

SOUTHERN STATES UTILITIES, INC./
BOARD OF COUNTY COMMISSIONERS NASSAU COUNTY
WATER AND SEWER SERVICE AGREEMENT

FOR THE
AMELIA ISLAND WATER AND WASTEWATER SYSTEM

LOCATED IN NASSAU COUNTY, FLORIDA

FPSC CERTIFICATE NO. 171 -W AND 122 -S

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SOUTHERN STATES UTILITIES, INC./
BOARD OF COUNTY COMMISSIONERS NASSAU COUNTY
WATER AND SEWER AGREEMENT

THIS AGREEMENT is made this 12th day of JULY, 19 90, by and between SOUTHERN STATES UTILITIES, INC. (hereafter "UTILITY"), AND BOARD OF COUNTY COMMISSIONERS NASSAU COUNTY, a "political body" (hereafter "DEVELOPER").

R E C I T A L S

1. The DEVELOPER owns certain properties located in NASSAU County, Florida, more particularly described in Exhibit "A", attached to and incorporated in this Agreement and hereinafter referred to as the "Developer's Property".
2. The DEVELOPER intends to construct certain improvements on the Developer's Property (which improvements shall hereinafter be referred to as the "Improvements") in accordance with the Development Plan attached hereto as Exhibit "B" which will require substantial Water and Sewer Service Capacity.
3. The DEVELOPER has completed and executed an Application for Water and Sewer Service, a true copy of which is attached to and incorporated in this Agreement as Exhibit "C".
4. Water and Sewer Service Capacity for the Improvements shall be provided in the manner described below and subject to the terms and conditions provided herein.
5. The UTILITY is willing to provide Water and Sewer Service Capacity to the DEVELOPER in accordance with and subject to the terms and conditions of this Agreement and applicable rules, regulations, laws, and requirements.

ACCORDINGLY, in consideration of the Recitals hereof for and in consideration of the mutual undertakings and agreements herein contained and assumed, and other good and valuable considerations received by each party from the other, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree to as follows:

SECTION 1 RECITALS. The above Recitals are true and correct, and form a material part of this Agreement.

SECTION 2 DEFINITIONS. The parties agree that in construing this Agreement, the following words, phrases, and

terms shall have the following meanings unless the context requires otherwise:

2.1 "Agreement" means this Southern States Utilities, Inc./ BOARD OF COUNTY COMMISSIONERS NASSAU COUNTY Water and Sewer Service Agreement, as it may be amended from time to time.

2.2 "Contribution-in-aid-of-Construction" means any amount or items of money or services or property received by the UTILITY from any DEVELOPER and provided at no cost to the UTILITY which represents an addition to the capital of the UTILITY and utilized to offset the cost of extending the Utility's Systems to the Developer's Property.

2.3 "Customer Installation" means all Facilities on the customer's side of the Point of Delivery.

2.4 "DEVELOPER" means BOARD OF COUNTY COMMISSIONERS NASSAU COUNTY, ~~xxx Florida Corporation xxx~~ successors and assigns.

2.5 "Developer's Property" means that land described in Exhibit "A" hereof.

2.6 "Development Plan" means the document describing the proposed Improvements to be constructed on the Developer's Property and the anticipated time schedule for construction thereof as set forth in Exhibit "B" attached to and incorporated in this Agreement.

2.7 "ERC" means Equivalent Residential Connection as that term is used and defined in the UTILITY's Tariff, as it may be amended from time to time.

2.8 "FDER" means the Florida Department of Environmental Regulation, an agency of the State of Florida, or any successor agency.

2.9 "FPSC" means the Florida Public Service Commission, an agency of the State of Florida, or any successor agency.

2.10 "GPD" means gallons per day on an annual average basis.

2.11 "Improvements" means the Improvements which will be constructed and developed by the DEVELOPER on the Developer's Property.

2.12 "Interested Parties" means the parties executing Exhibit "D" attached to and incorporated in this Agreement for the purpose of subordinating their interests in the Developer's Property to this Agreement. DEVELOPER

warrants that the persons executing said Exhibit "D" are all persons having an interest in the Developer's Property, other than the DEVELOPER, whether as a mortgagee, secured lien holder, tenant or otherwise.

2.13 "Lot or Tract" means each separate subdivided building site as platted of record or as shown on the Development Plan.

2.14 "Master Plan" means the master plan for Utility's System prepared by UTILITY or its engineers, as amended or modified from time to time.

2.15 "Off-Site Facilities" means the portion of the Water and Sewerage Facilities which extends or expands the Utility's System to provide Water to the Developer's Property or collect Sewage from the Developer's Property.

2.16 "On-Site Facilities" means the portion of the Water and Sewerage Facilities that has been or will be located wholly within the Developer's Property.

2.17 "Phase" means a part of the Developer's Property which is being or is to be developed as a unit.

2.18 "Plans and Specifications" means those documents and drawings prepared by the DEVELOPER's engineer for the design and construction of certain Water and Sewerage Facilities and approved by the UTILITY.

2.19 "Point of Delivery" means the point where the UTILITY's pipes are connected to the customer's pipes. Unless otherwise indicated by the UTILITY, the Point of Delivery shall be at a point on the customer's lot line.

2.20 "Sewage" means water-carried wastes from residences, business buildings, institutions, industrial establishments, and other customers of the Utility's System.

2.21 "System Capacity Charges" means the charge made by the UTILITY for each new Customer Installation to the Utility's System which is designed to defray a portion of the cost of the Utility's System, as may be amended from time to time by the FPSC and set forth in the Tariff. Currently, the UTILITY's Plant Capacity Charge is 1.14 PER GALLON COMMERCIAL Dollars (\$ 1.14) ~~PER GALLON~~ for water service and 2.26 PER GALLON SEWER Dollars (\$ 2.26) per ~~ERG~~ for sewer service.

2.22 "Tariff" means the UTILITY's Tariff on file with the FPSC, or as that document may be amended from time to time.

2.23 "UTILITY" means Deltona Utilities, Inc., a water and sewer utility as defined in Section 367.021(3), Florida Statutes, its successors or assigns.

2.24 "Utility's System" means all Water and Sewerage Facilities and interests in real and personal property owned, operated, managed or controlled by the UTILITY now and in the future and used to provide Water and Sewer Service Capacity to existing and future customers within the certificated service area of the UTILITY.

2.25 "Wastewater Treatment and Disposal Facilities" means those facilities used to treat, filter, detain, transmit, store, and dispose of Sewage.

2.26 "Water" means water satisfactory for drinking, cooking and domestic purposes meeting the quality standards of the FDER.

2.27 "Water and Sewerage Facilities" means all kinds of facilities, including but not limited to water transmission force mains, meters and other appurtenant facilities for the provision of piped Water to the Developer's Property and/or sewer force mains, pumps and other appurtenant facilities to collect and transmit Sewage from the Developer's Property for treatment and disposal in accordance with all applicable governmental regulations. Water and Sewerage Facilities are necessary for the UTILITY to provide Water and Sewer Service Capacity to the Developer's Property.

2.28 "Water and Sewer Service Capacity" means the readiness and ability of the UTILITY to furnish Water to and to collect, transmit, treat, and dispose of Sewage from each Lot or Tract in accordance with applicable governmental requirements and regulations. Water and Sewer Service Capacity is typically expressed as a rate of Water flow measured in GPD.

2.29 "Water Treatment and Production Facilities" means any treatment and production facilities, including wells, plants, pumps and necessary appurtenant equipment necessary to withdraw and treat raw water in order to produce potable water.

SECTION 3 DESIGN, CONSTRUCTION, AND OPERATION OF ON-SITE FACILITIES. The DEVELOPER agrees as a condition precedent to its receipt of Water Service Capacity to do the following:

3.1 Design of On-Site Facilities. The DEVELOPER shall, at its expense, cause its own Florida registered professional engineer to design and produce and submit to the UTILITY for its review, and approval or rejection prior

