

SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 8th day of May, 1992 by and between Nassau County Commission, (hereinafter called "Customer"), and Jacksonville Suburban Utilities Corporation (hereinafter called "Service Company").

W I T N E S S E T H :

RECITALS. Customer owns certain real property in Nassau County, Florida, which is more particularly described on Exhibit "A" attached hereto and, by reference, made a part hereof, (hereinafter referred to as "Customer's Property"). Service Company is willing to accept, own and operate the water and wastewater treatment facilities so that the Customer may have furnished to it an adequate water supply and wastewater disposal system, subject to all the terms and conditions of this Agreement. The Service Company and the Customer recognize that water is a natural resource of limited supply and wastewater treatment and disposal is a necessity for public health. Thus, the water supply and disposal of wastewater must be regulated, controlled and be subject only to reasonable and beneficial use to assure an adequate supply of water and adequate wastewater treatment capacity for all members of the public served by the Service Company. The Customer and the Service Company further recognize that the provision of water service and wastewater disposal service by the Service Company to the Property is subject to regulation, prohibition, limitation and restriction by local, state and federal governmental agencies, as well as the Service Company.

NOW, THEREFORE, in consideration of the mutual undertakings and agreements herein contained and assumed, and other good and valuable consideration, receipt of which is hereby acknowledged, Customer and Service Company hereby covenant and agree as follows:

1. Conveyance of Customer's Facilities. Customer shall, in accordance with the terms of this Agreement convey by bill of sale to Service Company, free and clear of all encumbrances and at no cost to Service Company, the complete water and wastewater treatment facilities on the Customer's Property (hereinafter called

"Treatment Facilities"). Following conveyance by Customer, Treatment Facilities shall at all times remain the sole, complete and exclusive property of and under the control of Service Company, and the Customer shall have no right or claim in and to the Treatment Facilities. Both parties hereby agree that the Treatment Facilities may be used for providing service to the Customers Property and other properties in the area. At such time as the off-site water and wastewater trunk mains have been installed and the Customer has connected, Service Company shall return ownership of the on-site lift station to the Customer. The Treatment Facilities to be transferred by Customer for ownership and operation by Service Company are listed on Exhibit "B" attached hereto and made a part hereof.

2. Land Lease. Customer will lease to Service Company the land that the water and wastewater facilities are located on for \$1.00 per year and lease additional available land for \$1.00 per year for current and expanded facilities.

3. Contributions. Customer shall pay the following contributions to Service Company:

(a) Contributions for Off-Site Trunk Facilities. Customer shall pay to Service Company the Contribution For Off-Site Trunk Facilities as currently approved in Service Company's Tariff on file with the Florida Public Service Commission. Said contribution shall be paid on or before December 1, 1992. The contribution is as follows;

(i) Water: \$110.00 per Equivalent Residential Connection or \$3,394.00 for 30.86 ERC'S

(ii) Wastewater: \$ 433.00 per Equivalent Residential Connection or \$12,370.81 for 28.57 ERC'S

Total cost of paragraph three(3).....\$15,765.41

4. Grant of Easement Rights. Customer shall grant to Service Company, its successors and assigns, the exclusive, perpetual right, privilege and easement to construct, reconstruct, operate, maintain, repair, replace, improve, alter, remove, relocate and inspect the water plant facilities, water transmission and distribution mains, wastewater plant facilities, percolation

ponds, wastewater collection mains, wastewater lift stations, pipe lines, lateral lines, valves, connections and appurtenant equipment over, across the land wherein the facilities lies on the Customer's Property together with the right of ingress and egress to the site on Customer's Property which are to be served by Service Company. The easement rights granted with respect to public places shall be subject to the authority of the public authority having jurisdiction over such public places. Prior to Service Company providing service to the Customer, Customer shall execute a grant or grants of easement, in recordable form to be approved by Service Company, specifically granting to Service Company the above rights necessary, in the discretion of Service Company, to provide water and wastewater utility service to the Customer's Property. Nothing contained in this Agreement shall prevent Customer from exercising itself or granting exclusive or non-exclusive rights, privileges and/or easements to any other parties for the furnishing of utility services other than water or wastewater, provided that Service Company's use, occupancy and enjoyment of its easements are not unreasonably interfered with. Service Company shall not be obligated to furnish water or wastewater service to any building which may be built on Customer's Property to which it does not have access.

