencing at the Northeast corner of Section 9, Township 17 South, Range 20 East, proceed South 89 47'24" West along the North boundary of said Section 9, a distance of 50.00 feet; thence proceed South 00 05'47" East along a line parallel to, and 50.00 feet West of the East boundary of said Section 9, a distance of 29.00 feet to the Point of Beginning (P.O.B.) From said P.O.B., continue South 00 05'47" East along said parallel line, a distance of 1491.00 feet; thence North 89 47'24" East, 50.00 feet to said East boundary; thence South 00 05'47" East along said East boundary 400.00 Feet; thence departing said East boundary, proceed North 63 31'53" West, 559.02 feet; thence North 18 20'19" East, 474.34 feet; thence North 00 05'47" West, 1190.31 feet; thence North 89 47'24" East, 300.00 feet to the Point of Beginning.

All being in Marion County, Florida and containing 13.68 acres more or less.

3. USE OF THE PREMISES: The "Lessee", is principles, officers, employees, agents and servants shall have access to and the right to utilize the above described premises for the purposes of providing, supplying and maintaining potable water and sanitary sewer to the individual residences located in SPRUCE CRFEK PRESERVE.

4. TERM OF LEASE: The term of this lease shall be for ninety-nine (99) consecutive years commencing on the date and year first above written and terminating the date and year ninety-nine years hence, unless terminated by the "Lessee" purchasing from the "Lessor" the real property described in paragraph 2 above.

5. AD-VALOREM TAXES: The "Lessee" shall pay any and all Ad-Valorem taxes assessed to the premises on or before thirty (30) days prior to the taxes becoming delinquent. "Lessee" shall furnish to "Lessor", proof of payment of the aforementioned taxes.

6. INSURANCE: The "Lessee" shall, at all time during the term of the Lease, maintain liability insurance coverage on the premises in amounts not less than \$500,000.00 per incident and \$1,000,000.00 per occurrence. "Lessee" shall provide to "Lessor", a copy of the insurance policy and/or Certificate of Insurance coverage evidencing the aforementioned coverage.

7. **TERMINATION OF LEASE:** This Lease Agreement may be terminated by either the "Lessor" or "Lessee" with out without cause upon ninety (90) days notice of its intent to terminate to the other.

8. **LAW OF GOVERNING:** This Lease Agreement shall be governed by and in accordance with the laws of the State of Florida.

WITNESSES:

John P. Rothman
Maryann Smith

LESSOR:

SPRUCE CREEK GOLF & COUNTRY CLUB, INC.

BY: Harvey D. Erp
HARVEY D. ERP, PRESIDENT

John P. Rothman
Maryann Smith

LESSEE:

SPRUCE CREEK SOUTH UTILITIES, INC.

BY: Jay A. Thompson
JAY A. THOMPSON, VICE PRESIDENT

State of Florida
County of Marion

The foregoing was acknowledged before me this 8 day of July 1996, by Harvey D. Erp, President of Spruce Creek Golf & Country Club and Jay A. Thompson, Vice President of Spruce Creek South Utilities, Inc., who both are personally known to me.

Elaine J. Jarosz
Notary Signature

ELAINE J. JAROSZ
NOTARY PUBLIC - FLORIDA
June 11, 1999
1001 W. 12th Ave. Suite 100, Jacksonville, FL 32206

FILE # 2265/664
OR BOOK 3 of 3

LEASE AGREEMENT

This Lease Agreement made and entered into this 5th day of July, 1996, by and between Spruce Creek Golf & Country Club, Inc., hereinafter referred to as "Lessor" and Spruce Creek South Utilities, Inc. hereinafter referred to as "Lessee"

WITNESSETH

WHEREAS, "Lessor" is the owner of that certain real property described in paragraph 2 below and the developer of SPRUCE CREEK GOLF & COUNTRY CLUB, a proposed Florida Quality Development located in Marion County, Florida, and

WHEREAS, "Lessee", is a water and sanitary sewer utility company certified and capable to provide central water and central sewer utility service to the homes located in SPRUCE CREEK GOLF & COUNTRY CLUB by the Public Service Commission of the State of Florida, and

WHEREAS, "Lessee" desires to lease from "Lessor" and "Lessor" agrees to lease to "Lessee" that real property described in paragraph 2 below on which will be located a potable water well, chlorinated plant and water storage tanks and a central sewage treatment facility, which will be owned by "Lessee" based upon the terms, covenants and conditions as provided for herein.

NOW THEREFORE, for and in consideration of the mutual terms, covenants and conditions as described herein and other good and valuable consideration, receipt of which each of the parties hereto acknowledge receiving from the other. The "Lessor" and the "Lessee" contract and agree as follows:

1. LEASE OF THE PREMISES: The "Lessor" hereby leases and lets unto the "Lessee" that real property described in paragraph 2 hereof.

2. LEGAL DESCRIPTION:

Legal Description for Wells and Water Plant Site
Spruce Creek Golf & Country Club

See Exhibit "A", attached hereto and made a part hereof and

Legal Description of the Wastewater Treatment Plant Site,
Spruce Creek Preserve

See Exhibit "B", attached hereto and made a part hereof and,

3. USE OF THE PREMISES: The "Lessee", its principles, officers, employees, agents and servants shall have access to and the right to utilize the above described premises for the purposes of providing, supplying and maintaining potable water and sanitary sewer to the individual residences located in SPRUCE CREEK PRESERVE.

4. TERM OF LEASE: The term of this lease shall be for ninety-nine (99) consecutive years commencing on the date and year first above written and terminating the date and year ninety-nine years hence, unless terminated by the "Lessee" purchasing from the "Lessor" the real property described in paragraph 2 above.

5. AD-VALOREM TAXES: The "Lessee" shall pay any and all Ad-Valorem taxes assessed to the premises on or before thirty (30) days prior to the taxes

19.50 Fee

SCGC

becoming delinquent. "Lessee" shall furnish to "Lessor", proof of payment of the aforementioned taxes.

6. **INSURANCE:** The "Lessee" shall, at all time during the term of the Lease, maintain liability insurance coverage on the premises in amounts not less than \$500,000.00 per incident and \$1,000,000.00 per occurrence. "Lessee" shall provide to "Lessor", a copy of the insurance policy and/or Certificate of Insurance coverage evidencing the aforementioned coverage.

7. **TERMINATION OF LEASE:** This Lease Agreement may be terminated by either the "Lessor" or "Lessee" with out without cause upon ninety (90) days notice of its intent to terminate to the other.

8. **LAW OF GOVERNING:** This Lease Agreement shall be governed by and in accordance with the laws of the State of Florida.

WITNESSES:

[Signature]
[Signature]

LESSOR
SPRUCE CREEK GOLF & COUNTRY CLUB, INC.

BY: [Signature]
HARVEY D. ERP, PRESIDENT

[Signature]
[Signature]

LESSEE
SPRUCE CREEK SOUTH UTILITIES, INC.

BY: [Signature]
JAY A. THOMPSON, VICE PRESIDENT

State of Florida
County of Marion

The foregoing was acknowledged before me this 9 day of July 1996, by Harvey D. Erp, President of Spruce Creek Golf & Country Club and Jay A. Thompson, Vice President of Spruce Creek South Utilities, Inc., who both are personally known to me.

[Signature]
Notary Signature

Printed Name



ELaine J. JUDGE
BY COMMISSION # 0000004 EDWARDS
April 11, 1996
NOTARY PUBLIC, STATE OF FLORIDA

EXHIBIT A


WATER PLANT SITE

DESCRIPTION.

A TRACT OF LAND SITUATED IN THE NORTHWEST 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, PROCEED THENCE ALONG THE SOUTH BOUNDARY OF SAID NW 1/4, S 89° 48' 20" E 1313.47 FEET; THENCE N 00° 12' 01" E 42.50 FEET TO THE POINT OF BEGINNING (P.O.B.). FROM SAID P.O.B. CONTINUE N 00° 12' 01" E 71.02 FEET TO THE POINT OF CURVE (P.C.) OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 420 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE 47.80 FEET, SAID ARC HAVING A CHORD BEARING AND DISTANCE OF N 3° 24' 58" EAST 47.77 FEET; THENCE DEPARTING SAID CURVE PROCEED S 83° 24' 51" E. 102.43 FEET; THENCE S 20° 12' 01" W 107.32 FEET; THENCE N 89° 47' 59" W, 104.47 FEET TO THE P.O.B.

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 0.27 ACRE MORE OR LESS.


WILLIAM E. FRANKLIN, JR.
PROFESSIONAL LAND SURVEYOR
FLA. CERTIFICATE NO. 1536

FILE: 96808794
OR BOOK/PAGE: 2266/741

EXHIBIT B

SEWER TREATMENT PLANT

DESCRIPTION

A TRACT OF LAND SITUATED IN THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

COMMENCING AT THE NORTHWEST CORNER OF THE SE 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, PROCEED THENCE S 00° 12' 39" W. ALONG THE WEST BOUNDARY OF SAID SE 1/4 OF SW 1/4 OF THE SW 1/4, A DISTANCE OF 253.75 FEET; THENCE DEPARTING SAID WEST BOUNDARY S 89° 52' 30" E. 60.00 FEET TO THE POINT OF BEGINNING (P.O.B.) FROM SAID P.O.B. CONTINUE S 89° 52' 30" E., 300.00 FEET; THENCE N 00° 12' 39" E., 607.50 FEET; THENCE N 89° 52' 30" W., PARALLEL TO THE NORTH BOUNDARY OF THE SW 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SAID SECTION 10, A DISTANCE OF 565.00 FEET; THENCE S 00° 12' 39" W., 293.75 FEET; THENCE S 89° 52' 30" E. ALONG A LINE PARALLEL TO AND 60 FEET NORTH OF THE AFORESAID NORTH BOUNDARY OF THE SW 1/4 OF SW 1/4 OF SW 1/4, A DISTANCE OF 265.00 FEET; THENCE S 00° 12' 39" W., 313.75 FEET TO THE POINT OF BEGINNING.

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 7.47 ACRES MORE OR LESS.


WILLIAM E. FRANKLIN, JR.
PROFESSIONAL LAND SURVEYOR
FLA. CERTIFICATE NO. 1536

FILE: 96808794
OR BOOK/PAGE: 2266/742



First American Title Insurance Company

2233 LEE ROAD, SUITE 101, WINTER PARK, FLORIDA 32789
(407) 647-0888 FAX (407) 740-6275

January 23, 1997

Mr. Tom Boroughs
Holland and Knight
P.O. Box 1526 32802
200 S. Orange Avenue, Suite 2600
Orlando, Fl 32801

Re: Spruce Creek South Utilities, Inc./Our File Number 97.04769A

Dear Tommy,

With respect to the above referenced matter, we have researched the Public Records of Marion County and can confirm that with regard to Spruce Creek Preserve and Spruce Creek Golf and Country Club, the wastewater facilities and water treatment plants were leased to Spruce Creek South Utilities, Inc. (copies enclosed).

With regard to the Spruce Creek South Development, Spruce Creek South Utilities, Inc. owned these facilities in fee.

