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**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

Joint Application of Florida Water Services Corporation and Spruce Creek South Utilities, Inc., for transfer of all water and wastewater facilities of Spruce Creek South Utilities, Inc., in Marion County to Florida Water Service Corporation, cancellation of Certificates Nos. 511-W and 467-S and amendment of Certificates Nos. 373-W and 322-S;

And

Joint Petition for Approval of Special Irrigation Water Agreements between Florida Water Services Corporation and Spruce Creek Preserve Homeowners' Association, Inc., and Spruce Creek Golf & Country Club Homeowners' Association, Inc.; for Approval of Reclaimed Water Agreement between Florida Water Services Corporation and Del Webb's Spruce Creek Communities, Inc.; for Approval of Futures Agreement between Florida Water Services Corporation and Del Webb's Spruce Creek Communities, Inc.; and for Approval of Developer's Agreement between Florida Water Services Corporation and Del Webb's Spruce Creek Communities, Inc.

**CONTAINING:**

**APPLICATION AND EXHIBITS**

FILED : August 11, 2000

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DOCUMENT NUMBER-DATE

09757 AUG 11 8

FPSC RECORDS REPORTING

APPLICATION FOR SALE, ASSIGNMENT OR TRANSFER  
OF CERTIFICATE OR FACILITIES

(Pursuant to Section 367.071, Florida Statutes)

TO: Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

The undersigned hereby makes application for the sale,  
assignment or transfer of all of Water Certificate No. 511-W  
and/or Wastewater Certificate No. 467-S or facilities in Marion  
and Sumter County, Florida, and submits the following  
information:

**PART I    APPLICANT INFORMATION**

- A) The full name (as it appears on the certificate), address  
and telephone number of the applicant:

Florida Water Services Corporation \*  
Name of utility

(407) 598-4100    (407) 598-4241  
Phone No.    Fax No.

1000 Color Place  
Office street address

Apopka                      FL              32703  
City                                      State      Zip Code

P.O. Box 609520, Orlando, FL 32860  
Mailing address if different from street address

www.Florida-Water.com  
Internet address if applicable

B) The name, address and telephone number of the person to contact concerning this application:

Ken Hoffman - Rutledge, Ecenia, et al,  
Counsel for Florida Water (850) 681-6788  
Name Phone No.

215 South Monroe Street, Suite 420  
Street address

Tallahassee FL 32301  
City State Zip Code

C) The full name (as it will appear on the certificate), address and telephone number of the buyer:

Florida Water Services Corporation  
Name of utility

(407) 598-4100 (407) 598-4241  
Phone No. Fax No.

1000 Color Place  
Office street address

Apopka FL 32703  
City State Zip Code

P.O. Box 609520, Orlando, FL 32860  
Mailing address if different from street address

www.Florida-Water.com  
Internet address if applicable

D) Indicate the organizational character of the buyer:  
(circle one)

Corporation Partnership Sole Proprietorship  
Other: \_\_\_\_\_  
(specify)

E) The date and state of incorporation or organization of the buyer:

November 22, 1961

- F) If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors. (Use additional sheet if necessary).

See Exhibit A

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- G) If the buyer is not a corporation, list the names, titles, and addresses of all persons owning an interest in the organization. (Use additional sheet if necessary.)

N/A

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**PART II FINANCIAL AND TECHNICAL INFORMATION**

- A) Exhibit B - A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

- B) List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

See Exhibit C

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- C) Exhibit D - A copy of the contract for sale and all auxiliary or supplemental agreements, which shall include, if applicable:

- (1) Purchase price and terms of payment.
- (2) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities.
- (3) A description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, assumption of obligations.

The contract for sale shall also provide for the disposition, where applicable, of the following:

- (a) Customer deposits and interest thereon;
  - (b) Any guaranteed revenue contracts;
  - (c) Developer agreements;
  - (d) Customer advances;
  - (e) Debt of the utility; and
  - (f) Leases.
- D) Exhibit     E     - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.
- E) Exhibit     F     - A statement describing the financing the purchase.
- F) Exhibit     G     - A list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.
- G) Exhibit     H     - The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. Identify all adjustments made to update this rate base (or net book value) to the date of the proposed transfer.
- H) Exhibit     I     - A statement setting forth the reasons for the inclusion of an acquisition adjustment, if one is requested. (An acquisition adjustment results when the purchase price of the utility differs from the original cost calculation.)

- I) The full name, address and telephone number of the person who has possession of the books and records of the seller:

John Regan (352) 347-0038  
Name Phone No.

8501 S. E. 140<sup>th</sup> Lane Road  
Street address

Summerfield FL 34491  
City State Zip Code

- J) Exhibit J - If the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records.

- K) Exhibit K - A statement from the buyer that is obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

- L) Exhibit L - A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection (DEP)

If the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violation, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them.

**PART III NOTICE OF ACTUAL APPLICATION**

A) Exhibit     M     - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:

- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Director of Records and Reporting;
- (7) the appropriate regional office of the Department of Environmental Protection; and
- (8) the appropriate water management district.

Copies of the Notice and a list of entities noticed shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

B) Exhibit     N     - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being

transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

- C) Exhibit     O     - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

**PART IV FILING FEE**

Indicate the filing fee enclosed with the application:

    \$2,250.00     (for water) and     2,250.00     (for wastewater).

Note: Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

- (1) For applications in which the utility to be transferred has the capacity to serve up to 500 ERC's, the filing fee shall be **\$750.**
- (2) For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be **\$1,500.**
- (3) For applications in which the utility to be transferred has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be **\$2,250.**
- (4) For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERC's the filing fee shall be **\$3,000.**

**PART V OTHER**

- A) Exhibit     P     - Evidence that the utility owns the land where the utility treatment facilities are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use

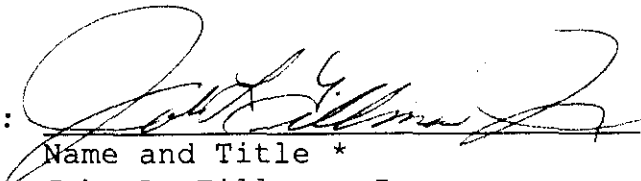


of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.

- B) Exhibit     Q     - The original and two copies of sample tariff sheets reflecting the new name of the utility, the existing rates and charges and territorial description of the water and/or wastewater systems.  
**Sample tariff(s) are attached.**
  
- C) Exhibit     R     - The utility's current certificate(s) or, if not available, an explanation of the steps the applicant took to obtain the certificate(s).

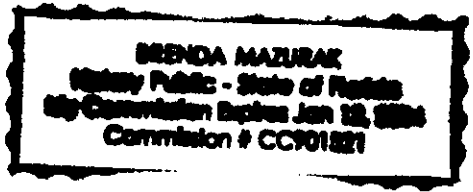
**PART VI AFFIDAVIT**

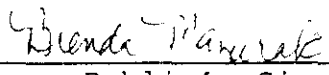
I John L. Tillman, Jr. (applicant) do solemnly swear or affirm that the facts stated in the forgoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.

BY:   
Name and Title \*  
John L. Tillman, Jr.  
Sr. Vice President  
Business Development\*

Subscribed and sworn to before me this 7th day in the month of

August in the year of 2000 by John L. Tillman, Jr., as Sr. Vice President - Business Development, who is personally known to me.



  
Notary Public's Signature  
Brenda Mazurak  
Print, Type or Stamp  
Commissioned name of Notary Public

\* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

## Exhibit A

If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors. (Use additional sheets if necessary).

Please see attached Appendix A-1.

