

**STANDARD
UTILITY SERVICE AGREEMENT
WITH CAPACITY RESERVATION**

THIS AGREEMENT, entered into this 10th day of August, 1992, between SUNRAY UTILITIES - NASSAU, INC., a Delaware corporation, (hereinafter sometimes called "Company" or "Sunray"), the BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, a political entity (hereinafter sometimes called "the County"), and GILMAN INVESTMENT COMPANY, a Delaware corporation, its successors and assigns (hereinafter sometimes called "Gilman").

WITNESSETH:

WHEREAS, the County is the owner of (or holder of a binding contract to purchase) certain real estate in Nassau County, Florida, more particularly described on the attached Exhibit A hereinafter referred to as "the Land"; and,

WHEREAS, the County shall develop said Land by construction of buildings and/or other improvements thereon commonly referred to as the Nassau County Animal Shelter (hereinafter referred to as "Project") and must provide for sewage collection and water distribution to service the Project, in total requiring 4 ERCs; and,

WHEREAS, Gilman desires to assist the County in its development of the Project and to that end will pay all charges required under this Agreement (excluding any payment for the regular provision of utility services which shall remain the sole obligation of the County) and receive all refunds or repayments thereof as may be applicable; and,

WHEREAS, both the County and the Department of Highway Safety and Motor Vehicles (DMV) wish to obtain service from Sunray at adjoining locations, and the DMV will enter into a separate Utility Service Agreement with Capacity Reservation with the Company to that end; and,

WHEREAS, to facilitate line extensions to their respective sites, the County and the DMV wish to share equally the construction advance required by Sunray under Rule 17.0 of Sunray's Water and Wastewater Tariffs on file and approved by the Florida Public Service Commission to make this main extension economically feasible; and likewise desire to accordingly share any subsequent construction advance repayments that may be made by Sunray pursuant to this Agreement, its approved tariff, and Chapter 25-30 of the Florida Administrative Code; and,

WHEREAS, Company is in the business of providing water and sewage utility services in the vicinity of the Land described above; and,

WHEREAS, Company is willing to operate its water distribution and sewage collection and treatment systems so that all buildings constructed on the County's property may have furnished potable water and sanitary sewer service subject to all terms and conditions of this Agreement and the Company's Tariff on file at the Florida Public Service Commission; and,

WHEREAS, in order to provide water and sewer service to the County for its Project it has been or will be necessary for the Company to enlarge and expand its off-site water and sewer plants and facilities and it is the desire and intent of Gilman on behalf of the County to contribute financially to the costs of such additional off-site water and sewer plants and facilities and, in consideration thereof, to have capacity reserved therein for the Project; and,

WHEREAS, in order to provide water and sewer service to the Project, the County will design and construct the on-site water distribution and sewage collection systems to serve the premises described in Exhibit A and the Company will accept the County's conveyance of the sewage force main and water distribution main up to and including the meter box and operate its systems to serve the Project.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, subject to any necessary approval by the Florida Public Service Commission (hereinafter referred to as "Commission"), and other governmental bodies having jurisdiction, it is agreed by the parties hereto as follows:

1. Reservation of Capacity

1.1. The parties agree that upon collection of the charges imposed by this Agreement, the Company shall reserve for the County's use at the Project, for a period of time not to exceed eighteen (18) months from the date of this Agreement (hereinafter referred to as "period of capacity reservation"), the necessary treatment plant capacities to provide 4 water and 4 sewer ERCs.

1.2. Should the County not utilize the reserved capacity at the Project within eighteen (18) months from the date of this Agreement, the Company may sell the unused balance of the capacity reserved by this Agreement. If the Company is successful in selling some or all of the unused but reserved capacity within four (4) years after lapse of the 18-month reservation, the Company shall refund to Gilman the charges paid under Section 1.4 by Gilman on behalf of the County for the unused capacity. If the unused capacity is sold later than four (4) years from lapse of the 18-month reservation, the Company shall have no refund obligation.

1.3. In the event that final design or completed construction of the Project modifies the requirement for ERCs herein reserved so as to affect any individual charge by more than 10%, or the sum total of the charges by more than 5%, such charges may be recalculated and the difference collected or refunded by the Company at the option of the Company. The Company may withhold final Certificates of Service for the Project if such changes occur so as to place a significantly greater demand upon the service capacities of the Company than addressed in this Agreement.

1.4. Gilman will pay the Company the following one-time charges on behalf of the County's Project as provided in the Company's Tariff on file at the Florida Public Service Commission for the capacity herein reserved:

a) The actual cost to cover water and/or wastewater engineering, plan review, inspection, testing and legal/administrative costs to the Company in connection with this Agreement;

b) \$ 368.00 per ERC to cover water system capacity charge;

c) \$ 370.00 per ERC to cover sewer system capacity charge;

d) Sewer system capacity charge for any connection discharging sewage other than "normal domestic sewage". Such charge shall be based upon the expected additional waste strength converted to ERCs as determined by the Company's engineer. The charge shall be \$370.00 per commercial unit as a minimum (or such higher rate as may have been approved by the appropriate regulatory authorities), or \$1.32 per gallon of water usage per day, whichever is greater. Prior approval by Company and all pollution control agencies is necessary before this waste is admitted into the system. The County (or end-user) shall be responsible for providing a suitable point for the waste to be sampled by the Company or the regulatory agencies;

e) A meter installation fee to cover meter cost and meter installation (but not including curb stop or meter box) as set forth in the Company's then current Service Availability Policy at the time of installation (which currently is One Hundred Dollars (\$100.00) for each 5/8" x 3/4" meter);

f) If available, construction water will be charged to Gilman based on metered usage in accordance with current Company tariffs and rates;

g) Hydraulic share of off-site facilities - the County recognizes that water and sewer utility service to the Project is provided by the use of off-site facilities and other improvements previously constructed by the utility and that the County is obligated to pay its pro rata share of the cost of such off-site facilities and other improvements to the Company. Said pro rata share shall be based on the Project's percentage of hydraulic capacity of said off-site facilities or other improvements. For the purposes of this Agreement the County's hydraulic share will be four (4) ERCs;

h) CIAC Tax Impact Capacity Charge, of \$220.80 per ERC (water) and \$222.00 per ERC (sewer), shall be paid at the time of execution of this Agreement which is the estimated Federal and State tax liability the Company will incur by the acceptance of the charges in this part and Exhibit C; which tax impact collection is authorized and controlled by Florida Public Service Commission Order No. 16971, dated December 18, 1986, and Florida Public Service Commission Order No. 23541 dated October 1, 1990, and any amendments or additions thereto; in addition, Gilman shall also pay to the Company, with the County's transfer to the Company of the County's On-site and Off-site Systems, the CIAC Tax Impact Line Charge applicable to

the value of such systems established by documents required by Section 4.13 of this Agreement.