Please give me a call if you have any questions regarding this matter.

Very truly yours,


James Dyer

9704769A.LTR/JD/cs



WATER TARIFF

~~SPRUCE CREEK SOUTH UTILITIES, INC.~~
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WATER TARIFF

SPRUCE CREEK SOUTH UTILITIES, INC.
NAME OF COMPANY

17585 S.E. 102nd Ave.

Summerfield, Fl 34491

(ADDRESS OF COMPANY)

(352) 347-3700 . (352) 347-7199
(Business & Emergency Telephone Numbers)

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

Jay A. Thomson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRICE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

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Rules and Regulations	6
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Standard Forms	24
Technical Terms and Abbreviations	5
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Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

TERRITORY SERVED

CERTIFICATE NUMBER - 511-W

COUNTY - MARION

COMMISSION ORDER(S) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket No.</u>	<u>Filing Type</u>
20933	03-24-89	881597-WS	Original Certificate
PSC-96-1105-FOF-WS	08-29-96	960699-WS	Amendment of Certificate
PSC-96-0958-FOF-WS	07-24-96	960380-WS	Amendment

(Continued to Sheet No. 3.1)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

DESCRIPTION FOR SPRUCE CREEK SOUTH UTILITIES, INC.

TOWNSHIP 17 SOUTH, RANGE 23 EAST

A PARCEL OF LAND IN SECTIONS 34, 35, 36, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE N.E. CORNER OF THE S.E. 1/4 OF SAID SECTION 35; THENCE S. $89^{\circ}41'04''$ W. ALONG THE NORTH BOUNDARY OF SAID S.E. 1/4 A DISTANCE OF 742.43 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S. $89^{\circ}41'04''$ W. ALONG SAID NORTH BOUNDARY OF S.E. 1/4, 1908.36 FEET TO THE N.W. CORNER OF SAID S.E. 1/4, SAID POINT ALSO BEING THE N.E. CORNER OF THE S.W. 1/4 OF SECTION 35, THENCE S. $89^{\circ}41'44''$ W., ALONG THE NORTH BOUNDARY OF THE S.W. 1/4 OF SAID SECTION 35 A DISTANCE OF 2648.07 FEET TO THE N.W. CORNER OF SAID S.W. 1/4 OF SECTION 35 AND THE N.E. CORNER OF THE S.E. 1/4 OF SAID SECTION 34; THENCE S. $89^{\circ}38'50''$ W. ALONG THE NORTH BOUNDARY OF SAID S.E. 1/4 OF SECTION 34 A DISTANCE OF 1766.85 FEET; THENCE S. $00^{\circ}36'40''$ E. 1322.30 FEET; THENCE N. $89^{\circ}41'24''$ E. 7502.52 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY 441; THENCE N. $42^{\circ}10'39''$ W. ALONG SAID RIGHT OF WAY LINE 1777.29 FEET TO THE POINT OF BEGINNING.

CONTAINING 210.00 ACRES MORE OR LESS

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 3.1)

CONSOLIDATED DESCRIPTION FOR SPRUCE CREEK SOUTH SUBDIVISION

ORDER NO. PSC-26-1484-FOF-WS

Marion County

Township 17 South, Range 23 East
Section 36

- 0 that part of Section 36, Township 17 South, Range 23 East, lying Southwest of U.S. Highway 441/27 (200 feet wide).

Township 17 South, Range 23 East
Section 35

- 0 that part of the East 1/2 of Section 35, Township 17 South, Range 23 East, lying Southwest of U.S. Highway 441/27; and
- 0 the Southwest 1/4 of said Section 35.

Township 17 South, Range 23 East
Section 34

- 0 the South 3/4 of the East 1/2 of Section 34, Township 17 South, Range 23 East; and
- 0 the East 1/2 of the Southeast 1/4 of the Northwest 1/4 of said Section 34; and
- 0 the Northeast 1/4 of the Southeast 1/4 of the Southwest 1/4 of said Section 34.

(Continued to Sheet No. 3.3)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

FIRST REVISED SHEET NO. 3.3
CANCELS ORIGINAL SHEET NO. 3.3

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 3.2)

CONSOLIDATED DESCRIPTION FOR SPRUCE CREEK SOUTH SUBDIVISION

ORDER NO. PSC-96-1484-FOF-WS

Sumter County

Township 18 South, Range 23 East
Section 2

- the Northwest 1/4 of the Northeast 1/4 of Section 2, Township 18 South, Range 23 East; and
- the Northeast 1/4 of the Northwest 1/4 of said Section 2; and
- the East 1/4 of the Southeast 1/4 of the Northwest 1/4 of said Section 2.

(Continued to Sheet No. 3.4)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 3.3)

DESCRIPTION FOR SPRUCE CREEK PRESERVE

ORDER NO. PSC-26-0258-POF-WS

Marion County

Township 17 South, Range 20 East
Section 4

- 0 that portion of Section 4, Township 17 South, Range 20 East, Marion County, Florida, lying East of State Road No. 200, except the east 50 feet thereof.

Township 17 South, Range 20 East
Section 9

- 0 that portion of Section 9, Township 17 South, Range 20 East, Marion County, Florida, lying East of State Road No. 200, less and except the east 50 feet of the North 1,520 feet thereof.

Township 17 South, Range 20 East
Section 16

- 0 the Northeast 1/4 of the Northeast 1/4 and Northeast 1/4 of the Northwest 1/4 of Section 16, Township 17 South, Range 20 East, Marion County, Florida, less and except that portion conveyed in the right-of-way deeds recorded in Official Records Book 1273 at Page 1293 and Official Records Book 798 at Page 32 of the Public Records of Marion County, Florida.

Containing 416.01 acres, more or less.

(Continued to Sheet No. 3.5)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.
WATER TARIFF
(Continued from Sheet No. 3.4)

Spruce Creek Golf & Country Club - Order No. PSC-96-1105-FOF-WS

THE S 1/2 OF THE NW 1/4 AND THE W 1/2 OF THE SW 1/4 OF THE NE 1/4
AND THE W 1/2 OF THE SE 1/4 OF THE NE 1/4 AND THE S 1/2 EXCEPT THE
EAST 30 FEET THEREOF, ALL IN SECTION 3, TOWNSHIP 17 SOUTH, RANGE
23 EAST, AND,

ALSO THE N 1/2 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST,
EXCEPT THE EAST 315 FEET THEREOF, AND EXCEPT THE NW 1/4 OF THE
SW 1/4 OF THE NW 1/4 OF SAID SECTION 10, AND,

ALSO THE N 1/2 OF THE S 1/2 OF SAID SECTION 10, EXCEPT THE EAST 315
FEET THEREOF, AND,

ALSO THE SW 1/4 OF THE SE 1/4 OF SAID SECTION 10, EXCEPT THE SOUTH
40 FEET THEREOF, AND,

ALSO THE N 1/2 OF THE S 1/2 OF THE SW 1/4 AND THE SE 1/4 OF THE SW 1/4
OF THE SW 1/4 OF SAID SECTION 10, AND,

ALSO THE EAST 1/2 OF THE NE 1/4 OF THE SE 1/4 OF SECTION 9, TOWNSHIP
17 SOUTH, RANGE 23 EAST, EXCEPT THE N 1/2 THEREOF, AND,

ALSO THE WEST 3/4 OF THE N 1/2 OF THE SE 1/4 OF SAID SECTION 9,
EXCEPT THE NORTH 893.54 FEET THEREOF, AND,

ALSO THE S 1/2 OF THE SE 1/4 OF SAID SECTION 9, EXCEPT THE NW 1/4 OF
THE SW 1/4 OF THE SE 1/4 OF SAID SECTION 9, AND,

ALSO THAT PART OF THE S 1/2 OF THE SE 1/4 OF THE SW 1/4 OF SAID
SECTION 9, LYING EAST OF U.S. HIGHWAYS 441 AND 27 (200 FEET WIDE),
AND,

ALSO THAT PART OF THE N 1/2 OF THE N 1/2 OF SECTION 16, TOWNSHIP
17, RANGE 23 EAST, LYING EAST OF SAID HIGHWAYS 441 AND 27.

ALSO THE SOUTH 1/2 OF THE NE 1/4 OF THE NW 1/4 OF SECTION 16,
TOWNSHIP 17 S, RANGE 23 EAST, EXCEPT THOSE LANDS LYING WITHIN
THE RIGHT-OF-WAY OF STATE ROAD 500 - U.S. 441 (200 FEET WIDE)

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 1190.27
ACRES MORE OR LESS.

JAY A. THOMPSON
ISSUING OFFICER
VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 3.5)

DESCRIPTION OF TERRITORY SERVED

Description for Spruce Creek South Utilities, Inc. for Spruce Creek Preserve:

That portion of Section 4, Township 17 South, Range 20 East, Marion County, Florida, lying East of State Road No. 200, except the East 50 feet thereof.

and

That portion of Section 9, Township 17 South, Range 20 East, Marion County, Florida, lying east of State Road No. 200, less and except the East 50 feet of the North 1520 feet thereof;

and

The Northeast 1/4 of the Northeast 1/4 and the Northeast 1/4 of the Northwest 1/4 of Section 16, Township 17 South, Range 20 East, Marion County, Florida, less and except that portion conveyed in right-of-way deeds recorded in Official Records Book 1275 at Page 1293 and Official Records Book 798 at Page 32 of the Public Records of Marion County, Florida

Containing 416.01 acres, more or less.

JAY A. THOMPSON

ISSUING OFFICER

VICE PRESIDENT

TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheet No.</u>
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HELD FOR FUTURE USE

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - "BFC" is the abbreviation for "Base Facility Charge" which is the minimum charge to the Company's customers and is separate from the amount billed for water consumption on the utility's bills to its customers.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide service in a specific territory.
- 3.0 "COMMISSION" - "Commission" refers to the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The term "Communities Served", as mentioned in this tariff, shall be construed as the group of consumers or customers who receive water service from the Company and who's service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - SPRUCE CREEK SOUTH UTILITIES, INC.
- 6.0 "CONSUMER" - Any person, firm, association, corporation, governmental agency or similar organization supplied with water service by the Company.
- 7.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 8.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature which are located on the customer's side of the "Point of Delivery" and used in connection with or forming a part of the installation necessary for rendering water service to the customer's premises regardless of whether such installation is owned by the customer or used by the consumer under lease or other agreement.
- 9.0 "MAIN" - A pipe, conduit, or facility used for conveying water service through individual services or through other mains.

(Continued to Sheet No. 5.1)

Jay A. Thomson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 5.0)

- 10.0 "POINT OF DELIVERY" - For water systems, "point of delivery" shall mean the outlet connection of the meter for metered service or the point at which the company's piping, fittings and valves connect with the customer's piping, fittings and valves for non-metered service.
- 11.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 12.0 "SERVICE" - Service, as mentioned in this tariff and in agreement with customers, shall be construed to include; in addition to all water service required by the customer the readiness and ability on the part of the Company to furnish water service to the customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.
- 13.0 "SERVICE LINES" - The pipe between the Company's mains and the point of delivery and shall include all of the pipe, fittings and valves necessary to make the connection to the customer's premises excluding the meter.
- 14.0 "TERRITORY" - The geographical area described by metes and bounds with township, range and section in a certificate, which may be within or without the boundaries of an incorporated municipality and, may include areas in more than one county.