3.4 Construction of On-Site Facilities. After UTILITY approval of the Plans and Specifications for any

in connection with such permit applications. additional information, or denials received by the DEVELOPER with copies of all written permits, approvals, requests for entities, to the UTILITY, and shall also provide the UTILITY applications filed with state or local governmental The DEVELOPER shall send written copies of all permit Facilities to be constructed pursuant to this Agreement. approvals required for the construction of the On-Site expense, obtain all necessary state and local permits or 3.3 Permitting. The DEVELOPER shall, at its

the DEVELOPER of written invoice therefor. Plans and Specifications with ten (10) days after receipt by UTILITY's costs and expenses incurred in reviewing any such be deemed approved. The DEVELOPER shall also pay the approved or rejected within the time period provided shall Any such submitted Plans and Specifications which are not reject any such revision to said Plans and Specifications. each case, fifteen (15) days within which to approve or the Plans and Specifications. The UTILITY shall have, in UTILITY for further review until UTILITY shall have approved corrected or modified Plans and Specifications to the unacceptable to the UTILITY, and shall resubmit the portion of the Plans and Specifications which are corrections or modifications at DEVELOPER's expense to any this Agreement. The DEVELOPER's engineers shall make approved five (5) business days after the effective date of Developer prior to execution of this Agreement shall be except that those Plans and Specifications submitted by the days after its receipt of the Plans and Specifications, pursuant to subsection 3.1 hereof within forty-five (45) approve, any such Plans and Specifications submitted Facilities. The UTILITY shall review, and reject or 3.2 Approval of Plans and Specifications for On-Site

submit a copy of the modified plan to the UTILITY. required by the Developer's Property. The Developer shall commitments or increase the Water and Sewer Service Capacity does not unduly interfere with existing facilities or not be unreasonably withheld, provided such modification time with the consent of the UTILITY, which consent shall modify its Development Plan at any time and from time to and Specifications for the first phase. The DEVELOPER may UTILITY concurrent with or prior to submission of the Plans so attached, such Development Plan shall be submitted to the Plan for the Developer's Property attached hereto or, if not However, each such phase shall conform to the Development subsequent Phases may be furnished from time to time. Specifications may be limited to the first phase only, and construction of the On-Site Facilities. The Plans and to construction, graphic Plans and Specifications for the

phase or portion of the On-Site Facilities, the DEVELOPER, shall at its expense, construct and install that phase or portion of the On-Site Facilities as the same are depicted in the UTILITY-approved Plans and Specifications therefor. The DEVELOPER warrants that the On-Site Facilities to be constructed by it pursuant to this Agreement shall be constructed in accordance with the approved Plans and Specifications, and also in accordance with all other applicable federal, state, and local laws, regulations, rules and ordinances. All construction of the On-Site Facilities to be constructed or installed by DEVELOPER hereunder shall be done by A FLORIDA CERTIFIED CONTRACTOR. After completion of construction and prior to acceptance or approval of such Facilities by UTILITY, DEVELOPER agrees to furnish to UTILITY one (1) set of Mylar "as-built" drawings showing specification locations, depth, and other appropriate details of all Water and Sewerage Facilities as located by a licensed surveyor along with five (5) prints of the "as built" drawings which have been sealed by the surveyor and certified by the engineer of record. In addition, DEVELOPER will provide UTILITY with three (3) sets of all appropriate manuals for operation of any pumping stations and other mechanical and electrical equipment installed by DEVELOPER, as applicable.

3.5 Inspection, Testing, and Approval of Construction. During the construction of the On-Site Facilities by DEVELOPER, the UTILITY shall have the continuing right to inspect such installations to determine compliance with the Plans and Specifications. The UTILITY shall control the quality of the installation, and further, shall be entitled to perform standard tests for pressure, exfiltration, infiltration, line and grade, and all other normal engineering tests to determine that the system has been installed in accordance with the Plans and Specifications and good engineering practices. DEVELOPER agrees to pay to UTILITY, or the UTILITY's authorized agent, a reasonable sum to cover the cost of inspection of installations made by DEVELOPER or DEVELOPER's contractor, which charge shall be as provided in Subsection 6.3 hereof.

3.6 Conveyance or Dedication of Facilities and Easements.

(1) No later than ten (10) days after written request by the UTILITY (but prior to the UTILITY's acceptance of any phase of the On-Site Facilities), the DEVELOPER shall provide the UTILITY an opinion of DEVELOPER's counsel to the effect that the lands to be encumbered by all easements to be conveyed or dedicated by the DEVELOPER to the UTILITY pursuant to this Agreement with respect to that phase or portion of the On-Site Facilities to be accepted by the UTILITY for ownership, operation, and maintenance are, in fact, owned by the DEVELOPER, free and

clear of all liens (including mechanics' liens) and encumbrances, other than those acceptable and approved by the UTILITY. Such opinion of counsel, when rendered, may reflect that the lands involved are encumbered by a development mortgage or mortgages, but any such mortgage or mortgages must be subordinated to or released from the lands upon which easements are to be granted to the UTILITY pursuant to this Agreement at the time such On-Site Facilities and easements are granted to the UTILITY.

(2) Prior to acceptance of any phase or portion of the On-Site Facilities for ownership, operation and maintenance by the UTILITY, the DEVELOPER shall, with the respect to such phase or portion constructed or otherwise provided by the DEVELOPER, (a) convey, grant or dedicate to the UTILITY free and clear of all liens and encumbrances, such easements as are reasonably necessary for the UTILITY to own, operate, maintain, repair, expand, and replace the On-Site Facilities accepted by the UTILITY, including all On-Site Facilities constructed thereon, and (b) transfer and convey to the extent that the same are transferable all governmental approvals and permits that will enable the UTILITY to operate the applicable phase or portion of those On-Site Facilities and provide Water and Sewer Service Capacity to the Improvements, and notify all governmental agencies of such transfer and conveyance as may be required by law. The UTILITY shall review and approve or reject within forty-five (45) days after receipt thereof, all documents submitted by the DEVELOPER pursuant to this Subsection 3.6(2).

(3) Notwithstanding the above, whenever the development of the Developer's Property involves one customer or a unity of title of several customers, and/or in the opinion of UTILITY ownership by the UTILITY of the On-Site Facilities is not necessary, then at the option of UTILITY, DEVELOPER shall retain ownership and the obligation for maintenance of such On-Site Facilities as UTILITY shall hereinafter designate in writing. As long as said Property then remains in one Customer, DEVELOPER or its successors or assigns shall have the right to retain ownership and the obligation for maintenance. The retention of ownership of such On-Site Facilities by DEVELOPER shall not diminish the right of UTILITY to provide service to the property of others by or through the full utilization of such easement rights as provided for herein and utilization for such purpose in accordance with the Master Plan. In the event of such use by others, DEVELOPER's cost of maintaining such On-Site Facilities shall be shared between DEVELOPER and UTILITY (or DEVELOPER and other parties when DEVELOPER retains ownership of such On-Site Facilities) in accordance with each such party's hydraulic share (based on each party's proportionate flows) or such other method as said party shall mutually determine. Notwithstanding anything to

the contrary contained herein, the UTILITY shall not be required to accept title to any Customer Installations.

3.7 Bonding Requirements. After inspection and acceptance, UTILITY agrees to accept and maintain each phase of On-Site Facilities that is completed by DEVELOPER, except for Customer Installations which are not the responsibility of UTILITY as hereinafter provided. DEVELOPER shall indemnify and hold UTILITY harmless from and in respect of any repairs or replacements required to be made to said On-Site Facilities conveyed by DEVELOPER to UTILITY which occur within one (1) year from the date of inspection and acceptance of said On-Site Facilities by the UTILITY. Simultaneously, with the conveyance of the On-Site Facilities described above from DEVELOPER to UTILITY, the DEVELOPER shall deliver to UTILITY an executed contract bond in the total amount of ten percent (10%) of the actual costs of construction of said On-Site Facilities. The contract bond shall have as the surety thereon, such surety company as is authorized to write bonds of such character and amount in accordance with the laws of the State of Florida. The attorney-in-fact, or other officer who signs such contract bond for a surety company shall file with such Bond a certified copy of his power of attorney authorizing him to do so. The contract bond may be written either with the DEVELOPER's contractor as "principal" and the DEVELOPER and the UTILITY as "co-obligees" or, in the alternative, with the DEVELOPER as "principal" and the UTILITY as the "obligee". The contract bond shall remain in force for one (1) year following the date of final acceptance by UTILITY of the work done pursuant to this Agreement to protect the UTILITY against losses resulting from any and all defects in materials or improper performance of that work. Upon demand by the UTILITY, the DEVELOPER shall correct or cause to be corrected all such defects which are discovered within said warranty period or periods as set forth above, failing which UTILITY shall make such repairs and/or correct such defects in materials and the DEVELOPER and/or its surety shall be liable to UTILITY for its costs arising therefrom.

3.8 Characterization and Surrender of On-Site Facilities. Upon acceptance by the UTILITY of any On-Site Facilities as aforesaid, the accepted facilities shall become part of the Utility's System (as appropriate), and the DEVELOPER shall surrender control of said On-Site Facilities and execute and deliver to the UTILITY any documents or instruments necessary for that purpose. If the DEVELOPER shall fail or refuse to do so, then the UTILITY shall be entitled to specifically enforce the provisions of this Subsection 3.8 against the DEVELOPER.

3.9 Effect of Reviews, Inspections, Approvals, and Acceptances. The reviews, inspections, approvals, and acceptances by the UTILITY of the Plans and Specifications

and construction shall not constitute a waiver of any claims arising from (1) faulty or defective design, (2) faulty or defective construction, (3) unsettled liens and encumbrances, and (4) tort claims.