5. General Conditions Precedent to Receiving Service. Prior to Service Company accepting the Customers facilities, Customer shall comply with all terms of this Agreement and shall:

- (a) Provide to Service Company an engineering estimate of the original cost of the Treatment Facilities;
- (c) Furnish, in form and substance acceptable to Service Company, all of the following relating to the Treatment Facilities:
 - (i) All permits and governmental approvals;
 - (ii) Bill of Sale with warranties of title;
 - (iii) Easements pursuant to Paragraph Three (3);

6. Limitation of Liability. Neither party shall be liable or responsible to the other party as a result of injury to property or person, or failure to comply with the terms hereof, proximately caused by Force Majeure. The term "Force Majeure" as employed

herein shall be acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, blockades, riots, acts of Armed Forces, epidemics, delays by carriers, inability to obtain materials or right-of-way on reasonable terms, acts of public authorities, acts of vandals or other third parties, or any other causes whether or not of the same kind as enumerated herein. Further, in no event shall Service Company be liable to Customer for any consequential, incidental or punitive damages as a result of injury to property or person, regardless whether said injury was the result of acts of or within the control of Service Company or others.

7. Approval by Governmental Agencies. Service Company's obligations under this Agreement are contingent upon Customer obtaining all necessary approvals from all concerned governmental agencies. Customer hereby assumes the risk of loss as a result of the denial or withdrawal of the approval of any concerned governmental agency, or caused by an act of any governmental agency which affects the ability of the Service Company to provide water and wastewater service to Customer not within the sole control of Service Company and which, by exercise of due diligence, Service Company is unable to overcome.

8. Water and Wastewater Treatment Plant. Service Company shall provide necessary maintenance for the Treatment Facilities and pay for such additional equipment as may be required to improve the treatment of the water and wastewater to meet regulatory agencies standards. The Service Company shall be responsible for the operation of the Treatment Facilities under the rules and regulations of Federal, State and local Regulatory Agencies.

9. Water and Wastewater Facilities Electrical Costs. Service Company shall pay all power costs associated with the operation of the water and wastewater Treatment Facilities, providing electric meters can be economically installed to differentiate power consumed by the Customer and Service Company.

10. No Prohibition of Further Extension. This Agreement shall not prohibit or prevent Service Company from extending Service Company's utility system in or to areas not referred to herein to serve other developments or customers.

11. Limited Reservation of Treatment Capacity. Service Company's reservation of water and wastewater treatment capacity pursuant to this Agreement for Customer's Property is limited to 10,800 GPD, based on estimated water flow which is equivalent to 30.86 residential connections.

12. Modification of Customer's Property. Should the Customer modify or expand his Detention Center to require greater water usage or greater wastewater usage, a new Service Agreement shall be entered into between Customer and Service Company. The customer shall pay all additional contributions and fees as may be authorized by the Service Company's Tariff, the Florida Public Service Commission, or its successor, on the date the new agreement is executed.

13. Water and Wastewater Plant Expansion. Service Company at its sole cost and expense shall expand the water and wastewater treatment facilities to meet the greater water usage or greater wastewater usage required by expansion of the Customer's detention facility. Customer shall provide reasonable notification of modification or expansion to allow Service Company time to plan, design, permit and construct additional water and/or wastewater treatment facilities.

14. Connection of Buildings. Customer shall at its sole cost and expense, connect and maintain the water and wastewater pipes of each dwelling or other building constructed on Customer's Property to the water service line or wastewater laterals of Service Company.

15. Application for Service. Customer, shall make written application to Service Company for the opening of an account(s) for service. At the time of making said application for service, the applicant shall pay all service charges as set forth in Service Company's Tariff filed with the Florida Public Service Commission.

16. Commencement of Water and Wastewater Service Charges. Service Company's charge for water and wastewater service shall commence on the date of the actual connection of Customer's Facilities to the Service Company. Customer shall make regular monthly payments for water and wastewater service charges based on the rate schedule in effect on the date of connection or as

thereafter reflected in service Company's rate schedule which is subject to change from time to time.

17. Regulatory Agencies Fees And Fines. The Customer shall remain responsible for and shall pay all fees, fines and other amounts required to be paid by any statute, ordinance, rule, regulation, order or determination made by any governmental regulatory agency for any action or event that occurred prior to the date of the signing of this Service Agreement. The Service Company shall be responsible for and pay for all fees, fines and other amounts required to be paid by any statute, ordinance, rule, regulation, order or determination made by any governmental agency for any action or event that occurs after the date of the signing of this Service Agreement.

18. Miscellaneous.

(a) All monies required to be paid by Customer to Service Company shall be and become the sole exclusive property of Service Company.

(b) This Agreement supersedes all previous agreements or representations either verbal or written heretofore in effect between Customer and Service Company and made with respect to the matters contained herein, and when duly executed constitutes the complete Agreement between Customer and Service Company.

(c) The provisions of this Agreement shall not be construed as establishing a precedent in connection with the amount of fees or contributions made by a developer or other customers, or the acceptance thereof on the part of the Service Company for other water and/or wastewater utility extensions that may be required hereafter by Customer and are not the subject of this Agreement.