Jay A. Thomson
ISSUING OFFICER
Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Access to Premises	10.0	13.0
Adjustment of Bills	13.0	23.0
Adjustment of Bills for Meter Error	13.0	24.0
All Water Through Meter	12.0	22.0
Applications by Agents	7.0	4.0
Billing Periods	10.0	15.0
Change of Customer's Installation	9.0	10.0
Change of Occupancy	12.0	19.0
Continuity of Service	9.0	8.0
Delinquent Bills	11.0	16.0
Extensions	8.0	6.0
Filing of Contracts	13.0	26.0
General Information	7.0	2.0
Held For Future Use	14.0	N/A
Inspection of Customer's Installation	9.0	11.0
Limitation of Use	8.0	7.0
Meters	12.0	21.0

(Continued to Sheet No. 6.1)

Jay A. Thompson
ISSUING OFFICER
Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 6.0)

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Meter Accuracy Requirements	13.0	25.0
Payment of Water and Wastewater Service Bills Concurrently	11.0	17.0
Policy Dispute	7.0	1.0
Protection of Company's Property	10.0	12.0
Right of Way or Easements	10.0	14.0
Signed Application Required	7.0	3.0
Tax Clause	11.0	18.0
Type and Maintenance	9.0	9.0
Unauthorized Connections - Water	12.0	20.0
Withholding Service	8.0	5.0

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

RULES AND REGULATIONS

- 1.0 POLICY DISPUTE - Any dispute between the Company and the customer or prospective customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.
- 2.0 GENERAL INFORMATION - The Company's Rules and Regulations, insofar as they are inconsistent with any Statute, Law, Rule or Commission Order shall be null and void. These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every customer to whom the Company renders water service.

In the event that a portion of these Rules and Regulations are declared unconstitutional or void for any reason by any court of competent jurisdiction, such decision shall in no way affect the validity of the remaining portions of the Rules and Regulations for water service unless such court order or decision shall so direct.

The Company shall provide to all customers requiring such service within the territory described in its certificate upon such terms as are set forth in this tariff pursuant to Chapter 25-9 and 25-30, Florida Administrative Code, and Chapter 367, Florida Statutes.

- 3.0 SIGNED APPLICATION REQUIRED - Water service is furnished only after a signed application or agreement and payment of the initial connection fee is accepted by the Company. The conditions of such application or agreement is binding upon the customer as well as upon the Company. A copy of the application or agreement for water service accepted by the Company will be furnished to the applicant on request.

The applicant shall furnish to the Company the correct name and street address or lot and block number at which water service is to be rendered.

- 4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties. When water service is

(Continued to Sheet No. 8.0)

Jay A. Thomason
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRING CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 7.0)

rendered under agreement or agreements entered into between the Company and an agent of the principal, the use of such water service by the principal shall constitute full and complete ratification by the principal of the agreement or agreements entered into between the agent and the Company and under which such water service is rendered.

- 5.0 WITHHOLDING SERVICE - The Company may withhold or discontinue water service rendered under application made by any member or agent of a household, organization, or business unless all prior indebtedness to the Company of such household, organization, or business for water service has been settled in full in accordance with Rule 25-30.320, Florida Administrative Code.

Service may also be discontinued for any violation made by the Customer or Consumer of any rule or regulation set forth in this tariff.

- 6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.

- 7.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the customer only for the purposes specified in the application for water service and the customer shall not sell or otherwise dispose of such water service supplied by the company.

Water service furnished to the customer shall be rendered directly to the customer through the Company's individual meter and may not be remetered by the customer for the purpose of selling or otherwise disposing of water service to lessees, tenants, or others and under no circumstances shall the customer or customer's agent or any other individual, association or corporation install meters for the purpose of so remetering said water service.

In no case shall a customer, except with the written consent of the company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, remetering, sale, or disposition of service, the customer's water service will be subject to discontinuance until such unauthorized extension,

(Continued to Sheet No. (9.0))

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 8.0)

remetering, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement in full is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections.

- 8.0 CONTINUITY OF SERVICE - The company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the customer for failure or interruption of continuous water service. The Company shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigations, breakdowns, shutdowns for emergency repairs, or adjustments, acts of sabotage, enemies of the United States, Wars, United States, State, Municipal or other governmental interference, acts of God or other causes beyond its control.

If at any time the Company shall interrupt or discontinue its service, all customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

- 9.0 TYPE AND MAINTENANCE - The customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all Laws and Governmental Regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the customer's pipes and facilities. The customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.

- 10.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The customer shall be liable for any change resulting from a violation of this Rule.

- 11.0 INSPECTION OF CUSTOMER'S INSTALLATION - All customer's water service

(Continued to Sheet No. 10.0)

JAV A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 9.0)

installations or changes shall be inspected upon completion by a competent authority to ensure that the customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local Laws and Governmental Regulations. Where Municipal or other Governmental inspection is required by local Rules and Ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 12.0 PROTECTION OF COMPANY'S PROPERTY - The customer shall exercise reasonable diligence to protect the Company's property on the customer's premises and shall knowingly permit no one, but the Company's agents or persons authorized by law, to have access to the Company's pipes and apparatus.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the customer, the cost of making good such loss or repairing such damage shall be paid by the customer.

- 13.0 ACCESS TO PREMISES - The duly authorized agents of the Company shall have access at all reasonable hours to the premises of the customer for the purpose of installing, maintaining, inspecting, or removing the Company's property; reading the meter; or for performance under or termination of the Company's agreement with the customer and under such performance shall not be liable for trespass.
- 14.0 RIGHT OF WAY OR EASEMENTS - The customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.
- 15.0 BILLING PERIODS - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule and shall

(Continued to Sheet No. 11.0)

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 10.0)

become due when rendered and be considered as received by the customer when delivered or mailed to the water service address or some other place mutually agreed upon. Non-receipt of bills by the customer shall not release or diminish the obligation of the customer with respect to payment thereof.

- 16.0 DELINQUENT BILLS - Bills are due when rendered. However, the Company shall not consider the customer delinquent in paying any bill until the twenty-first (21) day after the Company has mailed or presented the bill to the customer for payment. Water service may then be discontinued only after the Company has mailed or presented within five (5) working days a written notice to the customer in accordance with Rule 25-30.320, Florida Administrative Code. Water service shall be restored only after the Company has received payment for all past-due bills and reconnect charges from the customer.

There shall be no liability of any kind against the Company for the discontinuance of water service to a customer for that customer's failure to pay the bills on time.

Partial payment of a bill for water service rendered will not be accepted by the Company, except by the Company's agreement thereof or by direct order from the Commission.

- 17.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - When both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company. The Company may discontinue both water service and wastewater service to the customer's premises for non-payment of the water service bill or wastewater service bill or if payment is not made concurrently. The Company shall not reestablish or reconnect water service and/or wastewater service until such time as all water and wastewater service bills and all charges are paid.

- 18.0 TAX CLAUSE - A municipal or county franchise tax levied upon a water or wastewater public utility shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the utility's bills to its customers in such Municipality or County.

(Continued to Sheet No. 12.0)

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 11.0)

- 19.0 CHANGE OF OCCUPANCY - When a change of occupancy takes place on any premises supplied by the Company with water service, written notice thereof shall be given at the office of the Company not less than three (3) days prior to the date of change by the outgoing customer. The outgoing customer shall be held responsible for all water service used on such premises until such written notice is so received by the Company and the Company has had reasonable time to discontinue the water service. However, if such written notice has not been received, the application of a succeeding occupant for water service will automatically terminate the prior account. The customer's deposit may be transferred from one service location to another, if both locations are supplied water service by the Company; the customer's deposit may not be transferred from one name to another.

Notwithstanding the above, the Company will accept telephone orders, for the convenience of its customer's, to discontinue or transfer water service from one service address to another and will use all reasonable diligence in the execution thereof. However, oral orders or advice shall not be deemed binding or be considered formal notification to the Company.

- 20.0 UNAUTHORIZED CONNECTIONS - WATER - Connections to the Company's water system for any purpose whatsoever are to be made only by employees of the Company. Any unauthorized connections to the customer's water service shall be subject to immediate discontinuance without notice. Water service shall not be restored until such unauthorized connections have been removed and until settlement is made in full to the Company for all water service estimated by the Company to have been used by reason of such unauthorized connection.
- 21.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control. The customer shall provide meter space to the Company at a suitable and readily accessible location within the premises to be served and also provide adequate and proper space for the installation of the meter and other similar devices.
- 22.0 ALL WATER THROUGH METER - That portion of the customer's installation for water service shall be so arranged to ensure that all water service

(Continued to Sheet No. 13.0)

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 12.0)

shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.

- 23.0 ADJUSTMENT OF BILLS - When a customer has been overcharged or undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be credited or billed to the customer as the case may be pursuant to Rule 25-30.350, Florida Administrative Code.
- 24.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 25.0 METER ACCURACY REQUIREMENTS - All meters used for measuring quantity of water delivered to a customer shall be in good mechanical condition and shall be adequate in size and design for the type of service which they measure. Before being installed for the rendering of water service to a customer, every water meter, whether new, repaired, or removed from service for any cause, shall be adjusted to register within prescribed accuracy limits as set forth in Rule 25-30.262, Florida Administrative Code.
- 26.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission prior to its effective date.

(Continued to Sheet No. 14.0)

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 13.0)

HELD FOR FUTURE USE

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRICE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

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Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRICE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service to all customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE -

Base Facility Charge

<u>Meter Size</u>	<u>Charge</u>
5/8" x 3/4"	\$10.16
1"	\$25.40
1 1/2"	\$50.80
2"	\$81.28
3"	\$162.56
4"	\$254.00

Gallonaog Charge

(per 1,000 Gallons) \$1.10

MINIMUM CHARGE - Base Facility Charge as shown above

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separat^o and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - For Meter readings on
or after June 28, 1989

TYPE OF FILING - (Original Certificate-Rate)

Jay A. Thomson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Charge</u>
5/8" x 3/4	\$10.16
1"	\$25.40
1 1/2"	\$50.80
2"	\$81.28

Gallonage Charge
(per 1,000 Gallons) \$1.10

MINIMUM CHARGE - Base Facility Charge as shown above

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - For Meter readings on
or after June 28, 1989

TYPE OF FILING - (Original Certificate rates)

Jay A. Thomson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

MULTI-RESIDENTIAL SERVICE

RATE SCHEDULE MS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service to all master-metered residential customers including, but not limited to, Condominiums, Apartments, and Mobile Home Parks.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD -
- RATE - NOT APPLICABLE

BASE FACILITY CHARGE -

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING -

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

FIRE PROTECTION SERVICE

WATER

AVAILABILITY -

APPLICABILITY -

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD -

RATE - Public Fire Protection - NOT APPLICABLE per hydrant
NOT APPLICABLE

Private Fire Protection -

BASE FACILITY CHARGE -

TERMS OF PAYMENT -

EFFECTIVE DATE -

TYPE OF FILING -

Jay A. Thomson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

SCHEDULE OF CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the customer from complying with the Company's rules for prompt payment. Credit will be deemed so established, in accordance with Rule 25-30.311, Florida Administrative Code, if:

- (A) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for the service requested.
- (B) The applicant pays a cash deposit.
- (C) The applicant for service furnishes an irrevocable letter of credit from a bank or a surety bond.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	<u>\$40.00</u>	<u>\$40.00</u>
1"	<u>\$40.00</u>	<u>\$40.00</u>
1 1/2"	<u>\$40.00</u>	<u>\$40.00</u>
Over 2"	<u>\$40.00</u>	<u>\$40.00</u>

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided. The company shall provide the customer with reasonable written notice of not less than 30 days where such request or notice is separate and apart from any bill for service. The total amount of the required deposit shall not exceed an amount equal to the average actual charge for water service for two monthly billing periods for the 12-month period immediately prior to the date of notice. In the event the customer has had service less than 12 months, the Company shall base its new or additional deposit upon the average actual monthly billing available.