3.10 Operation and Maintenance of On-Site Facilities. Subject to the DEVELOPER's compliance with Section 3 and 5 hereof, the UTILITY or its successors shall in writing accept ownership and assume responsibility for the operation and maintenance of those On-Site Facilities for which the UTILITY has approved the design, construction, and documents specified in Subsection 3.6, excluding the Customer Installations. Upon acceptance of ownership and assumption of the responsibility for the operation and maintenance of any such On-Site Facilities by the UTILITY as contemplated in this Agreement, all customers of those On-Site Facilities shall be deemed customers of the Utility's System, and the UTILITY shall set and collect all water rates, fees, charges and deposits for those On-Site Facilities, without exception, in accordance with its Tariff. In addition to other applicable requirements, all property owners and customers must provide at their expense necessary individual service lines as a condition precedent to receiving Water and Sewer Service Capacity from the UTILITY.

SECTION 4 OFF-SITE FACILITIES. Where applicable, and as required by the approved Plans and Specifications, the DEVELOPER shall construct and install at its sole expense any Off-Site Facilities required to extend Water and Sewer Service Capacity to the Developer's Property, in accordance with the Master Plan. The construction and conveyance of all such Off-Site Facilities shall be governed by all the terms and provisions of Section 3 hereof. The UTILITY may elect to construct said Off-Site Facilities, and in such event the DEVELOPER shall be responsible for payment of the actual and direct costs for the Off-Site Facilities and the installation of said Off-Site Facilities within thirty (30) days after receipt of written notice from UTILITY as to the amount of said costs.

SECTION 5 EASEMENTS.

5.1 Grant of Easements. The DEVELOPER hereby grants and gives to the UTILITY, its successors and assigns, subject to the terms of this Agreement, the exclusive right or privilege to construct, install, own, maintain, expand, and operate Water and Sewerage Facilities (hereafter "Facilities") in, under, upon, over, and across the Developer's Property to serve the Developer's Property; and to provide service to the property of others in accordance with the Master Plan, an exclusive right or privilege to construct, install, own, maintain, repair, and operate said Facilities in, under, upon, over, and across the area

depicted in the Plat attached to and incorporated in this Agreement as Exhibit "F". DEVELOPER will execute specific easements to be recorded in the public records. In the event the UTILITY wrongfully fails to provide Water and Sewer Service Capacity as set forth in this Agreement, DEVELOPER may revoke the exclusivity of this grant and be released of liability for additional easements not then being utilized by UTILITY and make such other arrangements as it deems necessary for the further provisions of Water and Sewer Service Capacity to the Developer's Property.

5.2 Rights of Ingress and Egress. The foregoing grants include the necessary right of ingress and egress to any part of the Developer's Property upon which UTILITY is constructing, operating, or maintaining such Facilities; the foregoing grants shall be for such period of time as and to the fullest extent that UTILITY or its successors or assigns require such rights, privileges or easements in the construction, ownership, maintenance, operation, repair, or expansion of said Facilities.

5.3 Private Property Installations. In the event mains, lines, or facilities are to be installed in lands within or outside the Developer's Property, in areas outside of streets and public ways, then DEVELOPER or the owner shall grant to UTILITY, without cost to UTILITY, the necessary easement or easements for such private property installation by express grant; provided, all such private property installations shall be made in such manner as not to interfere with the then primary use of such private property as represented by DEVELOPER herein.

5.4 Errors in Line Locations. The UTILITY and DEVELOPER will use due diligence in ascertaining all easement locations; however, should UTILITY or DEVELOPER install any Facilities outside a dedicated easement area, UTILITY will not be required to move or relocate any such Facilities lying outside a dedicated easement area, or private easement area conveyed by an express grant, so long as the Facilities do not interfere with the then or proposed use of the area in which the Facilities have been installed, and so long as the UTILITY obtains a private easement for such line location, which DEVELOPER will give if same is within its reasonable power to do so. Should the UTILITY be obligated to relocate any such Facility installed by DEVELOPER, then DEVELOPER shall reimburse to the UTILITY, the UTILITY's costs reasonably incurred in connection with such relocation. The UTILITY shall be responsible for the relocation of any such Facility installed by the UTILITY.

5.5 Utilization of Easement Grants. The UTILITY agrees that all easement grants will be utilized in accordance with the established and generally accepted practices of the water and sewer industry with respect to

the installation of all such Facilities in any of the easement areas to serve the Developer's Property and the property of others in accordance with the Master Plan; and that DEVELOPER or DEVELOPER's successors or assigns in granting any easement herein, or pursuant to the terms of this instrument, shall have the right to grant exclusive or non-exclusive rights, privileges and easements to other persons, firms, or corporations to provide to the Property any utility services other than water service.

SECTION 6 RATES, FEES, AND CHARGES. As a condition to the provision of Water and Sewer Service Capacity, the DEVELOPER agrees to pay certain rates, fees, and charges as Contributions-in-aid-of-Construction as hereinafter set forth in this Section 6:

6.1 System Capacity Charges; Meter Installations.

(1) To induce the UTILITY to provide Water Treatment and Production Facilities and Wastewater Treatment and Disposal Facilities to DEVELOPER for use on the Developer's Property, the DEVELOPER agrees to pay the UTILITY System Capacity Charges in the amount of \$ 8892.00 ~~PER ERC~~ (\$ 8,892.00 Per ERC for water and (\$ 17,268.00 Per ERC for sewer. Accordingly, the DEVELOPER's total System Capacity Charges, based upon 7,800GAL ~~ERCs~~ will be TWENTY SIX THOUSAND FIVE HUNDRED AND TWENTY DOLLARS and ----- CENTS. (\$26,520.00) payable pursuant to this Section 6 and as specified in Exhibit "E" attached to and incorporated in this Agreement (but in no event later than the time when each such Customer Installation is connected to the UTILITY's System). The number of ERCs of Water and Sewer Service Capacity attributable to each Customer Installation shall be determined in accordance with the UTILITY's rules and regulations, the UTILITY's tariff on file with the FPSC and the applicable FPSC regulations.

TOTAL

TOTAL

Paid 1/17/89

(2) The DEVELOPER shall be required to pay the applicable charge (as set by UTILITY from time to time) for water meters and meter installations of sufficient capacity for all single-family, residential, multi-family, mobile home, commercial installation or any other connection requiring a measuring device. A current schedule of meter charges has been attached to and incorporated in this Agreement as Exhibit "E".

6.2 Rates and Charges. Rates and other charges to DEVELOPER and/or individual customers of Water and Sewer Service Capacity shall be those set forth from time to time in the Tariff approved by the FPSC. However, notwithstanding any provision in this Agreement, the UTILITY may establish, amend, revise, and enforce, from time to time in the future, its Tariff (including capacity or connection

charges and Guaranteed Revenue Charges), provided that such rates, fees, charges, and deposits are uniformly applied to customers in its service area and are non-discriminatory as applied to the same classification of service throughout its service area, subject to FPSC approval. The UTILITY may establish, amend, or revise, from time to time in the future, and enforce rules and regulations covering Water Service Capacity to the Developer's Property. Such rules and regulations so established by the UTILITY shall at all times be reasonable and subject to such regulation as may be applicable. Any initial or future lower or increased rates, rate schedules, capacity charges or other fees and charges, and rules and regulations established, amended or revised and enforced by the UTILITY from time to time in the future, shall be binding upon DEVELOPER, upon any person or other entity holding by, through or under DEVELOPER, and upon any user or customer of the Water and Sewer Service Capacity provided to the Developer's Property.

6.3 Inspection and Review Fees. Pursuant to the provisions of Section 3 and Section 4 of this Agreement, DEVELOPER shall pay to the UTILITY Plans and Specifications Review Fees and Construction Inspection Fees as follows:

Note: Review and
Inspection Fees
Waived

(1) Plans and Specifications Review Fees payable to the UTILITY for review by the UTILITY and its engineers of DEVELOPER's engineering Plans and Specifications for DEVELOPER's On-Site and Off-Site Facilities shall be in an amount equal to one percent (1%) of the DEVELOPER's design costs for such On-Site and Off-Site Facilities constructed or installed by DEVELOPER under this Agreement payable at the commencement of DEVELOPER's construction of such Facilities; provided, however, that said fee shall not exceed the actual costs incurred by the UTILITY in performing the review(s).

(2) Construction Inspection Fees for the review and inspection by the UTILITY or its engineers of DEVELOPER's construction of its On-Site and Off-Site Facilities as provided for the Agreement, shall be an amount equal to two percent (2%) of DEVELOPER's costs of constructing such Facilities but may be increased by an amount determined by UTILITY if UTILITY has to perform more than 3 inspections; provided, however, that said fee shall not exceed the actual costs incurred by the UTILITY in performing the inspection(s). The fee shall be paid by DEVELOPER upon the completion and approval by the UTILITY of such construction.

6.4 Payment of Customer Deposits. The DEVELOPER shall pay to the UTILITY the appropriate customer deposit as provided by the UTILITY Tariff which shall be held as customer deposits and will be administered in accordance with the provisions of the Tariff and FPSC requirements.

DEVELOPER agrees to pay any such customer deposit(s) to the UTILITY by U.S. cash or cashier's check drawn on a local bank.