Florida Water Services Corporation  
(a Florida corporation)Officers and Directors  
Effective June 15, 2000Directors:

John Cirello, Chairman  
1000 Color Place  
Apopka, Florida 32703

David Gartzke  
38 West Superior Street  
Duluth, Minnesota 55802

Eric Teittinen  
1000 Color Place  
Apopka, Florida 32703

Forrest L. Ludsen  
1000 Color Place  
Apopka, Florida 32703

Officers:

John Cirello  
President, Chief Executive Officer  
1000 Color Place  
Apopka, Florida 32703

John L. Tillman, Jr.  
Sr. Vice President-Business Development  
1000 Color Place  
Apopka, Florida 32703

Eric Teittinen  
Sr. Vice President-Operations & Engineering  
1000 Color Place  
Apopka, Florida 32703

Lester Abberger  
Sr. Vice President-Public Affairs  
1000 Color Place  
Apopka, Florida 32703

James A. Perry  
Sr. Vice President-Finance and Administration, Chief  
Financial Officer, Registered Agent  
1000 Color Place  
Apopka, Florida 32703

Frederick W. Leonhardt  
Sr. Vice President-Legal, Secretary, General Counsel  
1000 Color Place  
Apopka, Florida 32703

Stephen D. Jensen  
Treasurer  
1000 Color Place  
Apopka, Florida 32703

Charles L. Sweat  
Vice President-Developer Relations  
1000 Color Place  
Apopka, Florida 32703

Forrest L. Ludsen  
Sr. Vice President-Rates & Regulatory Affairs  
1000 Color Place  
Apopka, Florida 32703

Jose N. Albors  
Vice President-Health & Safety  
1000 Color Place  
Apopka, Florida 32703

Mercedes I. Guzman  
Vice President-Human Resources  
1000 Color Place  
Apopka, Florida 32703

Rafael A. Terrero  
Vice President-Environmental Compliance  
1000 Color Place  
Apopka, Florida 32703

Ida Roberts  
Vice President-Communications  
1000 Color Place  
Apopka, Florida 32703

Ying C. Lee  
Vice President-Engineering  
1000 Color Place  
Apopka, Florida 32703

Brian S. Bilinski  
Controller  
1000 Color Place  
Apopka, Florida 32703

Kirk D. Martin  
Assistant Secretary  
1000 Color Place  
Apopka, Florida 32703

Nancy E. Norris  
Assistant Controller  
1000 Color Place  
Apopka, Florida 32703

## Exhibit B

A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

The public interest will be well served by the transfer of Spruce Creek South Utilities, Inc. (Spruce Creek) facilities to Florida Water Services Corporation (FWS) because FWS has the requisite technical and superior financial ability to own and operate said facilities. FWS has been regulated by the Commission since 1964. FWS owns and operates water and wastewater facilities under Commission regulation in 121 service areas throughout the state of Florida. At year-end 1999, FWS's capital structure consisted of \$220 million in total capital including \$105 million in equity capital and \$115 million in long-term debt. FWS submits that it has the technical experience and financial size and strength to own and operate the Spruce Creek facilities, and the Commission has acknowledged Spruce Creek's technical and financial ability in previous proceedings, including transfers.

FWS will fulfill Spruce Creek's commitments, obligations, and representations regarding water and wastewater service to the extent set forth in this Application and the Asset Purchase Agreement (attached and marked "Appendix D").

## Exhibit C

List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

Please see attached Appendix C-1.

Water Plants Under FPSC Jurisdiction as of Feb. 2000

APPENDIX C-1

PAGE 1 OF 3

	SYSTEM NAME	COUNTY	CERT. NO.
1	Amelia Island	Nassau	171-W
2	Apple Valley	Seminole	279-W
3	Bay Lake Estates	Osceola	066-W
4	Beacon Hills	Duval	177-W
5	Beecher's Point	Putnam	076-W
6	Buenaventura Lakes	Osceola	066-W
7	Burnt Store	Charlotte / Lee	306-W
8	Carlton Village	Lake	106-W
9	Chuluota	Seminole	279-W
10	Citrus Park	Marion	373-W
11	Deep Creek	Charlotte	570-W
12	Deltona	Volusia	238-W
13	Dol Ray Manor	Seminole	279-W
14	Druid Hills	Seminole	279-W
15	East Lake Harris Estates	Lake	106-W
16	Fern Park	Seminole	279-W
17	Fern Terrace	Lake	106-W
18	Fisherman's Haven	Martin	368-W
19	Fountains	Osceola	066-W
20	Fox Run	Martin	368-W
21	Friendly Center	Lake	106-W
22	Geneva Lake Estates	Bradford	554-W
23	Gibsonia Estates	Polk	587-W
24	Grand Terrace	Lake	106-W
25	Harmony Homes	Seminole	279-W
26	Hermits Cove	Putnam	076-W
27	Hobby Hills	Lake	106-W
28	Holiday Haven	Lake	106-W
29	Imperial Mobile Terrace	Lake	106-W
30	Intercession City	Osceola	066-W
31	Interlachen Lake Estates	Putnam	076-W
32	Jungle Den	Volusia	238-W
33	Keystone Club Estates	Bradford	554-W
34	Keystone Heights	Clay	003-W
35	Kingswood	Brevard	002-W
36	Lake Ajay Estates	Osceola	066-W
37	Lake Brantley	Seminole	279-W
38	Lake Gibson Estates	Polk	587-W
39	Lake Harriet Estates	Seminole	279-W
40	Lakeview Villas	Clay	003-W
41	Lehigh	Lee	306-W
42	Leilani Heights	Martin	368-W
43	Leisure Lakes	Highlands	422-W
44	Marion Oaks	Marion	373-W

45	Meredith Manor	Seminole	279-W
46	Morningview	Lake	106-W
47	Oakwood	Brevard	002-W
48	Orange Hill	Polk	587-W
49	Palisades Country Club	Lake	106-W
50	Palm Port	Putnam	076-W
51	Palm Terrace	Pasco	209-W
52	Palm Valley	St. Johns	562-W
53	Palms Mobile Home Park	Lake	106-W
54	Park Manor	Putnam	076-W
55	Picciola Island	Lake	106-W
56	Pine Ridge Estates	Osceola	066-W
57	Piney Woods	Lake	106-W
58	Pomona Park	Putnam	076-W
59	Postmaster Village	Clay	003-W
60	Quail Ridge	Lake	106-W
61	Remington Forest	St. Johns	562-W
62	River Grove	Putnam	076-W
63	Salt Springs	Marion	373-W
64	Samira Villas	Marion	373-W
65	Saratoga Harbour	Putnam	076-W
66	Silver Lake Estates	Lake	106-W
67	Silver Lake Oaks	Putnam	076-W
68	Skycrest	Lake	106-W
69	St. Johns Highlands	Putnam	076-W
70	Stone Mountain	Lake	106-W
71	Sugar Creek	Polk	587-W
72	Sugar Mill	Volusia	238-W
73	Sunny Hills	Washington	501-W
74	Sunshine Parkway	Lake	106-W
75	Tangerine	Orange	Pending
76	Tomoka	Volusia	Pending
77	Tropical Park	Osceola	066-W
78	Valencia Terrace	Lake	106-W
79	Venetian Village	Lake	106-W
80	Welaka	Putnam	076-W
81	Western Shores	Lake	106-W
82	Windsong	Osceola	066-W
83	Woodmere	Duval	177-W
84	Wootens	Putnam	076-W
85	Zephyr Shores	Pasco	209-W



## Wastewater Plants Under FPSC Jurisdiction as of Feb. 2000

APPENDIX C-1PAGE 3 OF 3

	<u>SYSTEM NAME</u>	<u>COUNTY</u>	<u>CERT. NO.</u>
1	Amelia Island	Nassau	122-S
2	Apple Valley	Seminole	226-S
3	Beacon Hills	Duval	124-S
4	Beecher's Point	Putnam	284-S
5	Buenaventura Lakes	Osceola	289-S
6	Burnt Store	Charlotte / Lee	255-S
7	Chuluota	Seminole	226-S
8	Citrus Park	Marion	322-S
9	Deep Creek	Charlotte	496-S
10	Deltona	Volusia	182-S
11	Fisherman's Haven	Martin	319-S
12	Florida Central Commerce Park	Seminole	226-S
13	Fox Run	Martin	319-S
14	Holiday Haven	Lake	120-S
15	Jungle Den	Volusia	182-S
16	Lake Gibson Estates	Polk	506-S
17	Lehigh	Lee	255-S
18	Leilani Heights	Martin	319-S
19	Leisure Lakes	Highlands	359-S
20	Marion Oaks	Marion	322-S
21	Meredith Manor	Seminole	226-S
22	Morningview	Lake	120-S
23	Palm Port	Putnam	284-S
24	Palm Terrace	Pasco	154-S
25	Park Manor	Putnam	284-S
26	Salt Springs	Marion	322-S
27	Silver Lake Oaks	Putnam	284-S
28	South Forty	Marion	322-S
29	Sugar Mill	Volusia	182-S
30	Sunny Hills	Washington	435-S
31	Sunshine Parkway	Lake	120-S
32	Tropical Isles	St. Lucie	482-S
33	Valencia Terrace	Lake	120-S
34	Venetian Village	Lake	120-S
35	Woodmere	Duval	124-S
36	Zephyr Shores	Pasco	154-S

## Exhibit D

A copy of the contract for sale and all auxiliary or supplemental agreements, which shall include, if applicable:

- (1) Purchase price and terms of payment.
- (2) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities.
- (3) A description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, assumption of obligations.