(Continued to Sheet No. 20.1)

Jay A. Thomson
ISSUING OFFICER
Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

(Continued from Sheet No. 20.0)

INTEREST ON DEPOSIT - The Company shall pay interest on customer deposits pursuant to Rule 25-30.311(4) and (4a). The rate of interest is 8% per annum. The payment of interest shall be made once each year as a credit on regular bills or when service is discontinued as a credit on final bills. No customer depositor will receive interest on his or her deposit until a customer relationship and the deposit have been in existence for at least six (6) months. At such time, the customer depositor shall be entitled to receive interest from the day of the commencement of the customer relationship and placement of the deposit. The Company will pay or credit accrued interest to the customers account during the month of December each year.

REFUND OF DEPOSIT - After a residential customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the customer's deposit provided the customer has not, in the preceeding 12 months:

- (a) made more than one late payment of the bill (after the expiration of 20 days from the date of mailing or delivery by the Company),
- (b) paid with a check refused by a bank,
- (c) been disconnected for non-payment, or
- (d) at any time tampered with the meter or used service in a fraudulent or unauthorized manner.

Notwithstanding the above, the Company may hold the deposit of a non-residential customer after a continuous service period of 23 months and shall pay interest on the non-residential customer's deposit at the rate of 9% per annum upon the retainment of such deposit.

Nothing in this rule shall prohibit the Company from refunding a customer's deposit in less than 23 months.

EFFECTIVE DATE - For Meter readings on
or after June 28, 1989
TYPE OF FILING - (Original Certificate rates)

Jay A. Thomason
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

SCHEDULE OF METER TEST DEPOSITS

METER BENCH TEST REQUEST - If any customer requests a bench test of his or her water meter, the Company will require a deposit to defray the cost of testing; such deposit shall not exceed the following schedule of fees and shall be in accordance with Rule 25-30.266, Florida Administrative Code:

<u>METER SIZE</u>	<u>FEE</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

REFUND OF METER BENCH TEST DEPOSIT - If the meter is found to register in excess of prescribed accuracy limits pursuant to Rule 25-30.262, Florida Administrative Code, the deposit shall be refunded. If the meter is found to register accurately or below such prescribed accuracy limits, the deposit shall be retained by the Company as a service charge for conducting the meter test.

METER FIELD TEST REQUEST - Upon written request of any customer, the Company shall, without charge, make a field test of the accuracy of the water meter in use at the customer's premises provided that the meter has not been tested within one-half the maximum interval allowed under Rule 25.30.265, Florida Administrative Code.

EFFECTIVE DATE - For Meter readings on
or after June 28, 1989
TYPE OF FILING - (Original Certificates rates)

Jay A. Thomson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRING CREEK SOUTH UTILITIES, INC.

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms state herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.

INITIAL CONNECTION - This charge would be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge would be levied for transfer of service to a new customer account at a previously served location or reconnection of service subsequent to a customer requested disconnection.

VIOLATION RECONNECTION - This charge would be levied prior to reconnection of an existing customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge would be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

	<u>Schedule of Miscellaneous Service Charges</u>	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Fee	\$	<u>15.00</u>	<u>\$ 15.00</u>
Normal Reconnection Fee	\$	<u>15.00</u>	<u>\$ 15.00</u>
Violation Reconnection Fee	\$	<u>15.00</u>	<u>\$ 15.00</u>
Premises Visit Fee (in lieu of disconnection)	\$	<u>10.00</u>	<u>\$ N/A</u>

N/A - Not Applicable

EFFECTIVE DATE - June 28, 1989

TYPE OF FILING - (Original Certificate)

Jay A. Thomson
 ISSUING OFFICER

Vice President
 TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFER TO SERVICE AVAIL. POLICY SHEET NO./RULE NO.</u>
<u>Back-Flow Preventor Installation Fee</u>		
5/8" x 3/4"	\$	
1"	\$	
1 1/2"	\$	
2"	\$	
Over 2"	Actual Cost [1]	
<u>Customer Connection (Tap-in) Charge</u>		
5/8" x 3/4" metered service	\$	
1" metered service	\$	
1 1/2" metered service	\$	
2" metered service	\$	
Over 2" metered service	Actual Cost [1]	
<u>Guaranteed Revenue Charge</u>		
With Prepayment of Service Availability Charges:		
Residential-per ERC/month (___ GPD).....	\$	
All others-per gallon/month	\$	
Without Prepayment of Service Availability Charges:		
Residential-per ERC/month (___ GPD).....	\$	
All others-per gallon/month	\$	
Inspection Fee	Actual Cost [1]	
<u>Main Extension Charge</u>		
Residential-per ERC (<u>350</u> GPD).....	\$ 800.00	31
All others-per gallon	\$ 2.29	31
or		
Residential-per lot (___ foot frontage).....	\$	
All others-per front foot	\$	
<u>Meter Installation Fee</u>		
5/8" x 3/4"	\$75.00	31
1"	\$	
1 1/2"	\$	
2"	\$	
Over 2"	Actual Cost [1]	
Plan Review Charge	Actual Cost [1]	
<u>Plant Capacity Charge</u>		
Residential-per ERC (<u>350</u> GPD).....	\$ 135.00	31
All others-per gallon	\$.39	31
<u>System Capacity Charge</u>		
Residential-per ERC (___ GPD).....	\$	
All others-per gallon	\$	

[1] Actual Cost is equal to the total cost incurred for services rendered by a customer.

EFFECTIVE DATE - For service provided on or after June 28, 1989

TYPE OF FILING - Original Certificate

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

NOT APPLICABLE

Jay A. Thomson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

APPLICATION FOR WATER SERVICE

SPRUCE CREEK SOUTH UTILITIES, INC.

CONTRACT # _____ LOT/BLOCK/PHASE : _____
CUSTOMER NAME : _____
SERVICE ADDRESS : _____
BILLING ADDRESS: _____
TURN ON DATE : _____ METER READING: _____
WATER METER NUMBER: _____

.....
YOUR WATER METER IS 5/8 X 3/4 AND THE TARIFF IS BASED UPON THAT SIZE
.....

MAKE CHECK PAYABLE TO SPRUCE CREEK SOUTH UTILITIES, INC. BILLS ARE MAILED THE FIFTH OF EACH MONTH FOR THE PREVIOUS MONTHS USAGE, THEY ARE DUE UPON RECEIPT AND CONSIDERED LATE AFTER THE 20TH OF THE MONTH. THERE WILL BE A \$10.00 CHARGE FOR RETURNED CHECKS, PLUS ANY ADDITIONAL CHARGES ASSESSED TO US BY THE BANKS. IF WATER SERVICE IS DISCONNECTED, THERE WILL BE A RECONNECTION FEE OF \$15.00.

THE UNDERSIGNED DOES HEREBY AGREE TO ABIDE BY THE RULES AND REGULATIONS OF THIS UTILITY, AS APPROVED BY THE FLORIDA PUBLIC SERVICE COMMISSION, AND DOES GUARANTEE PAYMENT OF ANY AND ALL INDEBTEDNESS INCURRED.

.....
BUYER: _____ DATE: _____

Jay A. Thompson
ISSUING OFFICER
Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

APPLICATION FOR METER INSTALLATION

NOT APPLICABLE

Jay A. Thomson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.
WATER TARIFF

COPY OF CUSTOMER'S BILL

FROM M SPRUCE CREEK SOUTH UTILITIES INC. 17585 S.E. 102ND AVENUE SUMMERFIELD, FL. 34491	JANUARY 01, 1901 READING DATE. 0/00/00
METER NO: 9999999	METER NO. 9999999
PAYMENT DUE BY: 99/20/99	PREVIOUS BALANCE \$0.00
READING DATE: 0/00/00	PAYMENTS< \$0.00 >
AMOUNT DUE: \$0.00	TOTAL FORWARD \$0.00
T. O. SAMPLE BILLING	BASE WATER CHARGE \$0.00
LOT: 000 BLOCK: PHASE:	PREVIOUS READING: 0000000
WE HAVE BEEN NOTIFIED BY THE PSC THAT OUR BASE FACILITY CHARGE IS \$10.16.	CURRENT READING: 0000000
MAKE CHECK PAYABLE TO SPRUCE CREEK SOUTH UTILITIES, INC. PLEASE RETURN THIS PORTION OF STATEMENT WITH YOUR PAYMENT	GALLONS USED: 0000000 AT \$0.0011/GAL \$0.00
	BASE SEWER CHARGE \$0.00
	PREVIOUS READING: 0000000
	CURRENT READING: 0000000
	GALLONS USED: 0000000
	AT \$0.00136/GAL \$0.00
	OTHER CHARGES:
	SUB TOTAL \$0.00
	TAX \$0.00
	TOTAL DUE BY 0/20/95 \$0.00

Jay A. Thompson
ISSUING OFFICER
Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

HELD FOR FUTURE USE

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRING CREEK SOUTH UTILITIES, INC.

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

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Service Availability Policy.....	31.0
Table of Daily Flows.....	32.0

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WATER TARIFF

SERVICE AVAILABILITY POLICY

The utility provides water service to a primarily (single family) residential area.

There are no active developer agreements in effect as of 6/28/89.

Transmission and distribution lines, as well as the water treatment plant are installed and constructed by the utility. The utility collects a plant capacity charge and a main extension charge as shown on Sheet No. 23 when water service is requested.

A meter installation fee of \$75.00 is also charged to new customers of the system to offset the cost of the meter, meter box and installation costs. This fee must be paid by the customer before the meter can be installed.

Jay A. Thompson
ISSUING OFFICER

Vice President
TITLE

NAME OF COMPANY SPRING CREEK SOUTH UTILITIES, INC.