2. Construction Advance: Off-site Facilities

2.1. Payment

a) In addition to the fees required for capacity reservation under Section 1, Gilman on behalf of the County shall advance to Sunray fifty percent (50%) of the total cost required to extend water and wastewater facilities to the sites to serve the County's Project and the DMV's Project, an estimate of which is attached herewith as Exhibit D, with one half (1/2) of this estimate to be paid as of the date of this Agreement.

b) Once the actual cost of the extension has been determined (including actual construction costs, as well as "soft cost" including but not limited to engineering, permit acquisition, construction inspection, contract administration and overhead) Sunray shall return fifty percent (50%) of any over-collection to Gilman or charge Gilman for fifty percent (50%) of the under-collection. Upon the final true-up and disbursement or receipt of incremental funds as herein provided, that final amount shall represent the amount of the "construction advance" to Sunray from Gilman on behalf of the County.

c) It is understood by the parties hereto that the DMV shall likewise contribute fifty percent (50%) of the "construction advance" as defined under Section 2.1(b).

2.2. Return

a) It is understood that future customers of the Company may benefit from the extension of facilities to the DMV and County Projects. Accordingly, the Company agrees to return to Gilman fifty percent (50%) of any System Capacity Charges (wastewater or water) paid by future customers who connect to the Company's system in any location serviced by the DMV/County extension within five (5) years from the first day service is provided to either the DMV Project or the County Project, which are in excess of all incremental expenditures made by the Company to service those future customers. Company's System Capacity Charges are listed for the wastewater system at Sheet No. 37.0 of the Company's then current and approved Wastewater Tariff on file at the Florida Public Service Commission. Company's System Capacity Charges are listed for the water system at Sheet No. 40.0 of the Company's then current and approved Water Tariff on file at the Florida Public Service Commission.

b) It is further understood that any return of payments received pursuant to Section 2.1 shall be on a system by system basis with wastewater capacity fees used to repay only the wastewater portion of the costs advanced under Section 2.1, and water capacity fees used to repay the water portion of the costs advanced under Section 2.1.

c) In no event shall the Company have any obligation to return Section 2.1 payments to Gilman in excess of the amount paid by Gilman to the Company thereunder.

3. On-site Sewage and Water Facility: Construction

3.1. The County shall construct and design the on-site water distribution and sewage collection systems including but not limited to the following: water distribution lines, sewer collection lines, sewage lift stations, water pumping stations and related appurtenances for the non-exclusive provision of sewage and water services to the Project as described in Exhibit A. A portion thereof to be transferred to and owned by the Company upon successful completion thereof as follows: sewage force main and water distribution main up to and including the meter box. The water and sewage systems shall be designed by a professional engineer, licensed in the State of Florida, in accordance with design and construction specifications, available upon request from the Company. The Company must approve all plans, documents, and construction requirements in writing prior to any construction being commenced. Construction of all facilities will be performed by the County or its contractor. Gilman will pay the cost of all such construction. The County's engineer shall incorporate into the Project's engineering design, plans and specifications, the applicable standards and specifications of the Company.

3.2. The systems' design drawings and specifications are to be in accordance with local Governmental authority requirements as applicable. The Company shall

review the systems' design drawings and specifications, prior to submittal to the appropriate governmental authority unless otherwise agreed to by the Company.

3.3. If the County modifies its development plans for the property described in Exhibit A which would require greater water usage, greater fire flows, additional water facilities, greater sewage flows, or additional sewage facilities than water and sewer demands previously approved by the Company, then the County must obtain approval by the Company for the construction of such additional water or sewer facilities which shall meet all Company and governmental design requirements. Gilman shall pay all additional contributions and fees as may be authorized by the Company's Service Availability Policy in the then-current Tariff on file at the Commission.

3.4. The charges, costs and fees for any separate emergency fire protection water systems for the Project will be subject to negotiation between the Company and the County and Gilman.

3.5. If buildings of more than two stories are a part of the Project, the County shall furnish at its own expense water pumps and other appurtenances as necessary for pumping water above the second floor.

3.6. The Company reserves the right to approve the utility contractors to whom construction bids are sent by the County as well as the contractor to whom the award is made. Such approval will not be unreasonably withheld or delayed.

3.7. Any change order between the County and its utility contractor issued after Company approval of original plans must be approved by the Company before the change order is put into effect.

3.8. A representative of the Company or its engineers will be the inspector of the Project along with the County's engineer; however, the Company reserves the right of final acceptance of the work and materials. Neither the Company nor its engineers shall be deemed the agent of any other person in making such inspections.

4. On-site Sewage and Water Facility: Acceptance

4.1. Prior to final acceptance by the Company of the on-site system described in Section 3, the following requirements set forth in Section 4.2 through 4.20 must be met and the following materials and documents must be provided to the Company by the Project design engineer.

4.2. If the property is platted, two copies of the recorded plat.

4.3. The Company requires that four (4) "blue-line" preliminary "as-built" prints be submitted for review at least ten (10) days prior to final inspection of the Project.

4.4. After inspection of the constructed works, the final "as-built" plans shall be prepared to Sunray's specifications on Autocad and submitted in duplicate on 5-1/4 inch disks in DXF format. Furnish a 200' scale mylar reproducible and four (4) sets of line drawings of the complete water and sewer system bearing the certifications of the engineer of record, registered surveyor, and contractor as follows:

Engineer's Certification

This is to certify to Sunray Utilities - Nassau, Inc. that I have reviewed the "as-built" plans and have spot checked the work in the field and in my opinion the "as-built" plans are accurate.

Engineer: _____

SEAL

Florida Registration No.: _____ Date: _____

Surveyor's Certification

I hereby certify to Sunray Utilities - Nassau, Inc. that the sanitary sewer system and water distribution system were installed at the locations and elevations as shown on this "as-built" survey conducted under my responsible supervision and direction.

Surveyor: _____

SEAL

Florida Registration No.: _____ Date: _____

Contractor's Certification

This "as-built" drawing has been reviewed and I warrant to Sunray Utilities - Nassau, Inc. that it represents the actual field location of the utilities installed.

Contractor: _____

By: _____ Date: _____

4.5. Final "as-builts" as required by Section 4.4 shall be completed to the Company's standard specifications which are available upon request from the Company.