6.5 Reimbursement of Legal and-Administrative Costs. In preparing this Agreement, the UTILITY has incurred substantial "up-front" legal and administrative costs. Upon the execution of this Agreement, the DEVELOPER shall pay to the UTILITY a fee in the amount of \$500.00 to defray the UTILITY's legal and administrative costs in negotiating, preparing, and executing this Agreement, \$250.00 of which is a fixed cost intended to defray the UTILITY's initial costs of preparing the standard service Agreement and which shall be paid under any circumstances. To the extent the UTILITY's legal and administrative costs incurred in "tailoring" the standard Agreement to produce this Agreement are less than the remaining \$250.00 payment called for herein, the DEVELOPER shall be entitled to a reduction in said \$250.00 payment in an amount equal to that portion of said payment that exceeds the UTILITY's actual legal fees and costs. Notwithstanding anything to the contrary contained herein, the UTILITY hereby agrees to reduce the amount to be paid hereunder by \$250.00 to \$250.00 total.

Note:
Fees Paid
1-17-89

6.6 General Rate Provisions.

(1) Payment of the sums set forth in this Section 6 does not and will not result in the UTILITY waiving any of its rates, fees, charges, rate schedules, or rules and regulations, and their enforcement shall not be affected in any manner whatsoever by DEVELOPER making the contribution. The UTILITY shall not be obligated to refund to DEVELOPER any portion of such sums for any reason whatsoever, except as specifically provided herein. In the event that the UTILITY fails to provide Water and Sewer Service Capacity as provided for herein, the UTILITY shall not be obligated to pay any interest or rate of interest upon such sums. In the event the UTILITY fails to provide Water and Sewer Service Capacity as provided for above, DEVELOPER shall be entitled to a refund of all monies paid hereunder in which event the parties shall be released from any and all liability or obligation to the other arising hereunder or, in lieu thereof, the DEVELOPER shall have the right to pursue any other remedies, if any, available to it.

(2) Neither DEVELOPER nor any person or other entity holding any of the Property by, through or under DEVELOPER, or otherwise, shall have any present or future right, title, claim, or interest in and to the contributions or to any of the sewer facilities and properties of the UTILITY, and all prohibitions applicable to DEVELOPER with respect to no refund of any such charges or contributions, no interest payment on said charges or

contributions and otherwise, are applicable to all persons or entities, except for that which may be provided in this Section.

(3) Any user or customer of Water and Sewer Service Capacity shall not be entitled to offset any bill or bills rendered by the UTILITY for such service or services against the contributions or charges. DEVELOPER shall not be entitled to offset the contributions or charges against any claim or claims of the UTILITY.

6.7 Contributions-in-Aid-of-Construction; Federal Income Tax. The DEVELOPER acknowledges that the United States Congress has enacted legislation that will enable the UTILITY to pay corporate income tax for receiving contributions-in-aid-of-construction (hereinafter "legislation"). The DEVELOPER further acknowledges that this would place a burden on the UTILITY not anticipated by the terms of this Agreement. Therefore, the DEVELOPER agrees to pay to UTILITY additional funds required to meet the tax impact to the UTILITY which results from the repeal of 118(b), Internal Revenue Code. The amount due under this Agreement is specified in Exhibit "E" hereof.

N/A SEE
EXHIBIT "F"
NON CONVEYANCE

SECTION 7 ALLOCATION AND PROVISION OF WATER AND SEWER SERVICE CAPACITY.

7.1 Allocation. Subject to the DEVELOPER's compliance with the terms and conditions of this Agreement; the UTILITY hereby agrees to allocate and reserve SEVEN THOUSAND EIGHT HUNDRED GALLONS (7,800Gallons) ~~EXCS~~ of Water and Sewer Service Capacity to the DEVELOPER for use by the DEVELOPER with its Improvements on the Developer's Property. Any such allocated Water and Sewer Service Capacity which is not connected or used by the DEVELOPER with fifteen (15) years from the date of execution of this Agreement shall revert back to UTILITY, and, in such an event, the UTILITY shall not be obligated to refund System Capacity Charges or other rates, fees, or charges paid by the DEVELOPER. The Water and Sewer Service Capacity reserved pursuant to this Agreement shall be made available for use by the DEVELOPER, its successors and assigns in accordance with the provisions of Section 8 hereof.

7.2 Provision of Water and Sewer Service Capacity. Upon the completed conveyance of On-Site Facilities to the UTILITY, payment of applicable rates, fees, and charges, and the physical connection of a given Customer Installation to the Utility's System, the UTILITY agrees to continuously provide Water and Sewer Service Capacity to said Customer Installation in accordance with the terms and conditions of this Agreement, its Tariff, and applicable requirements of the FPSC and FDER.

Notwithstanding the above, the UTILITY does not guarantee or warrant any special service, pressure, quality, or other facility other than what is required to fulfill a duty of reasonable care to the customers to whom it provides such Water and Sewer Service Capacity.

7.3 Prior Approvals. Notwithstanding anything to the contrary contained in this Agreement, the parties recognize that the UTILITY may be required to obtain approvals from various governmental authorities having jurisdiction and regulatory power over the construction, maintenance, and operation of the Water Treatment and Production Facilities, Wastewater Treatment and Disposal Facilities, and Water and Sewerage Facilities, before it can render service to the Developer's Property. The UTILITY will diligently and earnestly make the necessary and proper applications to all governmental authorities, and will pursue the same to the end that it will use its best efforts to obtain such approvals. Applications for the approval of Plans and Specifications for those said Facilities to be constructed by the DEVELOPER shall be forwarded by DEVELOPER's engineers to the applicable governmental agencies subsequent to the UTILITY's approval of such Plans and Specifications. If required, this Agreement shall be filed for record with the applicable governmental agency. It is further understood and agreed that this Agreement shall be null and void and of no further force and effect if any requisite approvals required by UTILITY cannot be obtained within a reasonable period of time and through the application of best efforts to obtain same.

SECTION 8 CUSTOMER INSTALLATIONS.

8.1 Notice of Initial Connection to Utility's System. The DEVELOPER shall give the UTILITY written notice that DEVELOPER is connecting the On-Site Facilities to the Utility's System not less than ten (10) business days prior to said connection(s) so that the UTILITY may inspect said connection(s); provided, however, that if the date of inspection occurs on a Saturday, Sunday, or legal holiday, the UTILITY may postpone its inspection until the next occurring day which is not a Saturday, Sunday, or legal holiday. If DEVELOPER fails to give said written notice, the UTILITY may require DEVELOPER to uncover and expose said connection for inspection, at the sole cost of DEVELOPER.

8.2 Connection of Individual Customer Installations. Although the responsibility for connecting the installation to the lines of the UTILITY at the Point of Delivery is that of the DEVELOPER or entity other than UTILITY, with reference to such connections, the parties agree as follows:

(1) Only cast iron, PVC, vitrified clay pipe or such other materials as UTILITY may reasonably approve in writing shall be used for said connections;

(2) Except as otherwise provided in Subsection (4) below, all Customer Installation connections must be inspected by UTILITY before backfilling and covering of any pipes;

(3) Notice to UTILITY requesting an inspection of a Customer Installation connection may be given by the plumber or DEVELOPER, and UTILITY will make a good effort to inspect said Customer Installation within twenty-four (24) hours of said notice, or on the next occurring day which is not a Saturday, Sunday, or legal holiday;

(4) If UTILITY fails to inspect the Customer Installation connection within forty-eight (48) hours after such inspection is due to occur as provided hereinabove, the DEVELOPER or owner may backfill or cover the pipes without UTILITY's approval; provided, however, the DEVELOPER shall remain liable for any claims arising from (a) faulty or defective design, (b) faulty or defective construction, and (c) tort claims associated with said pipes and backfilling.

(5) If the DEVELOPER does not comply with the foregoing inspection provisions, UTILITY may refuse service to a connection that has not been inspected until DEVELOPER complies with these provisions; and

(6) The cost of constructing, operating, repairing, or maintaining the Customer Installations shall be that of DEVELOPER or others than UTILITY.

8.3 Application for Service. The DEVELOPER, its successors, or the occupant(s) of the Developer's Property, shall make written application to the UTILITY for the opening of an account(s) for service. Said application is to be made only after the payment of all System Capacity Charges and other capital contributions as required in Section 6 hereof. At the time of making said application for service, the applicant shall pay all service charges as set forth in the Tariff filed with the FPSC. Within ten (10) business days after the DEVELOPER's receipt of any building permits for construction of all or any portion of the Improvements, the DEVELOPER shall send a true copy of any such building permits to the UTILITY.

SECTION 9 ASSURANCE OF TITLE TO PROPERTY. Within a period of forty-five (45) days after the execution of this contract, at the expense of DEVELOPER, DEVELOPER shall deliver to the UTILITY an opinion of title from a qualified attorney-at-law, with respect to the Developer's Property,

which opinion shall include a current report on the status of the title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens, tenancies or parties in possession and other covenants affecting the Developer's Property. The provisions of this Section are for the purpose of evidencing DEVELOPER's legal right to grant the exclusive rights of service and lien rights contained in this Agreement.