WATER TARIFF

TABLE OF DAILY FLOWS

<u>Types of Building Usages</u>	<u>Estimated Daily Flows of Water</u>
Apartments	250 gpd [1]
Bars and Cocktail Lounges	5 gpcd [2]
Boarding Schools (Students and Staff)	75 gpcd
Bowling Alleys (toilet wastes only, per lane)	100 gpd
Country Clubs, per member	25 gpcd
Day Schools (Students and Staff)	10 gpcd
Drive-in Theaters (per car space)	5 gpd
Factories, with showers	30 gpcd
Factories, no showers	10 gpd/100 sq. ft.
Hospitals, with laundry	250 gpd/bed
Hospitals, no laundry	200 gpd/bed
Hotels and Motels	200 gpd/room and unit
Laundromat	225 gpd/washing machine
Mobile Home Parks	300 gpd/trailer
Movie Theaters, Auditoriums, Churches (per seat)	3 gpd
Nursing Homes	150 gpd/100 sq. ft.
Office Buildings	10 gpd/100 sq. ft.
Public Institutions (other than those listed herein)	75 gpcd
Restaurants (per seat)	50 gpcd
Single Family Residential	350 gpd
Townhouse Residence	250 gpd
Stadiums, Frontons, Ball Parks, etc. (per seat)	3 gpd
Stores, without kitchen wastes	5 gpd/100 sq. ft.
Speculative Buildings	10 gpd/100 sq. ft.
Warehouses	30 gpd plus 10 gpd/ 1000 sq. ft.

[1] gpd - gallons per day
 [2] gpcd - gallons per capita per day

Jay A. Thompson
 ISSUING OFFICER
Vice President
 TITLE

WASTEWATER TARIFF

SPRUCE CREEK SOUTH UTILITIES, INC.
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

WASTEWATER TARIFF

SPRUCE CREEK SOUTH UTILITIES, INC.
NAME OF COMPANY

17585 S.E. 102ND AVENUE

SUMMERFIELD, FLORIDA 34491
(ADDRESS OF COMPANY)

(352) 347-3700
(Business & Emergency Telephone Numbers)

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

JAY A. THOMPSON
ISSUING OFFICER
VICE PRESIDENT
TITLE ..

SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

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JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

TERRITORY SERVED

CERTIFICATE NUMBER - 467-S

COUNTY - MARION

COMMISSION ORDER(S) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket No.</u>	<u>Filing Type</u>
25157	10-03-91	910746-SU	Original Certificate
PSC-96-1105-FOF-WS	08-29-96	960699-WS	Amendment of Certificate
PSC-96-0958-FOF-WS	07-24-96	960380-WS	Amendment

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

(Continued to Sheet No. 3.1)

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

DESCRIPTION 1

DESCRIPTION:

THAT PORTION OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 17 SOUTH, RANGE 23 EAST LYING WEST OF U.S. HIGHWAY 441/27.

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 17 SOUTH, RANGE 23 EAST; THENCE NORTH 00 39'42" WEST A DISTANCE OF 2144.24 FEET TO THE WEST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 441/27; THENCE ALONG THE WEST RIGHT-OF-WAY LINE OF SAID HIGHWAY SOUTH 42 10'32" EAST A DISTANCE OF 2579.08 FEET; THENCE SOUTH 89 41'04" WEST 1908.36 FEET TO THE POINT OF BEGINNING.

ALL BEING AND LYING IN MARION COUNTY, FLORIDA AND CONTAINING 47.04 ACRES MORE OR LESS.

DESCRIPTION 2

CURVE AT THE SOUTH 1/4 CORNER OF SECTION 35, TOWNSHIP 17 SOUTH, RANGE 23 EAST; THENCE NORTH 83°22'33" EAST A DISTANCE OF 243.63 FEET TO THE POINT OF BEGINNING, SAID P.O.B. BEING THE P.C. OF A CURVE CONCAVE WESTERLY HAVING A CENTRAL ANGLE OF 160°23'28", A RADIUS OF 50.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 140.06 FEET TO THE P.R.C. OF A CURVE CONCAVE NORTHEASTERLY HAVING A CENTRAL ANGLE OF 70°31'44", A RADIUS OF 25.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 30.77 FEET TO THE P.T. OF SAID CURVE; THENCE NORTH 00°18'26" WEST A DISTANCE OF 108.25 FEET TO THE P.C. OF A CURVE CONCAVE SOUTHEASTERLY HAVING A CENTRAL ANGLE OF 73°06'31", A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 31.90 FEET TO THE P.R.C. OF A CURVE CONCAVE NORTHWESTERLY HAVING A CENTRAL ANGLE OF 24°58'34", A RADIUS OF 205.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 89.36 FEET TO THE P.R.C. OF A CURVE CONCAVE SOUTHERLY HAVING A CENTRAL ANGLE OF 30°00'00", A RADIUS OF 25.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 39.27 FEET TO THE P.T. OF SAID CURVE; THENCE NORTH 47°43'21" EAST A DISTANCE OF 50.00 FEET; THENCE NORTH 42°10'39" WEST A DISTANCE OF 257.43 FEET TO THE P.C. OF A CURVE CONCAVE

(Continued to sheet No. 3.2)

JAY A. THOMPSON

ISSUING OFFICER

VICE PRESIDENT

TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 3.1)

DESCRIPTION OF TERRITORY SERVED

NORTHEASTERLY HAVING A CENTRAL ANGLE OF $19^{\circ}39'33''$, A RADIUS OF 155.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 53.18 FEET TO THE P.C.C. OF A CURVE CONCAVE EASTERLY HAVING A CENTRAL ANGLE OF $78^{\circ}42'36''$, A RADIUS OF 25.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 34.34 FEET TO THE P.R.C. OF A CURVE CONCAVE NORTHWESTERLY HAVING A CENTRAL ANGLE OF $08^{\circ}22'11''$, A RADIUS OF 205.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 29.95 FEET TO THE P.T. OF SAID CURVE; THENCE NORTH $47^{\circ}49'21''$ EAST A DISTANCE OF 132.94 FEET TO THE P.C. OF A CURVE CONCAVE SOUTHERLY HAVING A CENTRAL ANGLE OF $90^{\circ}00'00''$, A RADIUS OF 25.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 39.27 FEET TO THE P.T. OF SAID CURVE; THENCE NORTH $47^{\circ}49'21''$ EAST A DISTANCE OF 50.00 FEET; THENCE NORTH $42^{\circ}10'39''$ WEST A DISTANCE OF 106.15 FEET TO THE P.C. OF A CURVE CONCAVE EASTERLY HAVING A CENTRAL ANGLE OF $41^{\circ}52'03''$, A RADIUS OF 155.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 113.26 FEET TO THE P.C.C. OF A CURVE CONCAVE SOUTHEASTERLY HAVING A CENTRAL ANGLE OF $90^{\circ}00'00''$, A RADIUS OF 25.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 39.27 FEET TO THE P.T. OF SAID CURVE; THENCE NORTH $89^{\circ}41'24''$ EAST A DISTANCE OF 931.30 FEET; THENCE NORTH $00^{\circ}18'36''$ WEST A DISTANCE OF 50.00 FEET TO THE P.C. OF A CURVE CONCAVE NORTHEASTERLY HAVING A CENTRAL ANGLE OF $76^{\circ}28'46''$, A RADIUS OF 25.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 23.59 FEET TO THE P.R.C. OF A CURVE CONCAVE WESTERLY HAVING A CENTRAL ANGLE OF $28^{\circ}50'49''$, A RADIUS OF 205.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 103.21 FEET TO THE P.T. OF SAID CURVE; THENCE NORTH $89^{\circ}41'24''$ EAST A DISTANCE OF 1644.97 FEET TO THE P.C. OF A CURVE CONCAVE WESTERLY HAVING A CENTRAL ANGLE OF $50^{\circ}17'26''$, A RADIUS OF 205.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 179.94 FEET TO THE P.R.C. OF A CURVE CONCAVE EASTERLY HAVING A CENTRAL ANGLE OF $50^{\circ}17'26''$, A RADIUS OF 155.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 126.05 FEET TO THE P.T. OF SAID CURVE; THENCE SOUTH $42^{\circ}10'39''$ EAST A DISTANCE OF 1384.02 FEET; THENCE SOUTH $89^{\circ}41'19''$ WEST A DISTANCE OF 1004.72 FEET TO THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 23 EAST; THENCE SOUTH $89^{\circ}39'39''$ EAST A DISTANCE OF 2398.41 FEET TO THE POINT OF BEGINNING.

ALL BEING AND LYING IN MARION COUNTY, FLORIDA, CONTAINING 84.23 ACRES MORE OR LESS.

(Continued to Sheet No. 3.3)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 3.2)

DESCRIPTION OF TERRITORY SERVED

DESCRIPTION 2

FOR THE POINT OF BEGINNING BEGIN AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SECTION 34, TOWNSHIP 17 SOUTH, RANGE 23 EAST; THENCE NORTH 00°31'03" WEST A DISTANCE OF 2647.07 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 34; THENCE SOUTH 89°38'14" WEST A DISTANCE OF 661.53 FEET; THENCE NORTH 00°28'29" WEST A DISTANCE OF 1328.11 FEET; THENCE NORTH 89°37'43" EAST A DISTANCE OF 661.86 FEET; THENCE NORTH 89°35'15" EAST A DISTANCE OF 2645.34 FEET; THENCE SOUTH 00°41'05" EAST A DISTANCE OF 522.24 FEET; THENCE SOUTH 89°33'13" WEST A DISTANCE OF 625.00 FEET; THENCE SOUTH 00°41'05" EAST A DISTANCE OF 450.00 FEET; THENCE NORTH 89°33'13" EAST A DISTANCE OF 625.00 FEET; THENCE SOUTH 00°41'05" EAST A DISTANCE OF 287.10 FEET TO THE NORTHEAST CORNER OF SOUTHEAST 1/4 OF SAID SECTION 34; THENCE NORTH 89°41'44" EAST A DISTANCE OF 763.00 FEET; THENCE SOUTH 00°18'26" EAST A DISTANCE OF 124.73 FEET; THENCE SOUTH 43°37'59" EAST A DISTANCE OF 188.42 FEET; THENCE SOUTH 44°37'01" WEST A DISTANCE OF 677.73 FEET TO A POINT ON A CURVE CONCAVE SOUTHERLY HAVING A CENTRAL ANGLE OF 44°43'30", A RADIUS OF 629.73 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 625.99 FEET TO THE P.T. OF SAID CURVE; THENCE SOUTH 49°47'24" WEST A DISTANCE OF 213.19 FEET; THENCE NORTH 40°12'26" WEST A DISTANCE OF 112.00 FEET; THENCE SOUTH 49°47'24" WEST A DISTANCE OF 60.00 FEET TO THE P.C. OF A CURVE CONCAVE NORTHERLY HAVING A CENTRAL ANGLE OF 29°23'30", A RADIUS OF 346.00 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 242.33 FEET TO THE P.T. OF SAID CURVE; THENCE SOUTH 89°41'24" WEST A DISTANCE OF 881.56 FEET; THENCE SOUTH 00°18'36" EAST A DISTANCE OF 112.00 FEET; THENCE SOUTH 89°41'24" WEST A DISTANCE OF 82.72 FEET TO THE P.C. OF A CURVE CONCAVE NORTHERLY HAVING A CENTRAL ANGLE OF 42°30'00", A RADIUS OF 25.00 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 18.67 FEET TO THE P.R.C. OF A CURVE CONCAVE EASTERLY HAVING A CENTRAL ANGLE OF 222°30'00", A RADIUS OF 50.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 174.46 FEET TO THE P.T. OF SAID CURVE; THENCE NORTH 89°41'24" EAST A DISTANCE OF 222.33 FEET; THENCE SOUTH 00°18'36" EAST A DISTANCE OF 660.00 FEET; THENCE NORTH 89°41'24" EAST A DISTANCE OF 660.00 FEET; THENCE NORTH 00°18'36" WEST A DISTANCE OF 660.00 FEET; THENCE NORTH 89°41'24" EAST A DISTANCE OF 660.00 FEET; THENCE SOUTH 14°11'24" WEST A DISTANCE OF 670.00 FEET; THENCE SOUTH 02°48'36" EAST A DISTANCE OF 678.24 FEET; THENCE SOUTH 89°37'02" WEST A DISTANCE OF 2402.28 FEET TO THE POINT OF BEGINNING.