4.6. All lot corners shall be properly marked so that the Company or its engineer can, upon receipt of "as-built" drawings, verify the marked water and/or sewer services as to location and depth. In addition, for the purpose of locating and protecting installed service lines and valves the County or his contractor shall mark each service line and all valves with an eight (8) foot pressure treated wooden post in the manner shown on the design drawings and specifications. The County's contractor is required to install curb stop, meter box and valve box on each water service and valve as shown on design drawings.

4.7. All water and sewer services and valves shall be marked on the street curbs by etching into the concrete or if no curb is available, a four (4) inch square metal tag is to be nailed to the street's pavement and painted as specified on design drawings.

4.8. Gilman shall furnish a one (1) year written warranty and a one (1) year maintenance bond on the facilities installed. If Gilman does not obtain such written warranty and maintenance bond from the contractor and deliver same to the Company, then in such event, Gilman, by the terms of this instrument, agrees to indemnify and save harmless the Company for any loss, damages, costs, claims, suits, debts or demands by reason of defects in the facilities discovered within a period of one (1) year from and after the date of acceptance by the Company of the facilities.

4.9. Bill of Sale from the County to the Company for the systems and facilities to be conveyed to the Company as described in Section 3.1.

4.10. Conveyance of perpetual easements for all on-site water distribution and sewer collection lines, meters, and related appurtenances, including the right of ingress and egress to each of the building sites on the County's property which are to be owned by the Company as described in Section 3.1.

~~4.11. A Warranty Deed for any and all Land on which lift stations or water stations or other improvements are constructed.~~ **INAPPLICABLE TO THIS CONTRACT.**

4.12. The title insurance in the name of the Company, mortgage releases and mortgage subordinations for real property conveyed to the Company by Warranty Deed (if applicable) or Easement.

4.13. For on-site and off-site facilities constructed by the County for dedication to the Company, provide the Company an accounting of the original cost of construction (schedule of values) segregated by NARUC Accounts, and CIAC Tax Impact Payment covering such dedicated facilities.

4.14. Sales Tax (on Contributed Property) - Parties agree that with respect to property contributions the County and not the Company is the Prime Contractor and as such shall be responsible for payment of all Florida sales tax applicable thereto and shall indemnify the Company against any liability for the same.

4.15. Letter(s) of approval from the necessary regulatory agency of the water and/or sewer system are required prior to final inspection.

4.16. A copy of the certified water pressure test and force main test from the engineer of record as deemed applicable by the Company.

4.17. Certification by the design engineer that the system was constructed as designed.

4.18. Pump performance test on pumping station if deemed applicable by the Company.

4.19. Releases of liens from the Contractor, and all subcontractors.

4.20. The Company shall have the right to refuse to accept the County's construction until all items required herein are delivered to and are acceptable by the Company and the County's construction has passed certain tests, which shall be witnessed by the Company, including, without limitation, a five percent (5%) mandrill test and closed circuit television inspection of the gravity sewer lines, on-site force mains, and on-site water mains. Said tests to be performed as many as three (3) times: (1) upon completion of the system; (2) upon completion of all building, roads, paving, drainage, and all construction within the easement area or adjacent areas; (3) at any such other time within a one (1) year period after acceptance if the Company deems necessary. All such tests shall be at the expense of Gilman.

5. On-Site Sewage and Water Facility: Ownership

5.1. After construction by the County of the on-site Systems described in Section 3, and the Company's acceptance thereof, the Company or its assigns shall then be the sole, absolute and exclusive owner of all sewer and water facilities as described in Section 3.1, whether located on, under, above or outside of the property herein described in Exhibit A and regardless of who may have installed or constructed same to extent described below.

5.2. All water mains, pipes, valves and fittings and appurtenances up to and including all meters shall be owned, operated and maintained by the Company. All water pipes on the end-user's side of the meter shall be owned, operated and maintained by the end-users (the County).

5.3. All sewer force mains and appurtenances, including service pipes in public rights of way and dedicated easements, shall be owned, operated and maintained by the Company.

5.4. The Company shall have the right to utilize all on-site water and sewage lines and systems to provide service to properties other than those described in Exhibit A, provided this does not unreasonably interfere with service to the Project.

6. Provision of Utility Service

6.1. Upon sufficient application by the County (end-user), builder or their authorized representative, the Company agrees to connect and provide the requested utility service at no additional connection fee (other than those provided for in this Agreement), but subject to the continuing operating rules and regulations of the Company including, without limitation, the periodic payment of the water base facilities and usage charges and sewer base facilities and usage charges in accordance with the Company's then-current Tariff on file at the Commission. It shall be the responsibility of the County to pay for the utility services utilized at the Project.

6.2. It shall be the responsibility of the County to locate for builders any water and sewer taps or lines necessary in conjunction with residential or commercial construction.

6.3. The County agrees that the Company shall have the exclusive right to furnish potable water and sanitary sewer service to the Project pursuant to its certificate from the Florida Public Service Commission, the terms of the Company's rules, its tariff and all applicable law, ordinance and regulation except, however, water and water uses derived from private individual irrigation and/or private cooling wells which may be permitted on said Land shall not come within the terms of this Agreement.

6.4. The rates charged by the Company for water and sewer service shall be in accordance with its then current tariff/rate schedule which, from time to time, may be amended. Gilman shall guarantee to the Company a total minimum revenue during the Period of Capacity Reservation, which shall be equal to the Guaranteed Revenue Charges provided in the Company's approved tariffs, multiplied by the number of ERCs reserved by the County. The base facilities portion of revenue collected from active

customers in the project shall be subtracted from such total Guaranteed Revenue Charges to calculate a net billing to Gilman.

6.5. The Company does not guarantee an uninterrupted supply of water, or water at any particular pressure, and reserves the right to shut off the water in its main at any time for the purpose of extending facilities, making repairs, providing temporary or emergency water supply and for other necessary business purposes as determined by the Company. The Company will not be responsible for any damage caused by low pressure or interruption of service.

6.6. With the exception of wastewater from the floor drains at the Project, the County shall not discharge into the sanitary sewer system water from "non-domestic" drains including without limitation, swimming pools, air conditioning condensation lines, cooling lines or other discharge from any type of equipment.

6.7. The Company shall not be obligated to furnish any water or sewer service to any building which is built on the County's property to which the Company does not have lawful access by way of easement or Warranty Deed.