SECTION 10 INCORPORATION OF LAWS, RULES, AND POLICIES. This Agreement shall be read in conjunction with and be subject to all existing and future federal, state, and local laws, rules and policies applicable to water and sewer utilities in any manner or form, and all existing and future UTILITY rules, policies, and Tariff provisions.

SECTION 11 COVENANT NOT TO ENGAGE IN UTILITY BUSINESS. The DEVELOPER, as a further consideration for this Agreement, agrees that it shall not (the words "shall not" being used in a mandatory definition) engage in the business of providing Water and Sewer Service Capacity to the Developer's Property during the period of time the UTILITY, its successors and assigns, provide Water Service Capacity to the Developer's Property, it being the intention of the parties hereto that the foregoing provision shall be a covenant running with the land and under said provision and also under other provisions of this Agreement the UTILITY shall have the sole and exclusive right and privilege to provide Water and Sewer Service Capacity to the Developer's Property and to the occupants of each residence, building or unit constructed thereon.

SECTION 12 DISCLAIMERS; LIMITATIONS ON LIABILITY.

12.1 STATUS. THE PARTIES DEEM EACH OTHER TO BE INDEPENDENT CONTRACTORS, AND NOT AGENTS OF THE OTHER.

12.2 INDEMNITY. THE DEVELOPER SHALL INDEMNIFY THE UTILITY, ITS RESPECTIVE AGENTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITY, DEMANDS, DAMAGES, EXPENSES, FEES, FINES, PENALTIES, SUITS, PROCEEDINGS, ACTIONS AND FEES, INCLUDING ATTORNEYS' FEES, FOR INJURY (INCLUDING DEATH) TO PERSONS OR DAMAGE TO PROPERTY OR PROPERTY RIGHTS THAT MAY ARISE FROM OR BE RELATED TO ACTS, ERRORS, OR OMISSIONS OF THE DEVELOPER, ITS AGENTS, EMPLOYEES, SERVANTS, LICENSEES, INVITEES, OR CONTRACTORS OR BY ANY PERSON UNDER THE CONTROL OR DIRECTION OF THE DEVELOPER, OR BY THE DEVELOPER'S USE OF THE UTILITY'S SYSTEM, AND THE DEVELOPER SHALL INDEMNIFY THE UTILITY AS AFORESAID FROM ALL LIABILITY, CLAIMS AND ALL OTHER ITEMS ABOVE MENTIONED, ARISING OR GROWING OUT OF OR CONNECTED WITH ANY DEFAULT, BREACH, VIOLATION OR NONPERFORMANCE BY THE DEVELOPER OF ANY COVENANT, CONDITION, AGREEMENT OR PROVISION

12.5 DISCLAIMER OF SECURITY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE DEVELOPER EXPRESSLY ACKNOWLEDGES (1) THAT IS HAS NO PLEDGE OF OR LIEN UPON ANY REAL PROPERTY (INCLUDING, SPECIFICALLY, THE UTILITY'S SYSTEM), ANY PERSONAL PROPERTY, OR ANY EXISTING OR FUTURE REVENUE SOURCE OF THE UTILITY (INCLUDING, SPECIFICALLY, ANY REVENUES OR RATES, FEES, OR CHARGES COLLECTED BY THE UTILITY IN THE CONNECTION WITH THE UTILITY'S SYSTEM) AS SECURITY FOR ANY AMOUNTS OF MONEY PAYABLE BY THE UTILITY UNDER THIS AGREEMENT; AND (2) THAT ITS RIGHTS TO ANY PAYMENTS OR CREDITS UNDER THIS AGREEMENT ARE SUBORDINATE TO THE RIGHTS OF ALL HOLDERS OF ANY STOCKS, BONDS, OR NOTES OF THE UTILITY, WHETHER CURRENTLY OUTSTANDING OR HEREAFTER ISSUED.

12.4 DISCLAIMER OF THIRD PARTY BENEFICIARIES. THIS AGREEMENT IS SOLELY FOR THE BENEFIT OF AND SHALL BE BINDING UPON THE FORMAL PARTIES HERETO AND THEIR RESPECTIVE AUTHORIZED SUCCESSORS AND ASSIGNS, AND NO RIGHT OR CAUSE OF ACTION SHALL ACCRUE UPON OR BY REASON HEREOF, TO OR FOR THE BENEFIT OF ANY THIRD PARTY NOT A PARTY TO THIS AGREEMENT OR AN AUTHORIZED SUCCESSOR OR ASSIGNEE THEREOF.

12.3 FORCE MAJEURE. THE UTILITY SHALL NOT BE LIABLE OR RESPONSIBLE TO THE DEVELOPER BY REASON OF THE FAILURE OR INABILITY OF THE UTILITY TO TAKE ANY ACTION IT IS REQUIRED TO TAKE OR TO COMPLY WITH THE REQUIREMENTS IMPOSED HEREBY OR (OR ANY INJURY TO THE DEVELOPER OR BY THOSE CLAIMING BY OR THROUGH THE DEVELOPER, WHICH FAILURE, INABILITY OR INJURY IS CAUSED DIRECTLY OR INDIRECTLY BY FORCE MAJEURE AS HEREINAFTER SET FORTH). THE TERM "FORCE MAJEURE" AS EMPLOYED HEREIN SHALL MEAN ACTS OF GOD, STRIKES, LOCK-OUTS, OR OTHER INDUSTRIAL DISTURBANCE; ACTS OF PUBLIC ENEMIES, WAR BLOCKADES, RIOTS, ACTS OF ARMED FORCES, MILITIA, OR PUBLIC AUTHORITY, EPIDEMICS, BREAKDOWN OF OR DAMAGE TO MACHINERY, PUMPS, OF PIPE LINES; LANDSLIDES, EARTHQUAKES, FIRES, STORMS, FLOODS, OR WASHOUTS; ARRESTS, TITLE DISPUTES, OR OTHER LITIGATION; GOVERNMENTAL RESTRAINTS OF ANY NATURE WHETHER FEDERAL, STATE, COUNTY, MUNICIPAL OR RESTRAINTS OF ANY NATURE WHETHER FEDERAL, STATE, COUNTY, MUNICIPAL OR OTHERWISE, CIVIL OR MILITARY; CIVIL OR MILITARY; CIVIL DISTURBANCES; EXPLOSIONS, FAILURE OR INABILITY TO OBTAIN NECESSARY MATERIALS, SUPPLIES, LABOR OR PERMITS OR GOVERNMENTAL APPROVALS WHETHER RESULTING FROM OR PURSUANT TO EXISTING OR FUTURE RULES, REGULATIONS, ORDERS, LAWS OR PROCLAMATIONS WHETHER FEDERAL, STATE, COUNTY, MUNICIPAL OR OTHERWISE, CIVIL OR MILITARY; OR BY ANY OTHER CAUSES, WHETHER OR NOT OF THE SAME KIND AS ENUMERATED HEREIN, NOT WITHIN THE SOLE CONTROL OF THE UTILITY AND WHICH BY EXERCISE OF DUE DILIGENCE THE UTILITY IS UNABLE TO OVERCOME.

CONTAINED IN THIS AGREEMENT CONCERNING ALL OR ANY PART OF THE UTILITY'S SYSTEM.

SECTION 13 TERMINATION AND OTHER REMEDIES. The UTILITY shall have the right, for any length of time, to terminate this Agreement, refuse to provide or terminate Water and Sewer Service Capacity to the DEVELOPER or any structure on the Developer's Property in the event the DEVELOPER, or its successors and assigns fail to comply with any of the terms and conditions of this Agreement concerning all or any part of the Utility's System, UTILITY rules or policies, or any other general or special law or revisions thereof at any time (as may be determined by the UTILITY). Nothing contained in this Agreement shall be construed to prohibit the UTILITY from exercising or utilizing any other appropriate remedies for the enforcement of the terms and conditions of this Agreement by whatever means are provided by law or equity, including but not limited to the right of specific performance. In connection with any litigation, including appellate proceedings arising out of this Agreement or the violation of any law, rule, regulation, ordinance, resolution, or permit, if the UTILITY prevails it shall be entitled to recover reasonable attorneys' fees and costs hereunder. The exercise of UTILITY's termination or refusal rights hereunder shall, however, be subject to the UTILITY's and the FPSC's rules and regulations.

SECTION 14 NOTICE, PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and be deemed to be delivered when (1) hand delivered to the official hereinafter designated, or (2) upon receipt of such notice when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to a party at the address set forth opposite the party's name below, or at such other address as the party shall have specified by written notice to the other parties delivered in accordance herewith:

UTILITY Mr. Bert Phillips, President
 Southern States Utilities, Inc.
 1000 Color Place
 Apopka, FL 32703

with a copy to:

Karla Teasley
Southern States Utilities, Inc.
1000 Color Place
Apopka, FL 32703

DEVELOPER: BOARD OF COUNTY COMMISSIONERS NASSAU COUNTY
 RE: Peters Point and Burney Park
 P.O. Box 1010
 Fernandina Beach, Florida 32034

SECTION 15 NOTICES; DEFAULT. Each of the parties hereto shall give the other party written notice of any defaults hereunder and shall allow the defaulting party (1)

thirty (30) days from the date of its receipt of such notice within which to cure any such defaults not related to the payment of money, or to commence and thereafter diligently pursue to completion good faith efforts to effect such cure and to thereafter notify the other party of the actual cure of any such defaults, or (2) ten (10) days from the date of its receipt of such notice within which to cure any such defaults related to the payment of money.