ALL BEING AND LYING IN MARION COUNTY, FLORIDA, CONTAINING 241.28 ACRES MORE OR LESS.

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.
WASTEWATER TARIFF
(Continued from Sheet No. 3.4)

Spruce Creek Golf & Country Club - Order No. PSC-96-1105-FOF-WS

THE S 1/2 OF THE NW 1/4 AND THE W 1/2 OF THE SW 1/4 OF THE NE 1/4 AND THE W 1/2 OF THE SE 1/4 OF THE NE 1/4 AND THE S 1/2 EXCEPT THE EAST 30 FEET THEREOF, ALL IN SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, AND,

ALSO THE N 1/2 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE EAST 315 FEET THEREOF, AND EXCEPT THE NW 1/4 OF THE SW 1/4 OF THE NW 1/4 OF SAID SECTION 10, AND,

ALSO THE N 1/2 OF THE S 1/2 OF SAID SECTION 10, EXCEPT THE EAST 315 FEET THEREOF, AND,

ALSO THE SW 1/4 OF THE SE 1/4 OF SAID SECTION 10, EXCEPT THE SOUTH 40 FEET THEREOF, AND,

ALSO THE N 1/2 OF THE S 1/2 OF THE SW 1/4 AND THE SE 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SAID SECTION 10, AND,

ALSO THE EAST 1/2 OF THE NE 1/4 OF THE SE 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE N 1/2 THEREOF, AND,

ALSO THE WEST 3/4 OF THE N 1/2 OF THE SE 1/4 OF SAID SECTION 9, EXCEPT THE NORTH 893.54 FEET THEREOF, AND,

ALSO THE S 1/2 OF THE SE 1/4 OF SAID SECTION 9, EXCEPT THE NW 1/4 OF THE SW 1/4 OF THE SE 1/4 OF SAID SECTION 9, AND,

ALSO THAT PART OF THE S 1/2 OF THE SE 1/4 OF THE SW 1/4 OF SAID SECTION 9, LYING EAST OF U.S. HIGHWAYS 441 AND 27 (200 FEET WIDE), AND,

ALSO THAT PART OF THE N 1/2 OF THE N 1/2 OF SECTION 16, TOWNSHIP 17, RANGE 23 EAST, LYING EAST OF SAID HIGHWAYS 441 AND 27.

ALSO THE SOUTH 1/2 OF THE NE 1/4 OF THE NW 1/4 OF SECTION 16, TOWNSHIP 17 S, RANGE 23 EAST, EXCEPT THOSE LANDS LYING WITHIN THE RIGHT-OF-WAY OF STATE ROAD 500 - U.S. 441 (200 FEET WIDE)

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 1190.27 ACRES MORE OR LESS.

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 3.5)

DESCRIPTION OF TERRITORY SERVED

Description for Spruce Creek South Utilities, Inc. for Spruce Creek Preserve:

That portion of Section 4, Township 17 South, Range 20 East, Marion County, Florida, lying East of State Road No. 200, except the East 50 feet thereof.

and

That portion of Section 9, Township 17 South, Range 20 East, Marion County, Florida, lying east of State Road No. 200, less and except the East 50 feet of the North 1520 feet thereof;

and

The Northeast 1/4 of the Northeast 1/4 and the Northeast 1/4 of the Northwest 1/4 of Section 16, Township 17 South, Range 20 East, Marion County, Florida, less and except that portion conveyed in right-of-way deeds recorded in Official Records Book 1273 at Page 1293 and Official Records Book 798 at Page 32 of the Public Records of Marion County, Florida

Containing 416.01 acres, more or less.

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

SPRUCE CREEK SOUTH UTILITIES, INC.
WASTEWATER TARIFF

COMMUNITIES SERVED LISTING

<u>County</u> <u>Name</u>	<u>Development</u> <u>Name</u>	<u>Rate</u> <u>Schedule(s)</u> <u>Available</u>	<u>Sheet No.</u>
Marion	Spruce Creek - Phases 6 - 13	General Residential	17.0 18.0

JAY A. THOMPSON

ISSUING OFFICER
VICE PRESIDENT

TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 *BFC* - *BFC* is the abbreviation for *Base Facility Charge* which is the minimum charge to the Company's customers and is separate from the amount billed for wastewater consumption on the utility's bills to its customers.
- 2.0 *CERTIFICATE* - A document issued by the Commission authorizing the Company to provide service in a specific territory.
- 3.0 *COMMISSION* - *Commission* refers to the Florida Public Service Commission.
- 4.0 *COMMUNITIES SERVED* - The term *Communities Served*, as mentioned in this tariff, shall be construed as the group of consumers or customers who receive wastewater service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 *COMPANY* - Spruce Creek South Utilities, Inc.
- 6.0 *CONSUMER* - Any person, firm, association, corporation, governmental agency or similar organization supplied with wastewater service by the Company.
- 7.0 *CUSTOMER* - Any person, firm or corporation who has entered into an agreement to receive wastewater service from the Company and who is liable for the payment of such wastewater service.
- 8.0 *CUSTOMER'S INSTALLATION* - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature which are located on the customer's side of the *Point of Collection* and used in connection with or forming a part of the installation necessary for disposing of sewage collected from the customer's premises regardless of whether such installation is owned by the customer or used by the consumer under lease or other agreement.
- 9.0 *MAIN* - A pipe, conduit, or facility used for conveying wastewater service through individual services or through other mains.

(Continued to Sheet No. 5.1)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 5.0)

- 10.0 *POINT OF COLLECTION* - For wastewater systems, "Point of Collection" shall mean the point at which the Company's piping, fittings and valves connect with the customer's piping, fittings and valves.
- 11.0 *RATE SCHEDULE* - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 12.0 *SERVICE* - Service, as mentioned in this tariff and in agreement with customers, shall be construed to include, in addition to all wastewater service required by the customer the readiness and ability on the part of the Company to furnish wastewater service to the customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.
- 13.0 *SERVICE LINES* - The pipe between the Company's mains and the point of collection and shall include all of the pipe, fittings and valves necessary to make the connection to the customer's premises.
- 14.0 *TERRITORY* - The geographical area described by metes and bounds with township, range and section in a certificate, which may be within or without the boundaries of an incorporated municipality and, may include areas in more than one county.

JAY A. THOMPSON
ISSUING OFFICER
VICE PRESIDENT
TITLE -

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Access to Premises.....	10.0	13.0
Adjustment of Bills.....	12.0	21.0
Applications by Agents.....	7.0	4.0
Billing Periods.....	10.0	15.0
Change of Customer's Installation.....	9.0	10.0
Change of Occupancy.....	11.0	19.0
Continuity of Service.....	9.0	8.0
Delinquent Bills.....	11.0	16.0
Domestic Wastewater Only.....	13.0	24.0
Evidence of Consumption.....	13.0	23.0
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General Information.....	7.0	2.0
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Limitation of Use.....	8.0	7.0
Payment of Water and Wastewater Service Bills Concurrently.....	11.0	17.0
Policy Dispute.....	7.0	1.0

(Continued to Sheet No. 6.1)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT

TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 6.0)

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Protection of Company's Property.....	10.0	12.0
Right of Way or Easements.....	10.0	14.0
Signed Application Required.....	7.0	3.0
Tax Clause.....	11.0	18.0
Type and Maintenance.....	9.0	9.0
Unauthorized Connections - Wastewater.....	12.0	20.0
Withholding Service.....	8.0	5.0

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

RULES AND REGULATIONS

1.0 POLICY DISPUTE - Any dispute between the Company and the customer or prospective customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.

2.0 GENERAL INFORMATION - The Company's Rules and Regulations, insofar as they are inconsistent with any Statute, Law, Rule or Commission Order shall be null and void. These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every customer to whom the Company renders wastewater service.

In the event that a portion of these Rules and Regulations are declared unconstitutional or void for any reason by any court of competent jurisdiction, such decision shall in no way affect the validity of the remaining portions of the Rules and Regulations for wastewater service unless such court order or decision shall so direct.

The Company shall provide to all customers requiring such service within the territory described in its certificate upon such terms as are set forth in this tariff pursuant to Chapter 25-9 and 25-30, Florida Administrative Code, and Chapter 367, Florida Statutes.

3.0 SIGNED APPLICATION REQUIRED - Wastewater service is furnished only after a signed application or agreement and payment of the initial connection fee is accepted by the Company. The conditions of such application or agreement are binding upon the customer as well as upon the Company. A copy of the application or agreement for wastewater service accepted by the Company will be furnished to the applicant on request.

The applicant shall furnish to the Company the correct name and street address or lot and block number at which wastewater service is to be rendered.

4.0 APPLICATIONS BY AGENTS - Applications for wastewater service requested by firms, partnerships, association, corporations, and others shall be rendered only by duly authorized parties. When wastewater service is

(Continued to Sheet No. 8.0)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 7.0)

rendered under agreement or agreements entered into between the Company and an agent of the principal, the use of such wastewater service by the principal shall constitute full and complete ratification by the principal of the agreement or agreements entered into between the agent and the Company and under which such wastewater service is rendered.

- 5.0- WITHHOLDING SERVICE - The Company may withhold or discontinue wastewater service rendered under application made by any member or agent of a household, organization, or business unless all prior indebtedness to the Company of such household, organization, or business for wastewater service has been settled in full in accordance with Rule 25-30.320, Florida Administrative Code.

Service may also be discontinued for any violation made by the Customer or Consumer of any rule or regulation set forth in this tariff.

- 6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.

- 7.0 LIMITATION OF USE - Wastewater service purchased from the Company shall be used by the Customer only for the purposes specified in the application for wastewater service. Wastewater service shall be rendered to the customer for the customer's own use and shall be collected directly into the Company's main wastewater lines.