6.8. The Company shall not be responsible for sewage overflows in any building structures where the lowest floor elevation is less than that of the next upstream manhole. Company will not be held responsible for flooding problems which may result from failure of sewer line back flow preventor valves installed on the County's property in an attempt to provide protection from such conditions. Gilman shall protect, defend, indemnify and hold the Company, its officers, directors, employees, agents and contractors harmless against any liabilities, including court costs and attorneys fees, resulting from or arising out of flooding due to back flow preventor valve failure.

6.9. The Company shall have the right to determine reasonable meter size and location.

7. Land and Land Rights

7.1. The County warrants that it will be the owner of the Land at the time of final acceptance of the on-site property by the Company in accordance with Section 4 of this contract described herein and agrees to have all mortgages or other liens thereon subordinated to the terms of the Agreement prior to acceptance of the facilities by the Company.

7.2. The County will grant to the Company, at the County's sole expense, exclusive and perpetual easements for on-site water distribution and sewer collection lines, meters, and related appurtenances, including the right of ingress and egress to each of the building sites on the County's property which are served by the Company. Where the County's property is adjacent to any publicly dedicated road right of way, the County will grant to the Company a 25 foot easement along and adjacent to said publicly dedicated road right of way.

7.3. The County will furnish the Company the aforesaid Easements and title insurance satisfactory to the Company as required by the Company no later than final acceptance of the system by the Company under Section 4 of this Agreement.

7.4. All taxes or charges imposed upon the Land described above by any government or governmental agency shall be the sole responsibility of and paid by the County.

8. Damages

8.1. Damages which occur to the Company's water distribution and sewage collection system during subsequent site preparation and/or construction by the County and/or customer which are not the result of the negligence or willful act of the Company, shall be the responsibility of Gilman, and such responsible party shall pay the Company for all necessary repairs.

8.2. The Company shall provide an itemized invoice to Gilman and/or the County for all necessary repairs as described in 8.1. Bills are due when rendered, and if not paid within thirty (30) days thereafter become delinquent.

9. Force Majeure

9.1. In the event that the performance of this Agreement by either party to this Agreement is prevented or interrupted in consequence of any cause beyond the control of either party, including but not limited to Act of God or of the public enemy, war, national emergency, allocation or other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil rights disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, sinkholes, earthquake, or other casualty or disaster or catastrophe, unforeseeable failure or breakdown of treatment, pumping transmission or other facilities, governmental rules or acts or orders or restrictions or regulations or requirements, acts or actions of officials or officers, the enactment of any statute or ordinance or resolution or regulation or rule or ruling or order, order or decree or judgment or restraining order or injunction of any court, said party shall not be liable for such non-performance. Such party shall notify the other party of any force majeure and will diligently strive to remove same.

10. Commission Approval

10.1. This Agreement, its related addenda, and the performance of the parties hereunder are subject to and conditioned upon the approval of this Agreement by the Florida Public Service Commission, and any other agency having regulatory jurisdiction; and the approval of the Florida Department of Environmental Regulation, or any other agency having construction or operational jurisdiction, of any permissions necessary to the provision of services contemplated by this Agreement. To the reasonable extent of their responsibilities under this Agreement, the Company, Gilman and the County shall cooperate to obtain such approval and/or permission to protect and preserve the intents of this Agreement.

10.2. In the event the Commission or such other governmental agency having jurisdiction over water and sewer services requires the Company to accept water and sewer services from any governmental entity or agency, then in such event the parties shall abide by rates and charges for water and/or sewer treatment service as are established by the Commission.

11. Service Contingent Upon Execution of Utility Service Agreements by Sunray with both the County and the DMV

11.1. Sunray's obligations hereunder are contingent upon the DMV's execution of a Utility Service Agreement with Sunray and timely performance (payments due at time of execution by DMV). If the DMV fails to execute an acceptable Utility Service Agreement with Sunray and perform as required thereunder within one (1) month of the date hereof, Sunray may cancel and terminate this Agreement and return any funds paid to Sunray in excess of those already expended by Sunray in furtherance of performance under this Agreement.

12. Government Acquisition

12.1. In the event the Company is acquired by any governmental agency by purchase or condemnation, this Agreement will terminate; whereupon, the Company shall either (a) cause such governmental agency to assume this Agreement or (b) refund to Gilman the plant capacity charges previously paid by Gilman for only so much thereof as has not been consumed by Gilman.

13. Notices

13.1. All notices that may or must be given under this Agreement shall be in writing and shall be valid upon depositing with the United States postal service, postage and charges prepaid and addressed as follows:

COMPANY:

Robert P. Todd, Vice President
Sunray Utilities - Nassau, Inc.
P.O. Box 1708
Fernandina Beach, Florida 32034

GILMAN:

Eugene P. Rose, Plantation Manager
Gilman Investment Company
726 Owens Road
Yulee, Florida 32097

COUNTY:

Mr. Michael Mullin
Nassau County Attorney
P.O. Box 1010
Fernandina Beach, FL 32034

Mr. John Crawford
Nassau County Commissioner
P.O. Box 1010
Fernandina Beach, FL 32034

14. Miscellaneous

14.1. The definitions of various terms utilized in this Agreement are as set forth in Exhibit B of this Agreement and by this reference made a part hereof.

14.2. This Agreement shall be binding upon and shall, within the stated intents hereof, inure to the benefit, as applicable, of the County, Gilman, the Company and their respective successors and assigns; however, if Gilman has not paid and delivered to the Company the plant capacity and service availability charges, fees and all charges provided to be paid to the Company by Gilman under the terms of this Agreement and if the County has not delivered to the Company all easements and conveyances required by this Agreement, then this Agreement shall not inure to the benefit of the successors or assigns of the County.

14.3. This Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may not be modified, amended or otherwise changed in any manner except by a writing executed by the parties.

14.4. Time is of the essence in the payment of any monies payable by this Agreement; performance of all other provisions shall be by reasonable time.

14.5. The titles and headings of the various sections hereof are intended solely for means of reference and are not intended to modify, explain or place any construction on any of the provisions of this Agreement.