The contract for sale shall also provide for the disposition, where applicable, of the following:

- (a) Customer deposits and interest thereon;
- (b) Any guaranteed revenue contracts;
- (c) Developer agreements;
- (d) Customer advances;
- (e) Debt of the utility; and
- (f) Leases

Please see attached Appendix D-1.

ASSET PURCHASE AGREEMENT

AMONG

FLORIDA WATER SERVICES CORPORATION,

SPRUCE CREEK SOUTH UTILITIES, INC.,

AND

DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC.

June 29, 2000

This Asset Purchase Agreement is entered into as of June 29, 2000, by and among Florida Water Services Corporation, a Florida corporation (the "Buyer"), Spruce Creek South Utilities, Inc., a Florida corporation (the "Seller") and Del Webb's Spruce Creek Communities, Inc., an Arizona corporation ("Developer"). The Buyer and the Seller are sometimes referred to collectively hereinafter as the "Parties" or individually as a "Party."

This Agreement contemplates a transaction in which the Buyer will purchase substantially all of the specified assets of the Seller in return for Cash.

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

1. Definitions.

"Adverse Consequences" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses, and fees, including court costs and reasonable attorneys' fees and expenses.

"Affiliate" means an entity controlling, controlled by or under common control with Seller and/or Developer or a successor to any of the foregoing by operation of law.

"Agreed Fair Market Value" has the meaning set forth in § 7(e) below.

"Agreement" means this Asset Purchase Agreement.

"Ancillary Agreements" means the Assumption Agreement, the Reclaimed Water Agreement, the Developer's Agreement and the Futures Agreement as defined herein.

"Assumed Liabilities" means all liabilities and obligations of Seller set forth on Exhibit A.

"Assumption Agreement" has the meaning set forth in § 2(f)(ii)(B) below.

"Bill of Sale" has the meaning set forth in § 2(f)(i)(B) below.

"Buyer" has the meaning set forth in the preface above.

"Cash" means cash and cash equivalents (including marketable securities and short term investments).

"CIAC" means any amount or item of money, services, or property received by a utility, from any person or governmental authority, any portion of which is provided at no cost to the utility, which represents a donation or contribution to the capital of the utility, and which is used to offset the acquisition, improvement, or construction costs of the utility property, facilities, or equipment used to provide utility services.

"Closing" has the meaning set forth in § 2(e) below.

"Closing Date" has the meaning set forth in § 2(e) below.

"Closing Documents" has the meaning set forth in § 2(f) below.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidential Information" means any information concerning the businesses and affairs of the Seller that is not already generally available to the public.

"Deed" has the meaning set forth in § 2(f)(i)(A) below.

"Defects" has the meaning set forth in § 5(g) below.

"Developer" means Del Webb's Spruce Creek Communities, Inc.

"Developer's Agreement" has the meaning set forth in § 2(f)(ii)(G) below.

"Disclosure Schedule" has the meaning set forth in § 3 below.

"Environmental, Health and Safety Requirements" shall mean all federal, state and local statutes, regulations, ordinances and permits concerning public health and safety, worker health and safety, and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, as such requirements are enacted and in effect on or prior to the Closing Date.

"Financial Statements" has the meaning set forth in § 3(e) below.

"FPSC" means the Florida Public Service Commission and any successor agency.

"Futures Agreement" has the meaning set forth in § 2(f)(ii)(F) below.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Hazardous Substance(s)" means (a) any substance, the presence of which requires investigation or remediation under any Environmental, Health, and Safety Requirements; (b) any dangerous, toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous substance which is regulated by any Environmental, Health, and Safety Requirements; (c) any substance, the Release of which causes or threatens to cause a nuisance upon the Real Property or poses or threatens to pose a hazard to the health or safety of persons on the Real Property; and (d) any substance, the Release of which on to properties adjacent to the Property could constitute a trespass by Seller.

"Income Tax" means any federal, state or local income tax, including any interest, penalty, or addition thereto, whether disputed or not.

"Income Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Income Taxes, including any schedule or attachment thereto.

"Indemnified Party" has the meaning set forth in § 8(d) below.

"Indemnifying Party" has the meaning set forth in § 8(d) below.

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

"Joint Application" has the meaning set forth in § 7(b) below.

"Knowledge" means actual knowledge without independent investigation.

"Material Adverse Effect" means any condition that increases liabilities or decreases value of an asset by \$50,000.

"Most Recent Financial Statements" has the meaning set forth in § 3(e) below.

"NARUC" means the system of accounts established by the National Association of Regulatory Utility Commissioners.

"Net Book Value" means the amount of plant-in-service (including, without limitation, work in progress, line extensions and meters), less accumulated depreciation, less CIAC, plus accumulated amortization of CIAC of the Utility Assets. The parties acknowledge that the Net Book Value as of the Closing Date equals Three

Million Three Hundred Two Thousand Two Hundred Thirty-Nine Dollars  
(\$3,302,239).

"New Well-Site" has the meaning set forth in § 7(e) below.

"Non-Appealable Order" means a final order issued by the FPSC addressing all issues presented in the Joint Application for which no appeal has been or can be filed.

"Old Well-Site" has the meaning set forth in § 7(e) below.

"Option" has the meaning set forth in § 7(e) below.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Party" has the meaning set forth in the preface above.

"Permitted Exceptions" has the meaning set forth in § 5(g) below.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Purchase Price" has the meaning set forth in § 2(c) below and shall be adjusted as reflected in § 2(d).

"Real Property" has the meaning set forth in § 3(g)(i) below.

"Reclaimed Water Agreement" has the meaning set forth in § 2(f)(ii)(E) below.

"Release" means the unpermitted, unlawful or harmful spilling, leaking, disposing, discharging, emitting, depositing, injecting, leaching, escaping or any other release of any Hazardous Substance into the environment.

"Repurchase Closing Date" has the meaning set forth in § 7(b)(i) below.

"Repurchase Price" has the meaning set forth in § 7(b)(ii).

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest, other than liens for taxes not yet due and payable.

"Surety Bond" means that surety bond issued by SAFECO in favor of Buyer on the date hereof.

"Survey" has the meaning set forth in § 5(h) below.

"Third Party Claim" has the meaning set forth in § 8(d)(i) below.

"Title Commitment" has the meaning set forth in § 5(g) below.

"Title Insurance" has the meaning set forth in § 5(g) below.

"Utility Assets" shall mean all of the Wastewater Assets and Collection System, Water Assets and Distribution System, the Real Property, customer deposits held by Seller, and accounts receivable; provided, however, that the term "Utility Assets" shall not include Cash, Irrigation Assets and Systems, motor vehicles, tools, portable equipment, office furniture and equipment, computer equipment and software, other current assets and any other intangible assets; provided, further, that the term "Utility Assets" shall include the items of equipment listed on Schedule 1.

"Wastewater Assets and Collection System" shall mean the sewage treatment plant(s), the lift stations, all lines, pipes, and other facilities comprising the wastewater collection system located between the sewage treatment plant(s) and the various lift stations servicing the present and future improved parcels serviced by the Seller, all Real Property, all contracts, and licenses exclusively associated therewith, all other assets and facilities owned by Seller and used exclusively in the operation therewith, and any plans and specifications prepared exclusively for the Wastewater Assets and Collection System or any part thereof and any plans prepared for construction of the Reclaimed Water Lines as defined in the Reclaimed Water Agreement.