In no case shall a customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish wastewater service to the adjacent property through one service line even though such adjacent property may be owned by him. In case of such unauthorized extension, remetering, sale, or disposition of service, the customer's wastewater service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for wastewater service rendered by the Company (calculated on proper classification and rate schedules), all applicable service availability charges are paid and until reimbursement in full is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections.

(Continued to Sheet No. 9.0)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 8.0)

- 8.0 CONTINUITY OF SERVICE - The Company will at all times use reasonable diligence to provide continuous wastewater service and, having used reasonable diligence, shall not be liable to the customer for failure or interruption of continuous wastewater service. The Company shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigations, breakdowns, shutdowns for emergency repairs, or adjustment, acts of sabotage, enemies of the United States, Vars, United States, State, Municipal or other governmental interference, acts of God or other causes beyond its control.

If at any time the Company shall interrupt or discontinue its service, all customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice in accordance with Rule 25-30.250, Florida Administrative Code.

- 9.0 TYPE AND MAINTENANCE - The customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all Laws and Governmental Regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the customer's pipes and facilities. The customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the wastewater service; the Company reserves the right to discontinue or withhold wastewater service to such apparatus or device.
- 10.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company or which will increase the customer's demand on the system. The customer shall be liable for any change resulting from a violation of this Rule.
- 11.0 INSPECTION OF CUSTOMER'S INSTALLATION - All customer's wastewater service installations or changes shall be inspected upon completion by a competent authority to ensure that the customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local Laws and Governmental Regulations. Where Municipal or other Governmental inspection is required by local Rules and

(Continued to Sheet No. 10.0)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 9.0)

Ordinances, the Company cannot render wastewater service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the customer's installation prior to rendering wastewater service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 12.0 PROTECTION OF COMPANY'S PROPERTY - The customer shall exercise reasonable diligence to protect the Company's property on the customer's premises and shall knowingly permit no one, but the Company's agents or persons authorized by law, to have access to the Company's pipes and apparatus.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the customer, the cost of making good such loss or repairing such damage shall be paid by the customer.

- 13.0 ACCESS TO PREMISES - The duly authorized agents of the Company shall have access at all reasonable hours to the premises of the customer for the purpose of installing, maintaining, inspecting, or removing the Company's property or for performance under or termination of the Company's agreement with the customer and under such performance shall not be liable for trespass.

- 14.0 RIGHT OF WAY OR EASEMENTS - The customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of wastewater service.

- 15.0 BILLING PERIODS - Bills for wastewater service will be rendered Monthly, as stated in the rate schedule and shall become due when rendered and be considered as received by the Customer when delivered or mailed to the service address or some other place mutually agreed upon. Non-receipt of bills by the customer shall not release or diminish the obligation of the customer with respect to payment thereof.

(Continued to Sheet No. 11.0)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

SPRUCE CREEK SOUTH UTILITIES, INC.
WASTEWATER TARIFF

(Continued from Sheet No. 10.0)

16.0 DELINQUENT BILLS - Bills are due when rendered. However, the Company shall not consider the customer delinquent in paying any bill until the twenty-first (21) day after the Company has mailed or presented the bill to the customer for payment. Wastewater service may then be discontinued only after the Company has mailed or presented a five (5) working day written notice to the customer in accordance with Rule 25-30.320, Florida Administrative Code. Wastewater service shall be restored only after the Company has received payment for all past-due bills and reconnect charges from the customer.

There shall be no liability of any kind against the Company for the discontinuance of wastewater service to a customer for that customer's failure to pay the bills on time.

Partial payments of a bill for wastewater service rendered will not be accepted by the Company, except by the Company's agreement thereof or by direct order from the Commission.

17.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - When both water and wastewater service are provided by the Company, payment of any wastewater service bill rendered by the Company to a customer shall not be accepted by the Company without the simultaneous or concurrent payment of any water service bill rendered by the Company. The Company may discontinue both water service and wastewater service to the customer's premises for non-payment of the wastewater service bill or water service bill or if payment is not made concurrently. The Company shall not reestablish or reconnect wastewater service and/or water service until such time as all wastewater and water service bills and all charges are paid.

18.0 TAX CLAUSE - A municipal or county franchise tax levied upon a wastewater or water public utility shall not be incorporated into the rate for wastewater or water service but shall be shown as a separate item on the utility's bills to its customers in such Municipality or County.

19.0 CHANGE OF OCCUPANCY - When a change of occupancy takes place on any premises supplied by the Company with wastewater service, written notice thereof shall be given at the office of the Company not less

(Continued to Sheet No. 12.0)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 11.0)

than three (3) days prior to the date of change by the outgoing customer. The outgoing customer shall be held responsible for all wastewater service used on such premises until such written notice is so received by the Company and the Company has had reasonable time to discontinue the wastewater service. However, if such written notice has not been received, the application of a succeeding occupant for wastewater service will automatically terminate the prior account. The customer's deposit may be transferred from one location to another, if both locations are supplied wastewater service by the Company; the customer's deposit may not be transferred from one name to another.

Notwithstanding the above, the Company will accept telephone orders, for the convenience of its customer's, to discontinue or transfer wastewater service from one service address to another and will use all reasonable diligence in the execution thereof. However, oral orders or advice shall not be deemed binding or be considered formal notification to the Company.

20.0 UNAUTHORIZED CONNECTIONS - WASTEWATER - Connections to the Company's wastewater system for any purpose whatsoever are to be made only by employees of the Company. Any unauthorized connections to the customer's wastewater service shall be subject to immediate discontinuance without notice. Wastewater service shall not be restored until such unauthorized connections have been removed and until settlement is made in full to the Company for all wastewater service estimated by the Company to have been used by reason of such unauthorized connection.

21.0 ADJUSTMENT OF BILLS - When a customer has been overcharged or undercharged as a result of incorrect application of the rate schedule, incorrect reading of a water meter, or other similar reasons, the amount may be credited or billed to the customer in accordance with Rule 25-30.350, Florida Administrative Code.

(Continued to Sheet No. 13.0)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 12.0)

- 22.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission prior to its effective date.
- 23.0 EVIDENCE OF CONSUMPTION - The initiation or continuation or resumption of water service to the customer's premises shall constitute the initiation or continuation or resumption of wastewater service to the customer's premises regardless of occupancy.
- 24.0 DOMESTIC WASTEWATER ONLY - The customer agrees that the sewage to be treated by Service Company from the customer's property will consist of domestic wastewater, and further agrees that it will not allow any abnormal strength sewage to flow from the customer's property to the utility's sewage treatment facility that will cause harm to the treatment process. The customer further agrees that no wastewaters, fluids, or other substances and materials shall be discharged to the Service Company's sanitary sewer collection/transmission system, which contains any hazardous and flammable, toxic and/or industrial constituents, in whole or in part, regardless of the concentrations (i.e. strengths) of said constituents. Customer grants to Service Company the right to sample the customer's sewage as referred to hereinabove to verify the customer's compliance with this paragraph.

(Continued to Sheet No. 14.0)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT -
TITLE

FIRST REVISED SHEET NO. 14.0
CANCELS ORIGINAL SHEET NO. 14.0

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 13.0)

HELD FOR FUTURE USE

(Continued to Sheet No. 15.0)

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

FIRST REVISED SHEET NO. 15.0
CANCELS ORIGINAL SHEET NO. 13.0

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 14.0)

HELD FOR FUTURE USE

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

INDEX OF RATES AND CHARGES SCHEDULES

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Miscellaneous Service Charges.....	19.0
Residential Service, RS.....	18.0
Service Availability Fees and Charges.....	20.0

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For wastewater service to all customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE

Meter Size

Base Facility Charge

Gallons Charge
(Per 1,000 Gallons)

5/8" x 3/4"	\$ 6.04	\$1.63
1"	15.10	1.63
1-1/2"	30.20	1.63
2"	48.32	1.63
3"	96.64	1.63
4"	151.00	1.63
6"	302.00	1.63

(No Maximum)

- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - 12/06/91

TYPE OF FILING - Original Certificate

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For wastewater service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>	<u>Gallage Charge</u> (Per 1,000 Gallons)
All meter sizes	\$6.04	\$1.36

(Maximum Charge at
10,000 Gallons)

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - 12/06/91

TYPE OF FILING - Original Certificate

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

MISCELLANEOUS SERVICE CHARGE

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.

INITIAL CONNECTION - This charge would be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge would be levied for a transfer of service to a new customer account at a previously served location or reconnection of service subsequent to a customer requested disconnection.

VIOLATION RECONNECTION - This charge would be levied prior to reconnection of an existing customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge would be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

Schedule of Miscellaneous Service Charges

Initial Connection Fee	\$ 15.00
Normal Reconnection Fee	\$ 15.00
Violation Reconnection Fee	\$ Actual Cost (1)
Premises Visit Fee (in lieu of disconnection)	\$ 10.00

(1) Actual cost is equal to the total cost incurred for services.

EFFECTIVE DATE - 12/06/91

TYPE OF FILING - Original Certificate

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

SPRUCE CREEK SOUTH UTILITIES, INC.
WASTEWATER TARIFF

FIRST REVISED SHEET NO. 20:0
CANCELS ORIGINAL SHEET NO. 20:0

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFER TO SERVICE AVAIL. POLICY SHEET/RULE NO.</u>
WASTEWATER PLANT CAPACITY CHARGE		
Residential and General Service Per ERC (225 GPD)	\$375.00	24.0
Per Gallon	\$ 1.67	
LINE EXTENSION CHARGE		
Residential and General Service Per ERC (225 GPD)	\$725.00	24.0
Per Gallon	\$ 3.22	

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

FIRST REVISED SHEET NO. 21.0
CANCELS ORIGINAL SHEET NO. 21.0

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

INDEX OF STANDARD FORMS

	<u>Sheet No.</u>
APPLICATION FOR WASTEWATER SERVICE.....	22.0
.. COPY OF CUSTOMER'S BILL.....	23.0

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF :

APPLICATION FOR WASTEWATER SERVICE

SPRUCE CREEK SOUTH UTILITIES, INC.
APPLICATION FOR WATER AND WASTEWATER SERVICE

Account No. _____ Date _____

Sec _____ Blk _____ Lot _____

Name of Applicant _____

Service Address _____

Mailing Address _____

Name of Property Owner _____

Mailing Address _____

Type of Service: Residential _____ Commercial _____

Is Customer resuming service after absence of less than 12 months?

Yes _____ No _____

In making application for this service, the applicant agrees to be subject to the Company's Rules and Regulations and conditions contained in the company's tariffs as they shall be lawfully constituted from time to time. The tariffs are incorporated by reference herein and individual copies of the tariffs are available at the offices of Spruce Creek South Utilities, Inc.