14.6. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement by the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14.7. All Exhibits attached hereto are incorporated herein by reference to the same extent as though such Exhibits were repeated in the body of this Agreement verbatim. The Exhibits are as follows:

Exhibit A: Drawing No. B-1-1342-12-92 by Privett & Associates, Inc., dated 12/12/91
Exhibit B: Definitions
Exhibit C: CIAC Tax Impact Charge
Exhibit D: Estimate of the Cost of Extension
Exhibit E: Contract Classification

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

SUNRAY UTILITIES-NASSAU, INC.
(P.O. Box 1708, Fernandina Beach, FL 32034)

Witnesses:

- #1. Charlotte M. Keefer (Sign)
Charlotte M. Keefer (Print)
- #2. Deborah B. Goode (Sign)
Deborah B. Goode (Print)

By: Robert P. Todd (Sign)
ROBERT P. TODD (Print)
As: VICE PRESIDENT (Title)

Attest: Nancy J. Beroff (Sign)
NANCY J. BEROFF (Print)
As: Assistant Secretary (Title)

(Corporate Seal)

GILMAN INVESTMENT COMPANY
(726 Owens Road, Yulee, FL 32097)

Witnesses:

- #1. Stephen Cropper (Sign)
STEPHEN CROPPER (Print)
- #2. Heleen McEachrane (Sign)
HELEEN McEACHRANE (Print)

By: Howard Gilman (Sign)
HOWARD GILMAN (Print)
As: CHAIRMAN (Title)

Attest: Natalie Moody (Sign)
NATALIE MOODY (Print)
As: SECRETARY (Title)

(Corporate Seal)

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS
(P.O. Box 1010, Fernandina Beach, FL 32034)

Witnesses:

- #1. Joyce T. Bradley (Sign)
Joyce T. Bradley (Print)
- #2. Margie J. Armstrong (Sign)
Margie J. ARMSTRONG (Print)

By: James E. Testone (Sign)
James E. Testone (Print)
As: Vice Chairman (Title)

Attest: J. I. Greeson (Sign)
J. I. Greeson (Print)
As: Ex-Officio Clerk (Title)

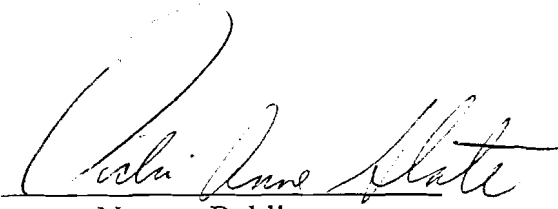
(Corporate Seal)

STATE OF NEW YORK

COUNTY OF NEW YORK

BEFORE ME the undersigned authority personally appeared HOWARD GILMAN and NATALIE MOODY, as Chairman and Secretary, respectively, of GILMAN INVESTMENT COMPANY, a Delaware corporation, who acknowledged before me the execution of this instrument by authority and on behalf of said corporation. Both are personally known to me and did not take an oath.

IN WITNESS WHEREOF I have set my hand and seal, this 24th day of July, 1992.

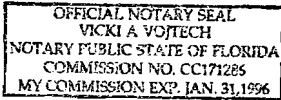

Notary Public

VICKI ANNE SLATE
Notary Public, State of New York
No. 31-4709387
Qualified in New York County
Commission Expires August 31, 1992

STATE OF FLORIDA
COUNTY OF NASSAU

BEFORE ME the undersigned authority personally appeared Robert P. Todd, and Mary J. Berner, as Vice President and Assistant Secretary, respectively, of **SUNRAY UTILITIES - NASSAU, INC.**, a Delaware corporation, who acknowledged before me the execution of this instrument by authority and on behalf of said corporation. Both are personally known to me and did not take an oath.

IN WITNESS WHEREOF I have set my hand and seal upon this 6th day of August, 1992.



Vicki A. Vojtech (Sign)
VICKI A. VOJTECH (Print)
NOTARY PUBLIC
State of Florida
Commission No. _____
Commission Expires: _____
OFFICIAL NOTARY SEAL
VICKI A. VOJTECH
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC171285
MY COMMISSION EXPIRES JAN 31 1996

~~STATE OF Florida
COUNTY OF Nassau~~

~~BEFORE ME the undersigned authority personally appeared Eugene P. Rose and Richard C. Bacon, as Plantation Manager and Secretary, respectively, of **GILMAN INVESTMENT COMPANY**, a Delaware corporation, who acknowledged before me the execution of this instrument by authority and on behalf of said corporation. Both are personally known to me and did not take an oath.~~

~~IN WITNESS WHEREOF I have set my hand and seal, this 28th day of May, 1992.~~

~~Sylvia A. Stalvey (Sign)
Sylvia A. Stalvey (Print)
NOTARY PUBLIC
State of Georgia
Commission No. _____
Commission Expires: December 20, 1992~~

STATE OF Florida
COUNTY OF Nassau

BEFORE ME the undersigned authority personally appeared James E. Testone and T. J. "Jerry" Greeson, as Vice Chairman and Ex-Officio Clerk, respectively, of **NASSAU COUNTY BOARD OF COMMISSIONERS**, a political entity, who acknowledged before me the execution of this instrument by authority and on behalf of said corporation. Both are personally known to me and did not take an oath.

IN WITNESS WHEREOF I have set my hand and seal, this 11th day of August, 1992.

Margie J. Armstrong (Sign)
MARGIE J. ARMSTRONG (Print)
NOTARY PUBLIC
State of _____
Commission No. _____
Commission Expires: _____
MARGIE J. ARMSTRONG
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Nov. 5 1995
Commission No. CC157999

DEFINITIONS

CIAC - Contributions-in-aid-of-construction (CIAC) means any amount or item of money, services, or property received by a utility, from any person or governmental agency any portion of which is provided at no cost to the utility, which represents an addition or transfer to the capital of the utility, and which is utilized to offset the acquisition, improvement, or construction costs of the utility's property, facilities or equipment used to provide utility services to the public. The term includes system capacity charges, main extension charges and customer connection charges.

Company's Off-site Systems - That portion of the Company's water and wastewater systems necessary to provide adequate services to the County's property; exclusive of the County's on-site and off-site systems; as may be further defined by the Agreement, its exhibits, attachments, or addenda.

County's Off-site Systems - That portion of the water and wastewater improvements or additions to the Company's systems constructed outside the boundaries of the County's property, which are necessary to connect the County's On-site systems with the Company's Off-site system to provide adequate services to the County's property; as may be further defined by the Agreement, its exhibits, attachments, or addenda.

County's On-site Systems - That portion of the water and wastewater improvements or additions to the Company's systems which are constructed within the boundaries of the County's property; as may be further defined by the Agreement, its exhibits, attachments, or addenda.

Domestic Sewage - Sewage containing not more than three hundred (300) parts per million biochemical oxygen demand or three hundred (300) parts per million suspended solids.

ERC - Equivalent Residential Connection. In capacity calculations, an ERC means:

- a) 350 gallons per day of average daily water flow (ADF) or,
- b) The number of gallons (ADF) demonstrated by the Company to be that of a Single Family Residential Unit or,
- c) The number of gallons (ADF) approved by the Department of Environmental Regulation for a Single Family Residential Unit.