SECTION 16 ASSIGNMENTS.

16.1 ASSIGNMENTS BY DEVELOPER. Except as expressly provided herein, the DEVELOPER agrees not to assign or transfer all or any portion of this Agreement. The allocation of Water and Sewer Service Capacity granted to DEVELOPER may be assigned, transferred, leased, encumbered or disposed of if and only if:

(1) The DEVELOPER has obtained the prior written consent of the UTILITY to such an assignment, sale or disposition, which consent shall not be unreasonably withheld; or

(2) The assignment is in direct connection with a bonafide sale of the Developer's Property or a portion thereof to which the Water and Sewer Service Capacity reserve relates, and the UTILITY is notified in writing of such assignment; and

(3) The assignee pays all of the UTILITY's legal and administrative costs incurred in connection with such Assignment and assumes all of the duties and obligations of the assignor under this Agreement.

In no instance shall any sale or assignment of Water and Sewer Service Capacity reserved be made by DEVELOPER for a consideration which is more than that amount actually paid by DEVELOPER to reserve the Capacity, less any reimbursements. In all instances, the DEVELOPER and any assignee shall provide to the UTILITY, at the UTILITY's request, copies of all documents and such other information pertaining to or affecting such transfer as the UTILITY shall reasonably request.

16.2 MAINTENANCE OF WATER AND SEWER SERVICE CAPACITY. The UTILITY shall have the right to allocate its remaining unused Water and Sewer Service Capacity not allocated pursuant to this Agreement to other users as it determines to be in the public interest. Notwithstanding the entitlement contained in Section 7 and the provisions of Section 8, the UTILITY may otherwise allocate Water and Sewer Service Capacity in the Water and Sewerage Facilities and Wastewater Treatment and Disposal Facilities to other users as it determines to be in the public interest and

shall not be deemed in default of this Agreement so long as the UTILITY determines that it can provide Water and Sewer Service Capacity to the DEVELOPER in the amount demanded by it no later than ninety (90) days after receipt of written demand from the DEVELOPER, or upon such later date as may be agreed to by the parties in writing.

16.3 ASSIGNMENTS BY UTILITY. The UTILITY shall have the right to assign or transfer this Agreement or the rights and responsibilities contained herein to any properly authorized commission, authority, corporation, or other public or private person, firm, or entity without consent of the DEVELOPER.

16.4 NOTICE OF TRANSFER OF DEVELOPER'S PROPERTY. The DEVELOPER agrees to provide proper written notice to the UTILITY of the actual date of the legal transfer of Water and Sewer Service Capacity from DEVELOPER to any third party. The DEVELOPER shall remain responsible for all costs and expenses, including utility bills, which arise as a result of DEVELOPER's failure to notify or improper notification to the UTILITY.

16.5 BINDING AGREEMENT OR SUCCESSORS. This Agreement shall be binding upon and shall inure to the benefit of the DEVELOPER, the UTILITY and their respective successors and assigns.

SECTION 17 RECORDATION. The parties hereto agree that an executed copy of this Agreement and Exhibits attached hereto shall be recorded in the Public Records of NASSAU County, Florida at the expense of the DEVELOPER.

SECTION 18 APPLICABLE LAW. This Agreement and the provisions contained herein shall be construed, controlled, and interpreted according to the laws of the State of Florida.

SECTION 19 SURVIVAL OF COVENANTS. The rights, privileges, obligations, and covenants of the DEVELOPER and the UTILITY shall survive the completion of the work of the DEVELOPER with respect to any phase and to the Developer's Property as a whole.

SECTION 20 SEVERABILITY. If any part of this Agreement is found invalid or unenforceable by any court, such invalidity or unenforceability shall not affect the other parts of this Agreement if the rights and obligations of the parties contained therein are not materially prejudiced, and if the intentions of the parties can continue to be effected. To that end, this Agreement is declared severable.

SECTION 21 RECOVERY OF COSTS AND FEES. In the event the UTILITY or DEVELOPER is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, including reasonable attorneys' fees, whether incurred prior to, during or subsequent to such court proceedings or on appeal.

SECTION 22 AUTHORITY TO EXECUTE AGREEMENT. The signature by any person to this Agreement shall be deemed a personal warranty by that person that he has the full power and authority to bind any corporation, partnership, or any other business entity for which he purports to act hereunder.

SECTION 23 TIME OF THE ESSENCE. Time is hereby declared of the essence to the lawful performance of the duties and obligations contained in this Agreement.

SECTION 24 ENTIRE AGREEMENT. This instrument and its exhibits constitute the entire Agreement between the parties and supercedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement.

SECTION 25 AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by the parties in writing by formal amendment.

SECTION 26 CONDITION PRECEDENT TO EFFECTIVENESS OF THIS AGREEMENT. The parties hereto recognize that the FPSC's rules (specifically Fla. Admin. Code Rule 25-30.55) require that a copy of this Agreement be filed with the FPSC within thirty (30) days after the date of execution hereof. This Agreement shall not become effective, then, until the occurrence of one of the following two events: (1) the FPSC does not file or give a notice of intent to disapprove this Agreement with thirty (30) days after receipt of a true copy hereof, or (2) the FPSC withdraws any timely filed or given notice of intent to disapprove this Agreement, or otherwise approves this Agreement. In the event neither (1) nor (2) above occur, then this Agreement shall be null and void and of no further force and effect, in which event, any monies paid to the UTILITY pursuant to Subsection 6.1 and 6.7 shall be refunded to the DEVELOPER.

IN WITNESS WHEREOF, the DEVELOPER and the UTILITY have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement the day and year first above written.

Signed, sealed and delivered in the presence of:

DEVELOPER:

[Signature] Witness By: Chairman
Joyana R. Cason Witness

STATE OF FLORIDA) COUNTY OF Nassau)

BEFORE ME, the undersigned authority, duly authorized to take acknowledgements and administer oaths, personally appeared Jimmy S. Nigumbatham, as Chairman, who, being first duly sworn upon oath, executed the foregoing instrument in my presence and swore and acknowledged that he signed the foregoing instrument for the purposes therein expressed.

WITNESS my and official seal this 13th day of August, 1990.

Margie J. Armstrong
NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
My Commission Expires:
MARGIE J. ARMSTRONG, NOTARY PUBLIC
THE STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES 11-02-91

Signed, sealed and delivered in the presence of:

SOUTHERN STATES UTILITIES, INC.

Sandra Blum Witness By: Karla Olson Teasley
Marilyn R. Dousay Witness Karla Olson Teasley Vice
Bert Phillips, President

(Corporate Seal)

STATE OF FLORIDA) COUNTY OF ORANGE)

BEFORE ME, the undersigned authority, duly authorized to take acknowledgements and administer oaths, personally appeared ~~Bert Phillips~~ ^{Karla Olson Teasley} to me well known and known to me to be the individual described in and who executed the foregoing instrument as ^{Vice} President of SOUTHERN STATES UTILITIES, INC., a Florida corporation, and she acknowledged to and before me that she executed such instrument as such officer of said corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal this 28th day of January, 1991.

Arlene S. Gettelman
NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
My Commission Expires



ARLENE S. GETTELMAN
My Comm. Exp. 3-8-94
Bonded Thru Service Ins. Co.

EXHIBIT "A"

BOOK 173 PAGE 488

A tract of land situated in Sections 18 and 20, Township 2 North, Range 28 East, Nassau County, Florida, said tract of land being more particularly described as follows:

Commence at the Southeast corner of Lot 1 of Block 3, Unit One, American Beach Section 3 as per plat recorded in Plat Book 3, page 19 of the said Public Records and run south $84^{\circ}59'50''$ West, 763.00 feet; thence run South $05^{\circ}00'10''$ East, 200.00 feet; thence run North $84^{\circ}59'50''$ East, 1063 feet more or less to the mean high water line of the Atlantic Ocean; thence run Northerly along said mean high water line, 200 feet; thence run South $84^{\circ}59'50''$ West, 275 feet more or less to the Point of Beginning.

Begin at the Northeasterly corner of Tract 10, Beach Wood Village, Unit Two, as recorded in Plat Book 4, pages 35 and 36 of the public records of Nassau County; thence North $84^{\circ}58'56''$ East, along the Southerly line of American Beach, Section 3, as recorded in Plat Book 2, page 64 of said public records and the Southerly line of Unit One of American Beach, Section 3, as recorded in Plat Book 3, page 19 of said public records, 1185 feet, more or less to approximate Mean High Water Line of the Atlantic Ocean; thence Southerly along the approximate Mean High Water Line of the Atlantic Ocean, 75 feet, more or less to an intersection with a line bearing South $84^{\circ}58'56''$ West, and lying Southerly of and 75 feet distant to and parallel with the Southerly line of said Unit One of American Beach, Section 3 and the Southerly line of said American Beach, Section 3, according to Plat Book 2, page 64; thence South $84^{\circ}58'56''$ West, along last line, 1210 feet, more or less, to the Easterly line of said Tract 10, Beach Wood Village, Unit Two; thence North $02^{\circ}11'29''$ West, along last said line, 75.09 feet to the POINT OF BEGINNING.