Signature of Applicant

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

COPY OF CUSTOMER'S BILL

SPRUCE CREEK SOUTH UTILITIES
17545 S.E. 102ND AVENUE
SUMMERFIELD, FL 32689

AUGUST, 1991

METER NO.: XXXXXXXX

PAYMENT DUE BY: XX/XX/XX

CUSTOMER NAME
CUSTOMER ADDRESS
CITY, STATE, ZIP

READING DATE: XX/XX/XX

LOT: XXX BLK: X PHASE: X

AMOUNT DUE: \$XX.XX

MAKE CHECK PAYABLE TO: SPRUCE CREEK SOUTH UTILITIES
PLEASE RETURN THIS PORTION OF STATEMENT WITH YOUR PAYMENT

PREVIOUS BALANCE	\$XX.XX
PAYMENTS	\$XX.XX
TOTAL FORWARD	\$XX.XX
BASE FACILITY CHARGE -- FOR WATER	\$XX.XX
PREVIOUS READING: XXXXXXXX WATER	
CURRENT READING: XXXXXXXX WATER	
WATER---GALLONS USED: XXXXX AT \$.XXX/GAL	\$XX.XX

OTHER CHARGES:

01 INITIAL INSTALLATION FEE - WATER	\$XXX.XX
02 INITIAL INSTALLATION FEE - SEWER	\$XXX.XX
03 BASE FACILITY CHARGE FEE - SEWER	\$XXX.XX
04 SEWER CHARGE--FOR MONTH BASED ON WATER USE	\$XXX.XX

SUB TOTAL \$XXX.XX
TAX \$ XX.XX

\$XXX.XX

TOTAL DUE BY XX/XX/XX

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

NAME OF COMPANY SPRUGE CREEK SOUTH UTILITIES, INC.

WASTEWATER TARIFF

SERVICE AVAILABILITY POLICY

The Utility will provide wastewater service to any customer within its certificated territory requesting same upon application or execution of a Developer Agreement and payment of the required wastewater plant capacity charge and line extension charge as listed on Sheet No. 20.0 of this Tariff, payment of initial connection fees as reflected on Sheet No. 19.0 of this Tariff, and compliance with such other requirements as may be appropriate under the provisions of the Utility's Tariff and the Rules or Statutes of the Florida Public Service Commission. The Utility will be responsible for the installation of all plant and lines, receiving no property contributions from individuals or developers.

JAY A. THOMPSON
ISSUING OFFICER

VICE PRESIDENT
TITLE

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number
467 - S

Upon consideration of the record it is hereby ORDERED
that authority be and is hereby granted to:

SPRUCE CREEK SOUTH UTILITIES, INC.

Whose principal address is:

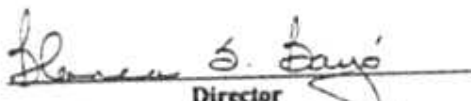
17585 Southeast 102nd Avenue
Summerfield, Florida 34491 (Marion & Sumter Counties)

to provide wastewater service in accordance with the provision of Chapter 367,
Florida Statutes, the Rules, Regulations and Orders of this Commission in the
territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or
revoked by Orders of this Commission.

ORDER	25157	DOCKET	910746-SU
ORDER	PSC-96-0958-FOF-WS	DOCKET	960380-WS
ORDER	PSC-96-1105-FOF-WS	DOCKET	960699-WS
ORDER	PSC-96-1484-FOF-WS	DOCKET	960134-WS

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION


Director
Division of Records and Reporting



FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number
511 - W

Upon consideration of the record it is hereby ORDERED
that authority be and is hereby granted to:

SPRUCE CREEK SOUTH UTILITIES, INC.

Whose principal address is:

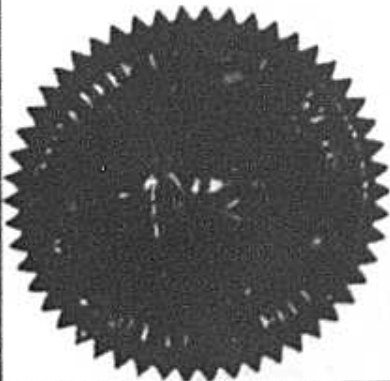
17585 Southeast 102nd Avenue
Summersfield, Florida 34491 (Marion & Sumter Counties)

to provide water service in accordance with the provision of Chapter 367,
Florida Statutes, the Rules, Regulations and Orders of this Commission in the
territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or
revoked by Orders of this Commission.

ORDER	20933	DOCKET	881597-WS
ORDER	PSC-95-1226-FOF-WU	DOCKET	950713-WU
ORDER	PSC-96-0958-FOF-WS	DOCKET	960380-WS
ORDER	PSC-96-1105-FOF-WS	DOCKET	960699-WS
ORDER	PSC-96-1484-FOF-WS	DOCKET	960134-WS

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION



Lawrence S. Bayo
Director
Division of Records and Reporting

980238-415

April 29, 1998
NOTICE OF APPLICATION FOR TRANSFER
OF MAJORITY ORGANIZATIONAL CONTROL

Spruce Creek South Utilities, Inc., 8501 S.E. 140th Lane Road
Summerfield, Florida 34491, pursuant to Section 367.071, Florida
Statutes, hereby notices its intent to apply to the Florida Public
Service Commission for transfer of majority organizational control
to the following described territory located in Marion and Sumter
County, Florida:

Marion County

Township 17 South, Range 23 East
Section 36

that part of Section 36, Township 17 South, Range 23 East, lying Southwest of U.S. Highway 441/27 (200 feet wide).

Township 17 South, Range 23 East
Section 35

that part of the East 1/2 of Section 35, Township 17 South, Range 23 East, lying Southwest of U.S. Highway 441/27; and

the Southwest 1/4 of said Section 35.

Township 17 South, Range 23 East
Section 34

the South 3/4 of the East 1/2 of Section 34, Township 17 South, Range 23 East; and

the East 1/2 of the Southeast 1/4 of the Northwest 1/4 of said Section 34; and

the Northeast 1/4 of the Southeast 1/4 of the Southwest 1/4 of said Section 34.

Township 17 South, Range 20 East
Section 4

That portion of Section 4, Township 17 South, Range 20 East, Marion County, Florida, lying East of State Road No. 200, Except the east 50 feet thereof; and

Township 17 South, Range 20 East
Section 9

That portion of Section 9, Township 17 South, Range 20 East, Marion County, Florida, lying East of State Road No. 200, less and except the east 50 feet of the North 1,520 feet thereof; and

Township 17 South, Range 20 East
Section 16

The Northeast 1/4 of the Northeast 1/4 and Northeast 1/4 of the Northwest 1/4 of Section 16, Township 17 South, Range 20 East, Marion County, Florida, less and except that portion conveyed in the right-of-way deeds recorded in Official Records Book 1273 at Page 1293 and Official Records Book 798 at Page 32 of the Public Records of Marion County, Florida.

Sumter County

Township 18 South, Range 23 East
Section 2

the Northwest 1/4 of the Northeast 1/4 of Section 2, Township 18 South, Range 23 East; and

the Northeast 1/4 of the Northwest 1/4 of said Section 2; and

the East 1/4 of the Southeast 1/4 of the Northwest 1/4 of said Section 2.

SPRUCE CREEK GOLF AND COUNTRY CLUB

THE S 1/2 OF THE NW 1/4 AND THE W 1/2 OF THE SW 1/4 OF THE NE 1/4 AND THE W 1/2 OF THE SE 1/4 OF THE NE 1/4 AND THE S 1/2 EXCEPT THE

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG |
LIN _____
OPC _____
RCH _____
SEC |
WAS |
OTH _____

DOCUMENT NUMBER DATE
04973 MAY -1 86
FPSC-RECORDS/REPORTING

EAST 30 FEET THEREOF, ALL IN SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, AND,

ALSO THE N 1/2 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE EAST 315 FEET THEREOF, AND EXCEPT THE NW 1/4 OF THE SW 1/4 OF THE NW 1/4 OF SAID SECTION 10, AND,

ALSO THE N 1/2 OF THE S 1/2 OF SAID SECTION 10, EXCEPT THE EAST 315 FEET THEREOF, AND,

ALSO THE SW 1/4 OF THE SE 1/4 OF SAID SECTION 10, EXCEPT THE SOUTH 40 FEET THEREOF, AND,

ALSO THE N 1/2 OF THE S 1/2 OF THE SW 1/4 AND THE SE 1/4 OF THE SW 1/4 OF THE SW 1/4 OF SAID SECTION 10, AND,

ALSO THE EAST 1/2 OF THE NE 1/4 OF THE SE 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE N 1/2 THEREOF, AND,

ALSO THE WEST 3/4 OF THE N 1/2 OF THE SE 1/4 OF SAID SECTION 9, EXCEPT THE NORTH 893.54 FEET THEREOF, AND,

ALSO THE S 1/2 OF THE SE 1/4 OF SAID SECTION 9, EXCEPT THE NW 1/4 OF THE SW 1/4 OF THE SE 1/4 OF SAID SECTION 9, AND,

ALSO THAT PART OF THE S 1/2 OF THE SE 1/4 OF THE SW 1/4 OF SAID SECTION 9, LYING EAST OF U.S. HIGHWAYS 441 AND 27 (200 FEET WIDE), AND,

ALSO THAT PART OF THE N 1/2 OF THE N 1/2 OF SECTION 16, TOWNSHIP 17, RANGE 23 EAST, LYING EAST OF SAID HIGHWAYS 441 AND 27.

ALSO THE SOUTH 1/2 OF THE N.E. 1/4 OF THE N.W. 1/4 OF SECTION 16, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THOSE LANDS LYING WITHIN THE RIGHT-OF-WAY OF STATE ROAD 500 - U.S. 441 (200 FEET WIDE)

ALL BEING IN MARION COUNTY, FLORIDA AND CONTAINING 1190.27 ACRES MORE OR LESS.

OAKLAND HILLS PROFESSIONAL CENTER

In Section 1, Township 18 South, Range 23 East, Sumter County

Commence at the S.W. corner of the N.E. 1/4 of the N.E. 1/4 of the N.W. 1/4 of Section 1, Township 18 South, Range 23 East; thence N.88027°07"E., along the South line of the N.E. 1/4 of the N.E. 1/4 of the N.W. 1/4 of said Section, a distance of 175.33 feet to a point on the Southwesterly right of way line of U.S. Highway 27-441 (being a 200 foot right of way) and the Point of Beginning. Thence S.41046°50"E., along said right of way line, a distance of 370.00 feet to a point on the Northerly right of way line of County Road 109; thence S.48013°10"W., along said right of way line, a distance of 100.41 feet to the Point of curvature of a 350.00 foot radius curve, concave to the Southeast; thence along the arc of said curve, through a central angle of 35000'00", a distance of 213.80 feet to the point of tangency; thence continue along said right of way line, S.13013°10"W., a distance of 120.66 feet; thence departing said right of way line, N.41046°50"W. a distance of 1665.10 feet; thence S.89051°32"E. a distance of 537.59 feet to a point on the Southwesterly right of way line of said U.S. Highway 27-441; thence S.41046°50"E., along said right of way line, a distance of 803.42 feet to the Point of Beginning. Said lands being situated in Sumter County, Florida and containing 12.740 acres, more or less.

Any objections to the Application must be filed with the Director, Division of Records & Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, with copy to F. Marshall Deterding, Esquire, Rose, Sundstrom & Bentley, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301, no later than 30 days after the last date that the Notice was mailed or published, whichever is later.