In proposed commercial developments, the estimated number of ERCs are determined by use of the Company's Schedule of Commercial Flow Values, established by the Company's operations or by its engineers.

Each individually metered/connected unit (residential or commercial) shall be considered as a minimum of one ERC, irrespective of its estimated average daily flows.

FDER - The Florida Department of Environmental Regulation or its successors in authority.

FPSC (or Commission) - The Florida Public Service Commission or its successor in authority.

Hydraulic Share - A part of the service capability of the facilities being constructed or made available to furnish service. A technique used to apportion the responsibility for cost of such facilities among benefitting parties.

NARUC - The National Association of Regulatory and Utility Commissioners; as used in this Agreement, refers to the NARUC accounting system for Water and Sewer Utilities employed by the FPSC.

Point of Connection - The point at which the County's construction of water and wastewater improvements or additions (on-site or off-site) connect with the Company's existing water and wastewater systems; as may be further defined by the Agreement, its exhibits, attachments, or addenda.

Exhibit C

CIAC TAX IMPACT CHARGE

Factor Derivation and Application to Utility Service Agreement Charges

Company: Sunray Utilities-Nassau, Inc. Tax Year: 1992

Authority: Florida Public Service Commission Order No. 16971-12/18/86 and Order No. 23541-10/1/90.

1. Factor Derivation

$$\text{Formula: } \frac{100 - R}{37.77} - R = 100 - 37.33 \text{ (60\% Tax Factor)}$$

Where R = Applicable marginal rate of Federal and State Income Tax

State Marginal Tax Rate: 5.5% (a)

Federal Marginal Tax Rate: 34.0% (b)

$$R = 5.5 + (34.0) \times (100 - 5.5) = 37.33$$

II. Application of Factor to Agreement Charges

A. Agreement Cash Contributions:

$$\text{Agreement Tax CIAC Tax} = \text{Charges} \times \text{Factor} = \text{Impact Charges}$$

Water: \$
Sewer: \$

Total of Water & Sewer Tax Impact Charges: \$ _____

B. Agreement Plant Contributions

(CIAC Tax Impact Charges are determined at the time County - Constructed Assets are dedicated to Company):

$$CP - (CP * 1/TL * AR * .5) * (1/(1 - CTR))$$

(Established by Schedule of Values, (Due at Time of Dedication) Section 4.13)

WHERE: CP = Contributed Plant

TL = Tax Life for Contributed Plant

AR = Accelerated Tax Rate

CTR = Combined Federal and State Income Tax Rate

CL = Contributed Land

C. Agreement Land Contributions

$$(CL * (1/(1 - CTR)))$$

WHERE: CP = Contributed Plant

TL = Tax Life for Contributed Plant

AR = Accelerated Tax Rate

CTR = Combined Federal and State Income Tax Rate

CL = Contributed Land

Exhibit D

ESTIMATE OF THE COST OF EXTENSION

WATER

	<u>Quantity</u>	<u>Price Per Unit</u>	<u>Amount</u>
24" PVC A1A to WTP #2	0	\$38.00	\$.00
16" PVC	300	20.00	6,000.00
16" Tee	1	985.00	985.00
16" x 12" Tee	3	276.66	830.00
16" Gate Valves	3	2,150.00	6,450.00
Jack and Bore	0	126.00	.00
12" PVC Pipe	2,320	15.00	34,800.00
12" Tee	1	400.00	400.00
12" x 10" Reducer	1	215.00	215.00
12" Gate Valves	4	1,200.00	4,800.00
10" PVC	0	15.00	.00
10" Tee	0	320.00	.00
10" x 8" Reducer	0	155.00	.00
10" Gate Valves	0	770.00	.00
8" PVC	0	11.00	.00
8" Reducer Valves	0	1,500.00	.00
Fire Hydrants	3	1,500.00	4,500.00
Total Water			\$58,980.00

WASTEWATER

Gravity Main 8'-10' Deep	0	\$13.00	\$.00
Gravity Main 10'-12' Deep	0	15.00	.00
8' Manholes	0	1,200.00	.00
10' Manholes	0	1,400.00	.00
12' Manholes	0	1,600.00	.00
8" Forcemain	2,998	10.00	29,980.00
Jack and Bore	0	145.00	.00
Clear and Grub New Route	1	4,000.00	4,000.00
Lift Station	0	90,000.00	.00

Total Wastewater **\$33,980.00**

GRAND TOTAL HARD COSTS **\$92,960.00**

SOFT COSTS

Contingency - 10%	\$9,296.00
Engineering - Design	6,715.00
Engineering - Supervision	653.00
Overhead	302.00
SECE	1,511.00
JUM	358.00

Total Soft Costs **\$18,835.00**

GRAND TOTAL ESTIMATE OF CONSTRUCTION ADVANCE **\$111,795.00**

Exhibit E

Contract Classification

This Utility Service Agreement between SUNRAY UTILITIES - NASSAU, INC., Nassau County, and GILMAN INVESTMENT COMPANY, executed on _____ (Date) is for a Project commonly referred to as the Nassau County Animal Shelter, and on _____ (Date) was submitted to the Florida Public Service Commission in accordance with its water and sewer rule number 25-30.550 as a :

- Regular Developer's Agreement
- Special Service Availability Contract and will become effective:
 - On _____ (Date) unless notice of Intent to Disapprove is issued by the Commission (Regular Developer's Agreement)
 - When approved by the Commission (Special Service Availability Contract)