EXHIBIT "B"

DEVELOPMENT PLAN FOR PROPERTY

BURNEY PARK A RECREATIONAL FACILITY

PETERS POINT PARK A RECREATIONAL FACILITY

EXHIBIT "C"
APPLICATION FOR WATER AND SEWER SERVICE

BOARD OF COUNTY COMMISSIONERS NASSAU COUNTY (the "APPLICANT") hereby requests that SOUTHERN STATES UTILITIES, INC. (the "UTILITY") commit to provide SEVEN THOUSAND EIGHT HUNDRED (7,800) gallons of water treatment capacity to APPLICANT as hereinafter provided, AND SEVEN THOUSAND EIGHT HUNDRED (7,800) gallons of sewer treatment plant capacity.

I. APPLICANT understands that prior to the commitment of UTILITY to provide service to the APPLICANT, APPLICANT must first enter into a formal written agreement with the UTILITY setting forth the terms of such service and the payments therefore, as follows:

(1) APPLICANT shall pay water and sewer system capacity charges to UTILITY to induce the UTILITY to provide water and sewer treatment plant capacity to APPLICANT in the amount of ONE DOLLAR AND FOURTEEN CENTS DOLLARS AND ~~NXXCENTS~~ (\$ 1.14) DOLLARS per ~~ERC,xxx~~ GALLON ~~ERC being equal to~~ ~~xx~~ ~~(xxxxxxxxxx) gallons of water treatment capacity per~~ day AND TWO DOLLARS AND TWENTY SIX CENTS PER GALLON (2.26) gallons of sewage treatment capacity per day.

(2) APPLICANT's total system charges, as aforescribed, will be in the amount of TWENTY SIX THOUSAND FIVE HUNDRED AND TWENTY DOLLARS (\$26,520.00) based upon (7800) number of gallons ~~ERCs~~ being required by APPLICANT.

(3) Such water and sewer system charges (including CIAC charges as per Subsection 6.7) will be payable as follows:

A. FIVE HUNDRED DOLLARS (\$500.00) (Administrative Fee) at the time of the PAID 1-17-89 submission of this application.

B. TWENTY SIX THOUSAND FIVE HUNDRED AND TWENTY DOLLARS (\$26,520.00) at the time APPLICANT delivers executed copies of the Developer's Agreement to UTILITY.

C. The balance of the then outstanding unpaid charges (See "E") shall be paid as set forth in Exhibit "E" attached hereto and made a part hereof.

(4) UTILITY shall submit a Developer's Agreement for APPLICANT's execution simultaneously with the submission of and incorporating this Application or the submission by APPLICANT of such additional plans as the UTILITY shall reasonably request.

(5) Should APPLICANT fail for any reason to execute said Developer's Agreement with the UTILITY, then upon the written request of the APPLICANT, the APPLICANT's deposit hereunder will be refunded to APPLICANT less the following costs and expenses incurred by the UTILITY, as evidenced by bills and invoices, copies of which shall be provided to APPLICANT:

A. For designing, engineering, or reviewing APPLICANT'S plans for any off-site or on-site water and sewer facilities required to service APPLICANT's property, as applicable.

B. For all administrative and legal costs incurred in preparing, negotiating and drafting any Developer's Agreement with APPLICANT, and

C. For all administrative, legal and other costs incurred in applying for any requisite regulatory approvals in regard thereto.

(6) All deferred payments and guaranteed revenue charges under the Developer's Agreement shall be secured by letters of credit, first mortgage liens or other security acceptable to the UTILITY.

(7) APPLICANT will, at its own cost, construct all additional requisite on-site water distribution systems pursuant to the UTILITY's specifications and under the UTILITY's supervision. Likewise, APPLICANT will, at its own cost, construct all additional off-site facilities. All such off-site and on-site facilities shall be conveyed by APPLICANT to UTILITY free and clear of all liens and claims by Bill of Sale together with easements for all lines, lift stations or other facilities not placed in public rights-of-way up to the property line of the APPLICANT. The APPLICANT's costs for such off-site facilities is estimated to be approximately _____ DOLLARS (\$_____).

(8) APPLICANT shall in addition pay appropriate water meter and water meter installation fees based upon UTILITY's then existing water meter and

installation charges in effect at the time that any consumer installation constructed upon the property of the APPLICANT is connected to the water and sewer treatment facilities of the UTILITY. APPLICANT acknowledges receiving a copy of UTILITY's current schedule of water meter and meter installation charges.

(9) The obligation of the UTILITY to provide service to the APPLICANT is dependent upon the economic feasibility of providing such service as set forth herein as well as the approval of all applicable governmental agencies including the Florida Public Service Commission and the Department of Environmental Regulation.

II. Submitted herewith as composite Exhibit "B" and made a part hereof is the following:

- (1) Legal Description of Applicant's property;
- (2) Graphic description of the property (sketch of survey);
- (3) Present zoning classification of property;
- (4) If applicable, plat map encompassing the property.
- (5) Proposed Development Use Plan indicating applicable densities and types of uses;
- (6) Nature of APPLICANT's title or interest in the property together with a copy of recorded deed or other document granting APPLICANT such interest in the property;
- (7) Estimated date service will be needed; and
- (8) Name of all mortgagees or other persons having a secured lien upon the property together with a copy of recorded mortgage deed or other documents granting such persons a secured lien upon the property.

The person or persons executing this Application are fully authorized to bind the APPLICANT and agree to indemnify the UTILITY for damages the UTILITY may incur because of false representation in this Application. This application shall create no vested rights in the APPLICANT and shall not be construed as a guarantee of water or sewer service to the APPLICANT. The UTILITY may permit connections to its Utility System only if it may lawfully do so and would not thereby violate any permit, license,

restriction, injunction, moratorium or denial of permission to connect imposed or issued by any Court of competent jurisdiction or by any applicable Agency of the United States, the State of Florida, Seminole County, or the City. The UTILITY makes no other representation or agreement as to the availability of water or sewer service in connection with the development of the property described herein. The APPLICANT expressly agrees that it shall have no claim or cause of action against the UTILITY for its observance of its rules or any such permit, license, restriction, injunction, moratorium or denial of permission to connect its right, claim, cause of action or other remedy whatsoever against the City arising from or as a result of the UTILITY's refusal to permit the APPLICANT to connect to the Utility System for its observance of its rules, or for the reason that the connection would violate such permit, license, restriction, injunction, moratorium or denial of permission to connect.

Date of Execution:

James J. Hissenthal
For the APPLICANT:

8-13-90

Title: Chairman, Board County Commissioners, Nassau Co
(Corporate Seal, if applicable)

Sworn to and subscribed before me this 13th day of August, 1990, by Margie J. Armstrong.

Notary Public
State of Florida at Large
My Commission Expires:
MARGIE J. ARMSTRONG, NOTARY PUBLIC
THE STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES 11-02-91

NOTE: Partnerships and Joint Ventures must have all Partners sign.

EXHIBIT "D"
TO
DEVELOPER AGREEMENT

The undersigned as an inducement to SOUTHERN STATES UTILITIES, INC. to enter into this Developer Agreement with _____, as Developer, does hereby join in the execution of this Developer Agreement for the purpose of subordinating each and every interest of the undersigned in and to that real property more particularly described in Exhibit "A" attached hereto and made a part hereof to the rights of SERVICE COMPANY as provided for herein.

By:

STATE OF FLORIDA) COUNTY OF)

BEFORE ME, the undersigned authority, duly authorized to take acknowledgements and administer oaths personally appeared _____, to me well known and known to me to be the individual described in and who executed the foregoing instrument as President of _____, a Florida corporation, and he acknowledged to and before me that he executed such instrument as such officer of said corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal this ____ day of _____, 19____.

NOTARY PUBLIC STATE OF FLORIDA
AT LARGE

My Commission Expires:

EXHIBIT "E"
TO
DEVELOPER AGREEMENT

SCHEDULE OF METER, METER INSTALLATION FEES AND NOTES

2" METER INSTALLATION \$390.00
APPLICABLE DEPOSIT WILL APPLY

ADDITIONAL FEES THAT WERE INCLUDED AND PAID

Water CIAC Tax on Connections \$ 5,361.86 (Both Parks combined)
Sewer CIAC Tax on Connections \$10,629.28 Pd 1/17/89

AGREEMENT OF NON CONVEYANCE IS ATTACHED FOR EACH PARK WHICH SUPERSEDES ANY SECTION IN THIS AGREEMENT REGARDING THE CONVEYANCE OF LINES TO THE UTILITY. BOARD OF COUNTY COMMISSIONERS NASSAU COUNTY WILL OWN, OPERATE AND MAINTAIN THE LINES AS PER THE NON CONVEYANCE AGREEMENT(S) ATTACHED.