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

2. Basic Transaction.

(a) Purchase and Sale of Assets. On and subject to the terms and conditions of this Agreement, the Buyer agrees to purchase from the Seller, and the Seller agrees to sell, transfer, convey, and deliver to the Buyer, all of the Utility Assets at the Closing for the consideration specified below in this § 2.



(b) Assumption of Liabilities. On and subject to the terms and conditions of this Agreement, the Buyer agrees to assume and become responsible for all of the Assumed Liabilities identified in Exhibit A at the Closing. The Buyer will not assume or have any responsibility, however, with respect to any other obligation or liability of the Seller not included within the definition of Assumed Liabilities.

(c) Purchase Price.

(i) The Buyer agrees to pay to the Seller at the Closing Five Million Five Hundred Thousand Four Hundred Eighty Dollars (\$5,500,480) (the "Purchase Price") by delivery of Cash in an amount equal to the Purchase Price payable by wire transfer or delivery of other immediately available funds. The Parties acknowledge that the Purchase Price is inclusive of One Hundred Seventy-Seven Thousand Nine Hundred Three Dollars (\$177,903) which represents 95% of Seller's accounts receivable.

(ii) The Parties acknowledge that Buyer will be obligated to make additional futures payments under the terms of the Futures Agreement.

(d) Purchase Price Adjustment. The parties acknowledge that the Purchase Price shall also be increased in the event there is a determination by the FPSC that the Net Book Value of the Utility Assets may be increased by the amount of the deferred tax asset currently shown on the books of the Company in the amount of approximately Eight Hundred Thousand Dollars (\$800,000) (the "Tax Adjustment"). Buyer agrees to pay to Seller an amount equal to the increase in the Net Book Value as a result of the Tax Adjustment by wire transfer or other immediately available funds within three (3) business days after the date such determination is finally made.

(e) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Holland & Knight LLP in Orlando, Florida, commencing at 2:00 p.m. local time on June 29, 2000 or such other date as the Parties may mutually determine (the "Closing Date").

(f) Documents to be Delivered at Closing. At Closing, the Parties, as appropriate, shall deliver the following documents and items (the "Closing Documents"):

(i) Deliveries by Seller:

(A) Seller shall execute and deliver and shall cause Developer, if appropriate, to execute and deliver to Buyer for recording one or more special warranty deeds or (individually the "Deed" and collectively the "Deeds") conveying the Real Property to Buyer free and clear of all liens, charges and encumbrances excepting only the Permitted Exceptions and the matters previously approved in writing by Buyer.

(B) Seller shall deliver to Buyer a bill of sale (the "Bill of Sale") transferring title to the Utility Assets other than the Real Property, substantially in the form attached hereto as Exhibit B.

(C) Seller shall deliver to Buyer the officer's certificate contemplated by § 6(a)(iv) below.

(D) Seller shall deliver to Buyer that certain Sod Field Lease attached hereto as Exhibit C by and between Seller and Developer.

(E) Seller shall deliver to Buyer certified copies of resolutions of its Board of Directors and shareholder authorizing the transaction contemplated hereby.

(F) Seller shall execute and deliver to Buyer such other documents or instruments as may be reasonably necessary to consummate the transactions contemplated hereby.

(G) Seller shall execute and deliver or cause to be executed and delivered to Buyer all documents assigning and conveying easement rights necessary for the current operation of Utility Assets (subject to the escrow agreement contemplated by §§ 5(g) and 5(h)).

(H) Seller shall deliver to Buyer an assignment of those certain agreements by and between Seller and Spruce Creek Golf & Country Club Homeowners' Association and Seller and Spruce Creek Preserve Homeowners' Association related to the waiver of certain base charges, attached hereto as Exhibit D.

(ii) Deliveries by Buyer:

(A) The Purchase Price as adjusted by § 2(d)(ii) will be paid to Seller in Cash at Closing payable by wire transfer.

(B) Buyer shall deliver to Seller an assumption agreement (the "Assumption Agreement"), attached hereto as Exhibit E, related to the assumption by Buyer of the Assumed Liabilities.

(C) Buyer shall deliver to Seller certified copies of resolutions of the Board of Directors of Buyer authorizing the transaction contemplated hereby.

(D) Buyer shall deliver to Seller the officer's certificate contemplated by § 6(b)(iv) below.

(E) Buyer shall deliver to Seller a reclaimed water service agreement ("Reclaimed Water Agreement") executed at Closing between Buyer and Developer, attached hereto as Exhibit F.

(F) Buyer shall deliver to Seller a futures agreement ("Futures Agreement") executed at Closing between Buyer and Developer, attached hereto as Exhibit G.

(G) Buyer shall deliver to Seller a developer's agreement (the "Developer's Agreement") executed at Closing between Buyer and Developer, attached hereto as Exhibit H.

(g) Allocation of Purchase Price. On or before the Closing Date, the parties shall agree on the allocation of the Purchase Price to the Utility Assets which allocation shall comply with Section 1060 of the Code. The parties affirm and agree that each of them shall adhere to such allocation for all federal and state income tax purposes, including the filing of all federal and state tax returns filed by them subsequent to the Closing Date.

(h) Customer Deposits. Customer deposits transferred to Buyer shall be disposed of in accordance with the approved tariff of Seller.

(i) Regulatory Assessment Fees. Pursuant to Section 367.071(2), Florida Statutes, Seller shall remain liable for any outstanding FPSC regulatory assessment fees, fines or refunds at the time of Closing.

3. Representations and Warranties of the Seller. The Seller represents and warrants to the Buyer that the statements contained in this § 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this § 3), except as set forth in the disclosure schedule accompanying this Agreement and initialed by the Parties (the "Disclosure Schedule"). The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this § 3.

(a) Organization of the Seller. The Seller is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

(b) Authorization of Transaction. The Seller has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. Without limiting the generality of the foregoing, the board of directors of the Seller and the shareholder of the Seller have duly authorized the execution, delivery, and performance of this Agreement by the Seller. This Agreement constitutes the valid and legally binding obligation of the Seller, enforceable in accordance with its terms and conditions.

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

(d) Title to Tangible Assets. The Seller has good title to, or a valid leasehold interest in, the Material Tangible Assets it uses regularly in the conduct of its business.

(e) Financial Statements. Attached hereto as Exhibit I are the following financial statements (collectively the "Financial Statements"): an unaudited balance sheet and statement of income as of and for the fiscal year ended December 31, 1998 prepared in accordance with NARUC, an unaudited balance sheet as of July 31, 1999 and a statement of income for the seven month period ended July 31, 1999, each prepared in accordance with GAAP, and an unaudited balance sheet as of March 31, 2000 and a statement of income for the eight month period ended March 31, 2000, each prepared in accordance with GAAP (the "Most Recent Financial Statements") for the Seller. The Financial Statements (including the notes thereto) have been prepared in accordance with either NARUC or GAAP, as indicated above, applied on a consistent basis throughout the periods covered thereby and present fairly the financial condition of the Seller as of such dates and the results of operations of the Seller for such periods; provided, however, that the Financial Statements are subject to normal period-end adjustments and lack footnotes and other presentation items; and provided further that the parties acknowledge that the Financial Statements include the deferred tax asset reflected in Section 2(d) and certain other assets not included within the definition of Utility Assets and expenses related thereto.

(f) Events Subsequent to Most Recent Financial Statements. Since the Most Recent Financial Statements, there have not been any events outside the Ordinary Course of Business that have had a Material Adverse Effect on the financial condition of the Seller.

(g) Real Property.