(d) The signature of any person to this Agreement shall be deemed a personal warranty that he has the power and authority to bind Nassau County or any entity for which he purports to act.

(e) This Agreement was made and executed in Jacksonville, Florida, and shall be interpreted and construed according to the laws of the State of Florida.

(f) The headings used in the paragraphs of this Agreement are solely for the convenience of the parties and the parties agree that they shall be disregarded in the construction of

this Agreement.

(g) This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Signed, sealed and delivered in the presence of:

NASSAU COUNTY COMMISSION

Margie J. Armstrong
James R. Cason
As to Developer

By: Thomas D. Branan
Its Chairman
"CUSTOMER"

JACKSONVILLE SUBURBAN UTILITIES CORPORATION

Robert C. Brown
Robert W. Cull
As to Service Company

By: [Signature]
Its Vice President
"SERVICE COMPANY"

STATE OF FLORIDA
COUNTY OF NASSAU

I HEREBY CERTIFY, that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared Thomas D. Branan, well known to me to be the person in whose name the foregoing instrument was executed, and that he (she) severally acknowledges executing the same freely and voluntarily under authority duly vested in him (her).

WITNESS my hand and official seal in the County and State last aforesaid this 27th day of April, 1992.

Margie J. Armstrong
NOTARY PUBLIC
My Commission Expires: _____

MARGIE J. ARMSTRONG
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Nov. 5, 1995
Commission No. CC157999

STATE OF FLORIDA
COUNTY OF DUVAL

I HEREBY CERTIFY, that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared PHILIP HEIL, well known to me to be the person in whose name the foregoing instrument was executed, and that he severally acknowledges executing the same freely and voluntarily under authority duly vested in him.

WITNESS my hand and official seal in the County and State last aforesaid this 8th day of May, 1992.

Robert C. Brown
NOTARY PUBLIC
My Commission Expires: _____

Notary Public
State of Florida at Large
My Commission Expires:
December 6, 1994

EXHIBIT "A"

That certain land situate in Nassau County, Florida, described as follows:

A portion of the E. Waterman Grant (Mill Grant), Section Forty-four (44), Township Two (2) North, Range Twenty-seven (27) East, Nassau County, Florida, said portion being more particularly described as follows:

For a point of reference commence at the Southwest corner of Section Forty-four (44) aforesaid; and run North Two (02) degrees, Six (06) minutes, Fifty (50) seconds West along the West line of said section a distance of Three Hundred Fifty-eight and Sixty Hundredths (358.60) feet to a point where said West line is intersected by the Southerly right of way line of State Road No. 200 (said right of way lies Sixty (60.0) feet from and adjacent to the centerline of the East bound lane when measured at a right angle to said centerline); run thence North Seventy-two (72) degrees, Nineteen (19) minutes, One (01) second East along said right of way a distance of Three Thousand Seven Hundred Fifty-nine and Ninety Hundredths (3,759.90) feet to the point of beginning.

From the point of beginning thus described continue North Seventy-two (72) degrees, Nineteen (19) minutes, One (01) second East along said right of way a distance of Eight Hundred (800.0) feet; run thence South Seventeen (17) degrees, Forty (40) minutes, Fifty-nine (59) seconds East a distance of Eight Hundred (800.0) feet; run thence South Seventy-two (72) degrees, Nineteen (19) minutes, One (01) second West a distance of Eight Hundred (800.0) feet; run thence North Seventeen (17) degrees, Forty (40) minutes, Fifty-nine (59) seconds West a distance of Eight Hundred (800.0) feet to the point of beginning.

EXHIBIT "B"

WATER TREATMENT FACILITIES:

The Water Treatment Facilities are defined as follows;

- (1) 4" well
- (1) Well pump
- (1) Davco Water Package Plant with electric motors
- (1) Chlorine treatment equipment and storage shed
- All 4" and 2" water piping
- Chainlink fencing surrounding the water treatment facilities

Not included as part of the water treatment facilities is the building housing the water softener equipment, the water softener piping, tanks, ancillary equipment and piping from the building to the Detention Facility.

WASTEWATER TREATMENT FACILITIES:

The Wastewater Treatment Facilities are defined as follows;

All wastewater treatment plant tanks, bar screens, pumps, electric motors, piping, valves, ancillary equipment inside and including the chain link fencing surrounding the Wastewater Treatment Plant site.

Three (3) percolation ponds of undetermined size, all piping connecting the ponds and overflow piping from the ponds.

Nassau County Commission may continue ownership of the fence surrounding the percolation ponds but must maintain the fence in good order to remain in compliance with regulatory requirements that all percolation ponds be fenced.

Jacksonville Suburban Utilities Corporation shall maintain the percolation ponds and the land area inside the fenced pond area.