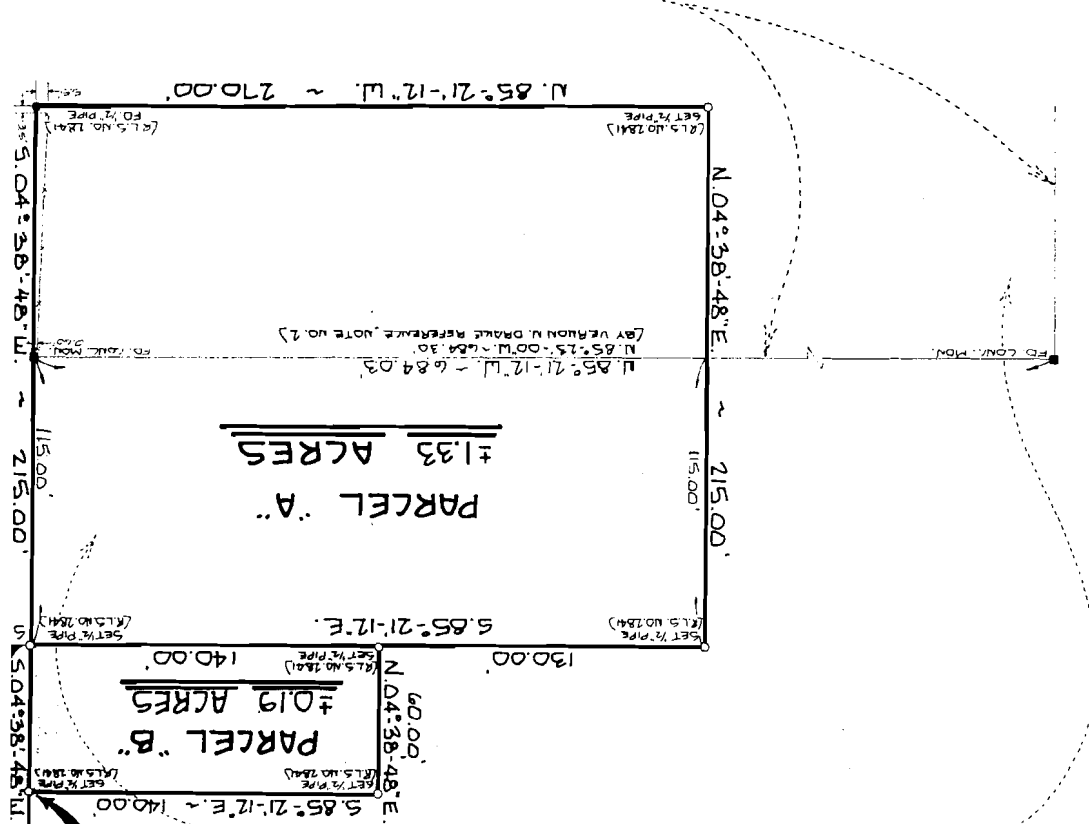
At date of execution:	<u>Water</u>	<u>Sewer</u>
The Treatment Plant Capacity was:	429 ERCs	534 ERCs
The Connection Load was:	507 ERCs	501 ERCs
Capacity Reserved by this Agreement is:	4 ERCs	4 ERCs

335313

CERT
MININ
THE
TO :

- NOTES:
- 1) BEARINGS SHOULD REFER TO THE BEARING OF 5°12'46".59"E. FOR STATE ROAD NO. 200/A-1-D AS SHOWN ON D.O.T. R/W MAPS FOR SECTION 20060-2503.
 - 2) REFERENCE TO A BOUNDARY SURVEY (B-3-126-10-B5) FOR I.T. RAYONIER, INC. BY PRIVATE & ASSOCIATES, INC. DATED: OCTOBER 14, 1985, AND SURVEY BY VERNON N. DRAKE OF LANDFILL AREA DATED: MARCH 12, 1971.
 - 3) THIS PROPERTY WAS SURVEYED WITHOUT THE BENEFIT OF A TITLE ABSTRACT.
 - 4) NO ATTEMPT TO DETERMINE THE LIMITS OF JURISDICTION OF THE ARMY CORPS OF ENGINEERS, THE DEPT. OF NATURAL RESOURCES, THE DEPT. OF ENVIRONMENTAL REGULATIONS OR THE ST. JOHNS WATER MANAGEMENT DISTRICT MADE OR IMPLIED BY THIS SURVEY.

PREVIOUSLY LEASED COUNT
I.T. RAYONIER



POINT OF BEGINNING
(FOR 60' EASEMENT)
FROM PARCEL "B" BY VERNON N. DRAKE, REFERENCE NO. 2, 1/2" PIPE, S.L.S. NO. 2844.

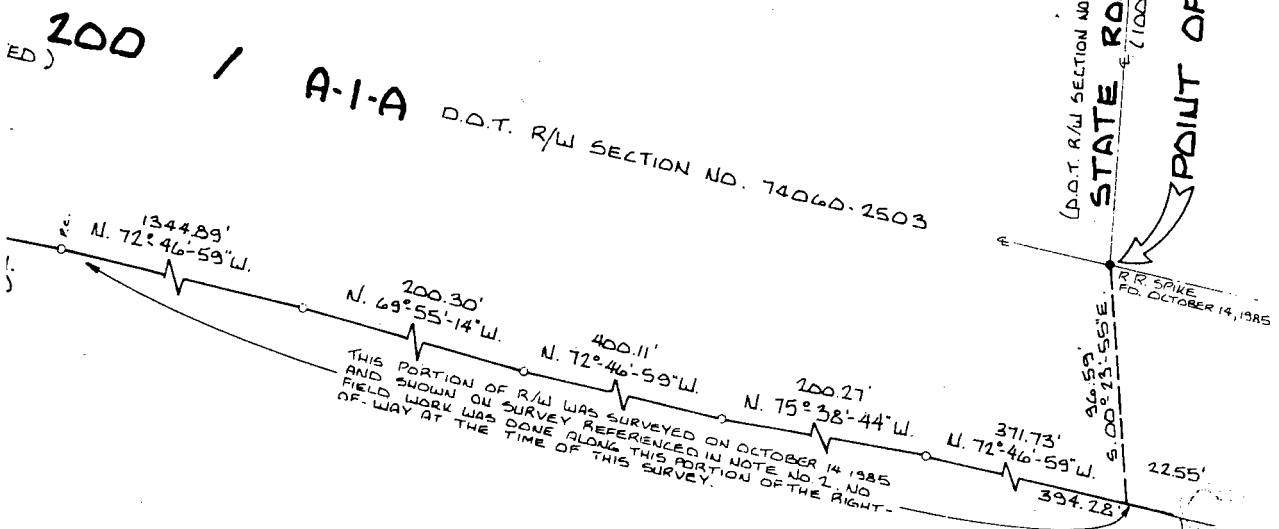
LEGAL DESCRIPTION OF 60-FOOT WIDE EASEMENT