(i) § 3(g)(i) of the Disclosure Schedule lists all real property that the Seller or Developer own and are conveying to Buyer hereunder (the "Real Property"). With respect to each such parcel of owned real property, and except for matters which would not have a Material Adverse Effect on the financial condition of the Seller:

(A) Other than as disclosed on § 3(g)(i)(A) of the Disclosure Schedule, the Seller and/or Developer have good and marketable title to the parcel of real property, free and clear of any Security Interest, easement, covenant, or other restriction, except for installments of special assessments not yet delinquent, recorded easements, covenants, and other restrictions, and utility easements, building

restrictions, zoning restrictions, and other easements and restrictions existing generally with respect to properties of a similar character;

(B) Except as set forth on § 3(g)(i)(B) of the Disclosure Schedule, there are no leases, subleases, licenses, concessions, or other agreements granting to any party or parties the right of use or occupancy of any portion of the parcel of real property; and

(C) there are no outstanding options or rights of first refusal to purchase the parcel of real property, or any portion thereof or interest therein.

(ii) § 3(g)(ii) of the Disclosure Schedule lists all real property leased or subleased to the Seller. The Seller has delivered to the Buyer correct and complete copies of the leases and subleases listed in § 3(g)(ii) of the Disclosure Schedule (as amended to date). To the Knowledge of Seller, each lease and sublease listed in § 3(g)(ii) of the Disclosure Schedule is legal, valid, binding, enforceable, and in full force and effect, except where the illegality, invalidity, nonbinding nature, unenforceability, or ineffectiveness would not have a Material Adverse Effect on the financial condition of the Seller.

(h) Contracts. § 3(h) of the Disclosure Schedule lists all written contracts and other material written agreements to which the Seller is a party the performance of which will involve consideration in excess of Fifty Thousand and no/100 Dollars (\$50,000). The Seller has delivered to the Buyer a correct and complete copy of each contract or other agreement listed in § 3(h) of the Disclosure Schedule (as amended to date).

(i) Litigation. § 3(i) of the Disclosure Schedule sets forth each instance in which the Seller (i) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) is a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction, except where the injunction, judgment, order, decree, ruling, action, suit, proceeding, hearing, or investigation would not have a Material Adverse Effect on the financial condition of the Seller.

(j) "As Is" Condition. Buyer acknowledges that it has had a fully opportunity to investigate, inspect and examine all aspects of the Real Property and any improvements located thereon. Neither Seller nor its agents makes, or has made, any representations or warranties (express or implied) upon which Buyer has relied or may rely regarding zoning, permitting, impact fees, use and development restrictions, governmental regulations, utilities (sewer, water, electricity, etc.), ingress or egress, hazardous materials, environmental matters, the physical condition of the Real Property, matters which would be revealed by an accurate survey or title report, or the status of any improvements thereon. Buyer acknowledges that its obligations

under this Agreement are not contingent upon any of the foregoing matters except for title and survey matters pursuant to Sections 5(g) and 5(h), and Buyer shall otherwise accept the Real Property and any improvements thereon in "as is" condition "with any and all faults".

(k) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby will violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Seller is subject or any provision of its articles of incorporation or bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Seller is a party or by which it is bound or to which any of its assets is subject.

(l) Disclaimer of other Representations and Warranties. Except as expressly set forth in this § 3, the Seller makes no representation or warranty, express or implied, at law or in equity, in respect of any of its assets (including, without limitation, the Utility Assets), liabilities or operations, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed. Buyer hereby acknowledges and agrees that, except to the extent specifically set forth in this Section 3, the Buyer is purchasing the Utility Assets on an "as-is, where-is" basis. Without limiting the generality of the foregoing, the Seller makes no representation or warranty regarding any assets other than the Utility Assets or any liabilities other than the Assumed Liabilities, and none shall be implied at law or in equity.

4. Representations and Warranties of the Buyer. The Buyer represents and warrants to the Seller and the Seller's Affiliates that the statements contained in this § 4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this § 4), except as set forth in the Disclosure Schedule. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this § 4.

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

(b) Authorization of Transaction. The Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. The Board of Directors of the Buyer has duly authorized the execution, delivery, and performance of this Agreement

by the Buyer. This Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms and conditions. Notwithstanding the foregoing, this Agreement and the transactions contemplated herein remain subject to the approval of the Board of Directors of Buyer's parent company, Minnesota Power Corporation.

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

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

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

(a) General. Each of the Parties will use its reasonable best efforts to take all actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in § 6 below).

(b) Notices and Consents. Each of the Parties will give any notices to, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents, and approvals of governments and governmental agencies in connection with the matters referred to in § 3(c) and § 4(c) above.

(c) Operation of Business. The Seller will not engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business without the written consent of Buyer. The Seller will not sell or purchase any material assets either individually or in the aggregate prior to Closing without the approval of Buyer.

(d) Full Access. The Seller will permit representatives of the Buyer to have full access at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Seller, to all premises, properties, personnel,

books, records (including tax records), contracts, and documents of or pertaining to the Seller. The Buyer will treat and hold as such any Confidential Information it receives from the Seller in the course of the reviews contemplated by this § 5(d), will not use any of the Confidential Information except in connection with this Agreement, and, if this Agreement is terminated for any reason whatsoever, will return to the Seller all tangible embodiments (and all copies) of the Confidential Information which are in its possession.

(e) Notice of Developments. Each Party will give prompt written notice to the other Party of any development causing a breach of any of its own representations and warranties in § 3 and § 4 above. No disclosure by any Party pursuant to this § 5(e)(i), however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation or breach of warranty.

(f) Exclusivity. The Seller will not solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of all or substantially all of the capital stock or assets of the Seller (including any acquisition structured as a merger, consolidation, or share exchange).

(g) Title. Within five (5) days of the full execution of this Agreement, Seller shall order, at Seller's expense, and thereafter furnish to Buyer a title insurance commitment ("Title Commitment") issued by First American Title Company agreeing to issue to Buyer, after recording of the Deed to Buyer and any necessary easement instruments, an owner's policy of title insurance ("Title Insurance"), upon a standard 1970 ALTA Form B, in the amount of the Seller's book value of the Real Property, insuring Buyer's title to the Real Property subject only to the Permitted Exceptions which are attached hereto as Exhibit J (including the standard exception for real estate taxes for 2000 which are not yet due and owing) and other title matters which are approved in writing by Buyer. Except for mortgages, judgments and other liens of a specific monetary value, which shall be objectionable, Buyer agrees that it shall only object to title matters which prevent the use of the Real Property or any easement areas as a water and/or wastewater utility system (all of which shall then become collectively the "Permitted Exceptions"). Seller shall convey marketable title subject only to the Permitted Exceptions. Marketable title shall be determined according to applicable Title Standards adopted by the authority of the Florida Bar and in accordance with the law. Buyer shall have ten (10) business days from the date of receiving said Title Commitment and/or any endorsements thereto, to examine same. If title is found defective, Buyer shall within three (3) days thereafter, notify Seller in writing specifying defect(s) ("Defects"). If the Defects render title unmarketable, Seller will have thirty (30) days from receipt of notice to remove the Defects. Seller shall, if title is found unmarketable, use diligent effort to correct Defects in the title within the time provided therefor. If Seller is unable to remove the Defect(s) in the time



allowed therefor, Buyer shall either waive the Defect(s) or terminate the Agreement, thereby releasing Buyer and Seller from all further obligations under this Agreement. Seller shall not further encumber, permit or create any Defect(s) to title after the date of issuance of the Title Commitment. The Title Insurance policy shall be issued within 90 days from the Closing Date. Buyer and Seller agree that the status of title and resolution of certain title issues are the subject of an Escrow Agreement between the parties of even date.

(h) Survey. With respect to each parcel of Real Property, and as to which a title insurance policy is to be procured pursuant to § 5(g) above, Seller shall procure a current survey of the Real Property certified to Buyer, Seller and First American Title Insurance Company, prepared by a licensed surveyor and conforming to current ALTA Minimum Detail Requirements for Land Title Surveys or the Minimum Technical Standards for a survey in the State of Florida, disclosing the location of all improvements, easements, party walls, sidewalks, roadways, utility lines, and other matters shown customarily on such surveys, and showing access to public streets and roads (the "Survey"). Seller shall order, at Seller's expense the Survey from a reputable surveyor. Buyer shall, within ten (10) business days after receipt of the Survey, approve or object in writing to the matters disclosed by the Survey. Any matters disclosed by the Title Commitment to which Buyer fails to object shall be deemed approved. If the Survey shows encroachment on the Real Property or that improvements located on the Real Property encroach on setback lines, easement, lands or others or violate any restrictions, agreements, covenants or applicable governmental regulation, the same shall constitute and be treated as a title Defect to the extent same prevent the use of the Real Property or any easement areas as a water and/or wastewater utility system. Buyer and Seller agree that the status of the Survey and of certain issues relating thereto are the subject of an Escrow Agreement between the parties of even date.

6. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Buyer. The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

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

(ii) the Seller shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iii) there shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement;

(iv) the Seller shall have delivered to the Buyer a certificate to the effect that each of the conditions specified above in § 6(a)(i)-(iii) is satisfied in all material respects;

(v) the relevant parties shall have entered into the Ancillary Agreements and the Closing Documents and the same shall be in full force and effect;

(vi) all actions to be taken by the Seller in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Buyer;

(vii) Buyer shall have confirmed to its satisfaction that all easement rights and ownership interests as necessary to operate the Utility Assets are vested in Seller and are freely transferable to Buyer without lien or encumbrance.

(viii) Buyer shall have agreed to the Redetermined Net Book Value submitted by Seller pursuant to § 2(d)(i) and to the allocation of Purchase Price in § (2)(g); provided that, in both instances, Buyer shall have an obligation to negotiate with Seller in good faith to reach an agreement on these issues.

(ix) Seller shall have submitted an application to the FPSC at least seven (7) days prior to Closing seeking the approval of the extension of Seller's service territory to include the proposed additional residences of the Spruce Creek Country Club as contemplated by the Amended Florida Quality Development Order, a copy of which is attached hereto as Exhibit K.

The Buyer may waive any condition specified in this § 6(a) if it executes a writing so stating at or prior to the Closing.

(b) Conditions to Obligation of the Seller. The obligation of the Seller to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

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

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

(iii) there shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement;

(iv) the Buyer shall have delivered to the Seller a certificate to the effect that each of the conditions specified above in § 6(b)(i)-(iii) is satisfied in all respects;

(v) the relevant parties shall have entered into the Ancillary Documents and the Closing Documents and the same shall be in full force and effect;

(vi) all actions to be taken by the Buyer in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Seller.

The Seller may waive any condition specified in this § 6(b) if it executes a writing so stating at or prior to the Closing.

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

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

(b) Florida Public Service Commission Approval. Within thirty (30) business days following the Closing, Buyer and Seller shall file a joint application with the FPSC for authority to transfer pursuant to Section 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code, seeking FPSC approval of the transfer of Seller's Utility Assets to Buyer and the amendment of Buyer's certificate of authority to include Seller's certificated service area ("Joint Application"). Buyer shall be responsible for any filing fees associated with the Joint Application. In the event that there is not a Non-Appealable Order approving the Joint Application within thirty (30) months from the date of Closing, then Buyer or Seller, at its option, may repurchase, or cause the repurchase of, the Utility Assets from Buyer on the following terms and conditions:

(i) The Party desiring the repurchase shall give written notice to the other Party within thirty (30) days of the date FPSC's order not to approve the Joint Application has become a Non-Appealable Order or the expiration of thirty (30) months, whichever is earlier, of its requirement for repurchase and such notice shall state the closing date for the repurchase of the Utility Assets (the "Repurchase Closing Date") which shall not be less than thirty (30) days after the giving of the notice.

(ii) The repurchase price shall equal the Purchase Price, as adjusted hereunder, plus capital additions added by Buyer less CIAC and less accumulated depreciation (the "Repurchase Price").

(iii) On the Repurchase Closing Date, title to the real property, which is described on Schedule 3(g)(i), together with the improvements thereon, shall be conveyed by Buyer by a special warranty deed and the personal property shall be transferred by an absolute bill of sale, and shall be subject only to those matters to which the property was subject on the original Closing Date.

(iv) Real estate taxes, accounts receivable, and allocation of revenues and expenses for current periods shall be prorated on the Repurchase Closing Date.

(v) If the Utility Assets are to be reconveyed to Seller pursuant to this § 7(b), Buyer shall pay all reasonable costs of Seller, including reasonable attorney's fees, with respect to reconveyance.

(vi) Buyer and Seller acknowledge that approval of the Joint Application for purposes of this Agreement means approval of the transfer of the Utility Assets contemplated herein plus approval of all material provisions of this Agreement, the Developer's Agreement, the Futures Agreement, and the Reclaimed Water Agreement. In the event that the Joint Application is not approved, then for purposes of this section, both Buyer and Seller shall have the right to give notice of repurchase as contemplated by subclause (i) above.

(vii) Seller and Buyer agree to negotiate in good faith to amend the terms of this Agreement, the Futures Agreement, the Developer's Agreement and the Reclaimed Water Agreement, as the case may be, during the thirty-day period following the date FPSC's order has become a Non-Appealable Order with the intent to resubmit the Joint Application to the FPSC for approval; provided, however, that the parties acknowledge that both Buyer and Seller shall have the rights under this Section 7(b) in the event that such agreements cannot be amended to the mutual satisfaction of the Parties.

(viii) On the Repurchase Closing Date, the Utility Assets must be operational and fully functioning. The Repurchase Price shall be subject to reduction for any diminution of value in Utility Assets between the Closing Date and the Repurchase Closing Date to the extent the Utility Assets are not in the same or in a substantially similar condition as such assets were in when conveyed to Buyer hereunder to the extent such diminution constitutes a Material Adverse Effect.

(ix) During the period of time that the repurchase rights hereunder are in effect, Buyer shall deliver to Seller on or about the anniversary date hereof financial records reflecting capital additions added by Buyer less CIAC and less

accumulated depreciation during the preceding year so that Seller may arrange for an increase in the face amount of the Surety Bond, if applicable, as contemplated by the terms of the Surety Bond assuming such additions are appropriately verified. Further, at the request of Buyer, Seller hereby agrees to increase the face amount of the Surety Bond on a quarterly basis provided Buyer provides to Seller appropriate financial records reflecting capital additions added by Buyer less CIAC and less accumulated depreciation during the preceding quarter assuming such additions are appropriately verified.

(c) Acknowledgment by Buyer. Buyer hereby acknowledges that Developer, an Affiliate of Seller, intends to operate its own wells and irrigation systems to provide water services to the common areas of the Spruce Creek Preserve for irrigation purposes only. Nothing herein or in the Closing Documents shall be deemed to prohibit Developer from establishing additional wells and irrigation systems to meet its needs at the Spruce Creek Preserve as contemplated in this Section. Such actions shall not be deemed to cause Seller to violate any of the terms of this Agreement or the Closing Documents.

(d) Rates. In accordance with Rule 25-9.044, Florida Administrative Code, Buyer shall adopt, use, ratify and make its own the rates, classifications and regulations of Seller on file with the FPSC and effective as of the Closing Date. Buyer agrees that for a period of three (3) years following the Closing Date, Buyer shall not apply to the Florida Public Service Commission to increase rates in any manner for any customer located in the territory served by Seller prior to the Closing Date or for any customer in any territory added to Buyer's certificate pursuant to this Agreement. Notwithstanding the foregoing, Buyer has the right to file for pass through and indexing as provided for by the FPSC and the Florida Statutes to be capped at a two percent (2%) increase in rates per year. Furthermore, Buyer shall have the right to implement an inverted rate structure as contemplated by a consumptive use permit issued by the DEP; provided, however, that the implementation of such inverted rate structure shall in no manner provide a windfall to Buyer.