PETERS POINT - Fees Paid 1/17/89

Water Capacity \$4,446.00
Sewer Capacity \$8,814.00
Administrative 500.00
Plus Above tax on connections

BURNEY PARK -Fees Paid 1/17/89

Water Capacity \$4,446.00
Sewer Capacity \$8,814.00
Administrative 500.00
Plus Above tax on connections

Fees waived on Plan, Review, Inspections and Federal CIAC Tax

EXHIBIT "F"

NON-CONVEYED FACILITIES

ADDITIONAL PROVISIONS APPLICABLE TO NON-CONVEYED FACILITIES:

1. DEVELOPER desires to construct, own and maintain certain water and/or sewer facilities as described in Schedule 1 attached hereto and made a part hereof, the "Non-Conveyed Facilities", to be utilized to serve the Property and assumes the obligation to construct, own, maintain, repair and operate said facilities as provided below. In consideration therefore, SERVICE COMPANY agrees not to require that said facilities be conveyed to SERVICE COMPANY at the present time.

2. DEVELOPER agrees to construct, maintain and operate said facilities, at its own expense, in conformity with: (1) the requirements of all governmental agencies having jurisdiction over such facilities and the provision of water and sewer services in connection therewith; and (2) the rules and regulations of SERVICE COMPANY adopted from time to time with regard to such facilities, including the provision of such information, test results and other data as SERVICE COMPANY shall reasonably require to insure itself of proper maintenance of such facilities and the quality of water and sewer service provided thereby. DEVELOPER further agrees to make any necessary repairs or improvements to such facilities recommended from time to time by the Engineers for DEVELOPER or SERVICE COMPANY.

3. SERVICE COMPANY has provided DEVELOPER with a copy of its current rules & regulations applicable to such Non-Conveyed Facilities. DEVELOPER acknowledges its receipt and acceptance thereof. DEVELOPER agrees to obtain from SERVICE COMPANY, on a regular basis, copies of all current rules and regulations regarding such Non-Conveyed Facilities, in order that DEVELOPER, at all times during the term of this Agreement, shall remain knowledgeable and in compliance with the requirements of such then current rules and regulations.

4. SERVICE COMPANY reserves the right, exercisable at any time, to require that the Non-Conveyed Facilities, or any portion thereof, be conveyed to SERVICE COMPANY, upon written notification to DEVELOPER. If SERVICE COMPANY requires such conveyance, SERVICE COMPANY agrees to indemnify DEVELOPER from any tax liability due from DEVELOPER, by reason of such conveyance to SERVICE COMPANY. Any conveyance of said facilities from DEVELOPER to SERVICE COMPANY shall be pursuant to a duly executed Bill of Sale, conveying good title to such facilities, free and clear of all liens, claims and encumbrances. Such conveyance shall comply with the requirements set forth in the Developer's Agreement applicable to the conveyance of on-site facilities.

5. Notwithstanding that DEVELOPER shall not be required to convey such facilities to SERVICE COMPANY at the present time, DEVELOPER shall be obligated to presently provide SERVICE COMPANY with easements for such Non-Conveyed Facilities, in accordance with the requirements of Section 2 "Easements" and other provisions of the Developer's Agreement applicable thereto.

6. DEVELOPER agrees to indemnify, defend & save SERVICE COMPANY harmless from and against all costs, expenses, liabilities, losses, damages, penalties, claims and demands of every kind and nature by and on behalf of any person, party or governmental authority whatsoever, arising from or in connection with: (1) any failure by DEVELOPER to perform any obligation of DEVELOPER under this Agreement; (2) any damage to SERVICE COMPANY's facilities, caused by the negligence of DEVELOPER or its agents; and (3) any failure of DEVELOPER to provide, operate and maintain the water and sewer facilities retained by DEVELOPER in a safe, proper and efficient manner or in a manner which complies with all applicable local, state and federal laws, statutes, rules and regulations.

7. This Exhibit shall have precedence over any of the provisions inconsistent herewith in the Developer's Agreement, pertaining to the ownership, repair, maintenance and operation of water and sewer facilities provided. However, the terms, conditions and provisions of the Developer's Agreement not inconsistent herewith shall remain in effect, with regard to the Non-Conveyed Facilities.

ACKNOWLEDGED AND ACCEPTED BY:

(DEVELOPER)
BY: James J. Hissuth

DATE: _____

Nassau County
~~(SERVICE COMPANY)~~ (Developer)

DATE: 8-13-90

BY: Chairman, Board Co. Comm

-3-
Southern States Utilities, Inc.
(Service Company)
By: Paula Olson Seasley
Paula Olson Teasley, Vice Pres.

Date: 1-28-91

SOUTHERN STATES UTILITIES SERVICES, INC.

RULES AND REGULATIONS REGARDING NON-CONVEYED FACILITIES

1. DEVELOPER (Property Owner) will be required to acquire, install and maintain, at DEVELOPER's own expense, a backflow preventer unit at the point of connection, as provided by SOUTHERN STATES UTILITIES SERVICES, INC. Such backflow preventer unit shall be a size and type approved by the American Waterworks Association (AWWA) and all regulatory agencies having jurisdiction over such facilities and services provided therewith. Property Owner will provide documentation to Southern States, reflecting required inspection of the backflow preventer unit on a scheduled, periodic basis, approved by Southern States to be conducted by authorized backflow prevention equipment technicians.

2. Should Southern States in its discretion determine that the circumstances deem it necessary, and with any time frame established by Southern States, the Property Owner shall deliver to Southern States Engineering studies, certified by qualified and independent Engineer or Engineering firm, detailing any infiltration or inflow condition or other deficiency in Property Owner's distribution and sewer collection systems, with sufficient detail and information satisfactory to Southern States. Property Owner further agrees to correct any deficiencies reflected by said study in any manner or within such time frame as to avoid endangering or disrupting any facilities of SERVICE COMPANY or to be in compliance with local, state or federal laws, statutes or regulations.

PETER'S POINT PARK

EXHIBIT "F"

NON-CONVEYED FACILITIES

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2. DEVELOPER agrees to construct, maintain and operate said facilities, at its own expense, in conformity with: (1) the requirements of all governmental agencies having jurisdiction over such facilities and the provision of water and sewer services in connection therewith; and (2) the rules and regulations of SERVICE COMPANY adopted from time to time with regard to such facilities, including the provision of such information, test results and other data as SERVICE COMPANY shall reasonably require to insure itself of proper maintenance of such facilities and the quality of water and sewer service provided thereby. DEVELOPER further agrees to make any necessary repairs or improvements to such facilities recommended from time to time by the Engineers for DEVELOPER or SERVICE COMPANY.

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6. DEVELOPER agrees to indemnify, defend & save SERVICE COMPANY harmless from and against all costs, expenses, liabilities, losses, damages, penalties, claims and demands of every kind and nature by and on behalf of any person, party or governmental authority whatsoever, arising from or in connection with: (1) any failure by DEVELOPER to perform any obligation of DEVELOPER under this Agreement; (2) any damage to SERVICE COMPANY's facilities, caused by the negligence of DEVELOPER or its agents; and (3) any failure of DEVELOPER to provide, operate and maintain the water and sewer facilities retained by DEVELOPER in a safe, proper and efficient manner or in a manner which complies with all applicable local, state and federal laws, statutes, rules and regulations.

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ACKNOWLEDGED AND ACCEPTED BY:

Jimmy L Higginbotham
(DEVELOPER)

DATE: 6-26-90

BY: Chairman, Board County Commission

Southern States Utilities, Inc.
(SERVICE COMPANY)

DATE: 1-28-91

BY: Karla Olson Teasley

Karla Olson Teasley, Vice Pres. -3-

SOUTHERN STATES UTILITIES SERVICES, INC.

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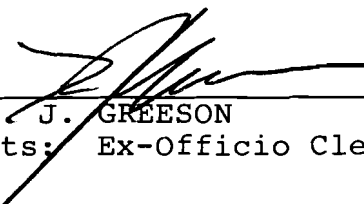
3. SERVICE COMPANY will be responsible for collection and testing of required water samples from the Non-Conveyed Facilities. SERVICE COMPANY will bill Property Owner for all direct and indirect costs applicable thereto, including any costs for testing by outside laboratories. Property Owner will pay all such costs billed to Property Owner by SERVICE COMPANY with five (5) business days thereof.

ACKNOWLEDGED AND ACCEPTED BY:

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA

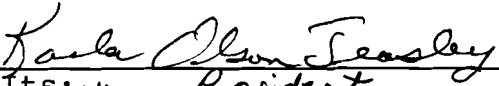


JIMMY L. HIGGINBOTHAM
Its: Chairman
DATE: 6-26-90

ATTEST: 

T. J. GREESON
Its: Ex-Officio Clerk

SOUTHERN STATES UTILITIES, INC.

BY: 

Its: Vice President
DATE: 1-28-91