ALL THAT CERTAIN TRACT OF LAND BEING A PORTION OF THE JOHN LOWE WILL GRANT, LYING IN SECTION 37, TOWNSHIP 2 NORTH, RANGE 27 EAST, MASSACHUSETTS COUNTY, FLORIDA, BEING A 60-FOOT WIDE EASEMENT FOR IMPRESS, FORESTS AND UTILITIES AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: FOR A POINT OF REFERENCE COMMENCE AT A BALDWIN STATE ROAD AT THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200-A-1-A 100-FOOT RIGHT-OF-WAY AS ESTABLISHED BY DEPARTMENT OF TRANSPORTATION THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200A-1-A INTERSECTS THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200A-1-A AT A VARYING RIGHT-OF-WAY AS ESTABLISHED BY DEPARTMENT OF TRANSPORTATION THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200A-1-A INTERSECTS THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200A-1-A AT A VARYING DISTANCE OF 96.58 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD NO. 200A-1-A; RUN THENCE THE FOLLOWING COURSE: WEST 46° 59' WEST, A DISTANCE OF 200.27 FEET TO A POINT; NORTH 75° 38' 44" WEST, A DISTANCE OF 371.73 FEET TO A POINT; NORTH 75° 38' 44" WEST, A DISTANCE OF 200.27 FEET TO A POINT; NORTH 72° 46' 59" WEST, A DISTANCE OF 200.30 FEET TO A POINT; NORTH 72° 46' 59" WEST, A DISTANCE OF 134.89 FEET TO A POINT OF CURVATURE; RUN THENCE IN A WESTERLY DIRECTION ALONG THE ARC OF A CURVE, SAID CURVE BEING CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 5608.17 FEET, A CHORD DISTANCE OF 546.17 FEET, A CHORD BEARING OF 12° 04' 38" 48" WEST; A DISTANCE OF 400.11 FEET TO A POINT; NORTH 75° 38' 44" WEST, A DISTANCE OF 60.00 FEET TO A POINT; RUN THENCE SOUTH 85° 21' 12" WEST, A DISTANCE OF 209.11 FEET TO A POINT; RUN THENCE SOUTH 85° 21' 12" WEST, A DISTANCE OF 60.00 FEET TO A POINT; RUN THENCE SOUTH 85° 21' 12" WEST, A DISTANCE OF 201.44 FEET TO A POINT ON THE SOUTHERLY CURVED SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 200A-1-A; RUN THENCE IN A WESTERLY DIRECTION ALONG THE ARC OF A CURVE, SAID CURVE BEING CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 5608.17 FEET, A CHORD DISTANCE OF 546.17 FEET, A CHORD BEARING OF 12° 04' 38" 48" WEST; FROM THE POINT OF BEGINNING THUS DESCRIBED RUN SOUTH 04° 38' 48" WEST, A DISTANCE OF 209.11 FEET TO A POINT; RUN THENCE SOUTH 85° 21' 12" WEST, A DISTANCE OF 60.00 FEET TO A POINT; RUN THENCE SOUTH 85° 21' 12" WEST, A DISTANCE OF 201.44 FEET TO A POINT; RUN THENCE SOUTH 85° 21' 12" WEST, A DISTANCE OF 60.00 FEET TO A POINT; RUN THENCE SOUTH 85° 21' 12" WEST, A DISTANCE OF 209.11 FEET TO THE POINT OF BEGINNING; THE BEARING OF THE ABOVEMENTIONED CHORD BEING NORTH 75° 38' 44" WEST.

STATE ROAD

OF THE JOHN LOWE MILL GRANT
ON 37, TOWNSHIP 2 NORTH, RANGE 27 EAST;
NASSAU COUNTY, FLORIDA

SR: RAYLAND COMPANY, INC.



LEGAL DESCRIPTION OF PARCEL A

ALL THAT CERTAIN TRACT OR PARCEL OF LAND BEING A PORTION OF THE JOHN LOWE MILL GRANT, LYING IN SECTION 37, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: FOR A POINT OF REFERENCE COMMENCE AT A RAILROAD SPIKE FOUND AT THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200-A (A 100-FOOT RIGHT-OF-WAY AS ESTABLISHED BY DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAPS, SECTION NO. 74600-2150 (7460-175) INTERSECTS THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200-A (A 100-FOOT RIGHT-OF-WAY AS ESTABLISHED BY DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAPS, SECTION NO. 74060-2503) AND RUN SOUTH 00°-23'-55\"/>

LEGAL DESCRIPTION OF PARCEL B

ALL THAT CERTAIN TRACT OR PARCEL OF LAND BEING A PORTION OF THE JOHN LOWE MILL GRANT, LYING IN SECTION 37, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: FOR A POINT OF REFERENCE COMMENCE AT A RAILROAD SPIKE FOUND AT THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200-A (A 100-FOOT RIGHT-OF-WAY AS ESTABLISHED BY DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAPS, SECTION NO. 74600-2150 (7460-175) INTERSECTS THE RIGHT-OF-WAY CENTERLINE OF STATE ROAD NO. 200-A (A 100-FOOT RIGHT-OF-WAY AS ESTABLISHED BY DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAPS, SECTION NO. 74060-2503) AND RUN SOUTH 00°-23'-55\"/>

MAP AMENDED JANUARY 22, 1992 TO SHOW 60' EASEMENT.

NOTE: PLAT REVISED JANUARY 16, 1992 TO MODIFY BOUNDARY

THIS SURVEY NOT VALID UNLESS THIS PRINT IS EMBOSSED WITH THE SEAL OF THE BELOW SIGNED.

I HEREBY CERTIFY THAT THE ABOVE LAND WAS SURVEYED UNDER MY DIRECT SUPERVISION AND THAT THE CORNERS ARE LOCATED UPON SAME AS SHOWN AND THAT THERE ARE NO ENCROACHMENTS UPON SAID LAND EXCEPT AS SHOWN


FLOOD CERTIFICATE: THIS IS TO CERTIFY THAT THE SUBJECT PROPERTY IS SHOWN TO BE IN FLOOD HAZARD ZONE X - UNSHADED AS PER FIR MAPS, COMM PANEL NO. 12D170 0360 C FOR NASSAU COUNTY, FLORIDA DATED: MAY 4, 1988

EQUIPMENT USED FOR MEASUREMENTS:
ANGULAR: PENTAX 10D LINEAR: PENTAX 10D
THIS FIELD DATA UPON WHICH THIS PLAT IS BASED HAS A CLOSURE PRECISION OF ONE FOOT IN 10,000 ± FEET AND AN ANGULAR ERROR OF 1 SEC. PER ANGLE AND WAS ADJUSTED USING COMPASS RULE

SCALE: 1" = 50'

DATE DECEMBER 12, 1991

DWN BY ALH CKD BY: PJ



PRIVETT & ASSOCIATES, INC.
SURVEYORS & LAND PLANNERS
1320 GEORGIA HIGHWAY 40 E
ST. MARYS, GA 31558

REGISTERED SURVEYOR NO. 2218 GA
REGISTERED SURVEYOR NO. 3841 FLA

IMPLIES WITH THE
AS SET FORTH BY
SURVEYORS, PURSUANT
FLORIDA STATUTES.

EXHIBIT A