(e) Well-Site. The Buyer hereby acknowledges that it shall acquire a well-site within the Spruce Creek Country Club further described on Exhibit L attached hereto (the "Old Well-Site"). In the event that Buyer ever discontinues and abandons the Old Well-Site and the well is "capped" in compliance with applicable laws, at Seller's option, Buyer agrees to convey the Old Well-Site to Seller or Seller's Affiliate at an Agreed Fair Market Value subject to title exceptions that currently exist. If Seller or an Affiliate of Seller elects to have the Old Well-Site re-conveyed to it, Buyer shall reconvey the Old Well-Site to Seller or Seller's Affiliate in a condition that is substantially similar to the condition the Old Well-Site was in when the Old Well-Site was conveyed to Buyer; provided, that Buyer has the right to remove any equipment located on the Old Well-Site that it acquired from Seller. The Buyer has an affirmative obligation post-Closing to continue

permitting (which Seller has begun) of a new well-site to service the Spruce Creek Country Club on a new site which is further described on Exhibit N attached hereto (the "New Well-Site"). Seller or an Affiliate of Seller shall transfer the New Well-Site to the Buyer at an Agreed Fair Market Value subject to the title standards set forth in § 5(g). For purposes hereof, "Agreed Fair Market Value" shall be determined pursuant to the results of an appraisal prepared by an MAI licensed appraiser acceptable to both Buyer and Seller and, in the event that Buyer and Seller cannot agree on an appraiser, the Agreed Fair Market Value shall be the average of appraisals prepared at the direction of both Buyer and Seller. Buyer acknowledges that Seller shall have no obligations with respect to the New Well-Site other than as described in this subsection. For transfers contemplated by this § 7(e), the transferor agrees to pay for applicable documentary stamp taxes and title insurance.

(f) Property Conveyance. If and when Seller acquires the real property further described on Exhibit M hereto, Seller agrees to convey such property to Buyer for no additional consideration. In the event Seller is unable to acquire such property, Seller hereby agrees to convey similarly situated property adjoining the wastewater treatment plant at the Spruce Creek Country Club. The parties will cooperate to ensure that the acquired property is properly zoned for its intended use as expansion property for the wastewater treatment plant at the Spruce Creek Country Club.

8. Remedies for Breaches of this Agreement.

(a) Survival of Representations and Warranties. All of the representations, warranties and covenants of the Buyer and Seller contained in this Agreement shall survive the Closing (unless the damaged Party knew or had reason to know of any misrepresentation or breach of warranty or covenant at the time of Closing) and continue in full force and effect for a period of eighteen (18) months after the Closing Date (subject to any applicable statutes of limitations) except that certain covenants set forth herein may extend to a date subsequent to eighteen (18) months if by their terms a later date is expressly set forth herein.

(b) Indemnification Provisions for Benefit of the Buyer.

(i) In the event the Seller breaches any of its representations, warranties, and covenants contained in this Agreement, and, if there is an applicable survival period pursuant to § 8(a) above, provided that the Buyer makes a written claim for indemnification against Seller pursuant to § 10(g) below within such survival period, then Seller agrees to indemnify the Buyer from and against any Adverse Consequences the Buyer shall suffer through and after the date of the claim for indemnification (but excluding any Adverse Consequences the Buyer shall suffer after the end of any applicable survival period) caused by the breach; provided, however, that the Seller shall not have any obligation to indemnify the Buyer from and against

any Adverse Consequences caused by the breach of any representation or warranty of the Seller in which there is an applicable survival period: (A) until the Buyer has suffered Adverse Consequences by reason of all such breaches in excess of a Fifty Thousand Dollars (\$50,000) aggregate deductible (after which point the Seller will be obligated only to indemnify the Buyer from and against further such Adverse Consequences) or thereafter (B) to the extent the Adverse Consequences the Buyer has suffered by reason of all such breaches exceeds an aggregate ceiling of One Million Dollars (\$1,000,000) (after which point the Seller will have no obligation to indemnify the Buyer from and against further such Adverse Consequences).

(ii) The Seller agrees to indemnify the Buyer from and against any Adverse Consequences the Buyer shall suffer caused by any liability of the Seller which is not an Assumed Liability.

(c) Indemnification Provisions for Benefit of the Seller or its Affiliates.

(i) In the event the Buyer breaches any of its representations, warranties, and covenants contained in this Agreement, and, if there is an applicable survival period pursuant to § 8(a) above, provided that the Seller or one or more of its Affiliates makes a written claim for indemnification against the Buyer pursuant to § 10(g) below within such survival period, then the Buyer agrees to indemnify the Seller and its Affiliates from and against the entirety of any Adverse Consequences the Seller and/or its Affiliates shall suffer through and after the date of the claim for indemnification (but excluding any Adverse Consequences the Seller and/or its Affiliates shall suffer after the end of any applicable survival period) caused by the breach. Further, the Buyer agrees to indemnify the Seller and its Affiliates from and against the entirety of any Adverse Consequences the Seller and/or its Affiliates shall suffer caused by or related to Buyer's ownership or operation of the Utility Assets subsequent to Closing. Notwithstanding the above, the Buyer shall not have any obligation to indemnify the Seller or any Affiliate of Seller from and against any Adverse Consequences addressed in this Section 8(c)(i): (A) until the Seller and its Affiliates collectively have suffered Adverse Consequences in excess of a Fifty Thousand Dollars (\$50,000) aggregate deductible (after which point the Buyer will be obligated only to indemnify the Buyer from and against further such Adverse Consequences) or thereafter (B) to the extent the Adverse Consequences the Seller and its Affiliates have suffered exceed an aggregate ceiling of One Million Dollars (\$1,000,000) (after which point the Buyer will have no obligation to indemnify the Seller or any Affiliate from and against further such Adverse Consequences).

(ii) The Buyer agrees to indemnify the Seller and its Affiliates from and against the entirety of any Adverse Consequences the Seller and/or its Affiliates shall suffer caused by any liability of which is an Assumed Liability.

(d) Matters Involving Third Parties.PAGE 22 OF 241

(i) If any third party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against any other Party (the "Indemnifying Party") under this § 8, then the Indemnified Party shall promptly (and in any event within ten (10) business days after receiving notice of the Third Party Claim) notify the Indemnifying Party thereof in writing.

(ii) The Indemnifying Party will have the right at any time to assume and thereafter conduct the defense of the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party; provided, however, that the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be withheld unreasonably) unless the judgment or proposed settlement involves only the payment of money damages and does not impose an injunction or other equitable relief upon the Indemnified Party.

(iii) Unless and until an Indemnifying Party assumes the defense of the Third Party Claim as provided in § 8(d)(ii) above, however, the Indemnified Party may defend against the Third Party Claim in any manner it reasonably may deem appropriate.

(iv) In no event will the Indemnified Party consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be withheld unreasonably).

(e) Determination of Adverse Consequences. All indemnification payments under this § 8 shall be deemed adjustments to the Purchase Price.

(f) Exclusive Remedy. The Buyer and the Seller acknowledge and agree that the foregoing indemnification provisions in this § 8 shall be the exclusive remedy of the Buyer and the Seller and its Affiliates with respect to the transactions contemplated by this Agreement.

9. Termination.

(a) Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

(i) the Buyer and the Seller may terminate this Agreement by mutual written consent at any time prior to the Closing;



(ii) the Buyer may terminate this Agreement by giving written notice to the Seller at any time prior to the Closing in the event (A) the Seller has within the then previous ten (10) business days given the Buyer any notice pursuant to § 5(e)(i) above and (B) the development that is the subject of the notice has had a Material Adverse Effect upon the financial condition of the Seller.

(iii) the Buyer may terminate this Agreement by giving written notice to the Seller at any time prior to the Closing (A) in the event the Seller has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Buyer has notified the Seller of the breach, and the breach has continued without cure for a period of thirty (30) days after the notice of breach; or (B) if the Closing shall not have occurred on or before June 30, 2000, by reason of the failure of any condition precedent under § 6(a) hereof (unless the failure results primarily from the Buyer itself breaching any representation, warranty, or covenant contained in this Agreement); or (C) that Buyer is exercising its right to terminate this Agreement under § 5(g), provided that Buyer is entitled to exercise such right; and

(iv) the Seller may terminate this Agreement by giving written notice to the Buyer at any time prior to the Closing (A) in the event the Buyer has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Seller has notified the Buyer of the breach, and the breach has continued without cure for a period of thirty (30) days after the notice of breach or (B) if the Closing shall not have occurred on or before June 30, 2000, by reason of the failure of any condition precedent under § 6(b) hereof (unless the failure results primarily from the Seller itself breaching any representation, warranty, or covenant contained in this Agreement).

(b) Effect of Termination. If any Party terminates this Agreement pursuant to § 9(a) above, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party (except for any liability of any Party then in breach); provided, however, that the confidentiality provisions contained in § 5(d) above shall survive termination.

#### 10. Miscellaneous.

(a) Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party; provided, that the Parties agree not to withhold approval unreasonably; and provided further that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning the publicly-traded securities of it or its affiliates (in which case the disclosing Party will use its reasonable best efforts to advise the other Party prior to making the disclosure).

(b) No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns; provided, however, that Affiliates of Seller shall be entitled to rely on the representations, warranties and covenants of Buyer and shall have indemnification rights as contemplated by § 8 hereof.

(c) Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, regarding the subject matter hereof.

(d) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party.

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

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

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

If to the Seller:

Spruce Creek South Utilities, Inc.  
c/o Del Webb Corporation  
6001 North 24<sup>th</sup> Street  
Phoenix, Arizona 85016  
Attn: Philip H. Darrow, Esq.  
Facsimile No.: 615/808-8015

Copy to:

Holland & Knight LLP  
200 South Orange Avenue, Suite 2600  
Orlando, Florida 32801  
Attn: Glenn A. Adams, Esq.  
Facsimile No.: 407/244-5288

If to the Buyer:

Copy to: PAGE 25 OF 241

Florida Water Services Corporation  
1000 Color Place  
Apopka, Florida 32703  
Attn: John L. Tillman, Jr.  
Senior Vice President  
Facsimile No.: 407/598-4223

Florida Water Services Corporation  
1000 Color Place  
Apopka, Florida 32703  
Attn: General Counsel  
Facsimile No.: 407/598-4241

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

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

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

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

(k) Expenses. Each Party shall bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. At Closing, Seller shall pay expenses of examination of title, title insurance premium, documentary stamp taxes on the transfer of the Real Property and recording costs. With respect to title insurance, Buyer will be responsible for expenses associated with extended owner's coverage (also

known as ALTA Form 9 coverage). Seller shall pay the cost of the Survey as contemplated by § 5(h). All normal and customary adjustments/prorations shall be made as of Closing, including without limitation, rent and other income, utilities and taxes. Real property and tangible personal property ad valorem taxes assessed against the Utility Assets for the year in which the Closing occurs shall be prorated between Seller and Buyer as of the Closing Date, said proration to be based upon the most recently available tax rates and valuations with respect to the Utility Assets. If the tax information shall be based on a valuation of a larger parcel of unimproved land which includes the Real Property, then the assessed value of the Real Property shall be based on the relative square footage or acreage of the property to the total square footage or acreage of such parcel. Upon the rendering of the appropriate taxing authorities of the ad valorem tax bills for the year in which Closing occurs, any adjustment required shall be promptly made between Buyer and Seller. This provision shall survive the Closing.

(l) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state or local statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

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

(n) Submission to Jurisdiction. Each of the Parties submits to the jurisdiction of any state or federal court sitting in Orange County, Florida, in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each party also agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required to any other Party with respect thereto. Any Party may make service on the other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in § 10(g) above. Each Party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

(o) KNOWING WAIVER OF JURY TRIAL. THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE

RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION HEREWITH. THIS PROVISION IS A MATERIAL INDUCEMENT FOR SELLER'S ENTERING INTO THIS AGREEMENT.

(p) Developer. The Parties agree that Developer is executing this Agreement solely for the purpose of acknowledging its rights and obligations under the Developer's Agreement, the Futures Agreement and the Reclaimed Water Agreement. The Parties acknowledge that Developer has not made any representations and warranties hereunder and shall not be subjected to any indemnification or other obligations hereunder. Buyer acknowledges that certain parcels of Real Property may be conveyed directly from Developer to Buyer and further acknowledges that such conveyances shall not be deemed to ascribe any representations, warranties or other agreements to Developer other than as expressly set forth in the form of such deed(s).

(q) Security of Seller's Obligations. In order to induce Buyer to execute this Agreement and consummate the transactions contemplated herein, and to more fully secure Seller's obligations to Buyer in Sections 7 and 8 herein after the Closing Date, Seller has delivered to Buyer the Surety Bond.

\*\*\*\*\*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

FLORIDA WATER SERVICES CORPORATION

By: [Signature]  
Name: JOHN CIRIELLO  
Title: PRES & CEO

SPRUCE CREEK SOUTH UTILITIES, INC.

By: [Signature]  
Name: John R. Ragan  
Title: Asst. Secretary

DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC.

By: [Signature]  
Name: John R. Ragan  
Title: Asst. Secretary & V.P.

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of June, 2000, by JEAN CIRELLO, PRES. + CEO of Florida Water Services Corporation, a Florida corporation, on behalf of the corporation. He has produced \_\_\_\_\_ FLA. DR. License as identification.

(SEAL)

Patricia H. Copley

Notary Public-State of Florida  
Commission Number: \_\_\_\_\_

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H. COPLEY  
COMMISSION # CC768789  
EXPIRES 8/19/2002  
BONDED THRU ASA 1-888-NOTARY1

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of June, 2000, by JOHN R. RAGAN, ASST Secy of Spruce Creek South Utilities, Inc., a Florida corporation, on behalf of the corporation. He has produced \_\_\_\_\_ FLA DR. License as identification.

(SEAL)

Patricia H. Copley

Notary Public-State of Florida  
Commission Number: \_\_\_\_\_

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H. COPLEY  
COMMISSION # CC768789  
EXPIRES 8/19/2002  
BONDED THRU ASA 1-888-NOTARY1

FLORIDA  
STATE OF ARIZONA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of June, 2000, by JOHN RAGAN, ASST SERTY & V.P of Del Webb's Spruce Creek Communities, Inc., an Arizona corporation, on behalf of the corporation. He has produced FLA. DR License as identification.

(SEAL)

Patricia H. Copley

Notary Public-State of \_\_\_\_\_

Commission Number: \_\_\_\_\_

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H COPLEY  
COMMISSION # CC768789  
EXPIRES 8/19/2002  
BONDED THRU ASA 1-888-NOTARY1



Exhibit A - Assumed Liabilities 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

## Assumed Liabilities

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<u>Description</u>	<u>Amount</u>
Earl's Well Drilling - \$12,870 Misc. Materials and Equipment – Work Order	\$12,870.00
Farner Barley - \$21,000 Spruce Creek South WTP Upgrades Engineering Profession Services Agreement	\$21,000.00
Farner Barley - \$87,670 Spruce Creek Country Club WTP Engineering Profession Services Agreement	\$42,466.00 remaining
Andreyev Engineering - \$4,800 Spruce Creek Country Club Consumptive Use Permit Review	\$ 4,800.00
Andreyev Engineering - \$4,210 Spruce Creek Country Club – WTP Geotechnical Investigation	\$ 4,210.00
Andreyev Engineering Spruce Creek South and Preserve Quarterly Monitoring	\$ 860.00 per site
WPC Industrial Contractors, LTD - \$755,446 Spruce Creek South WWTF Expansion	\$102,037.78 remaining
McMahan Construction Company, Inc. - \$134,800 Spruce Creek Country Club Reuse facilities	\$134,800.00
Farner Barley - \$45,600 Spruce Creek South WWTP Expansion Engineering Profession Services Agreement	\$ 31,038.00 remaining
Farner Barley - \$26,100 Spruce Creek Country Club WWTP Expansion Engineering Profession Services Agreement	\$15,990.00 remaining
Farner Barley - \$4,000 Spruce Creek Country Club Work Order Water Supply Wells	\$ 2,200.00
H <sup>2</sup> O Utility Services, Inc. Environmental Sampling and Testing Services	Monthly
H <sup>2</sup> O Utility Services, Inc. Operational Services Agreement	Monthly

Special Agreement for Villa Irrigation Water  
between Spruce Creek Preserve Homeowners'  
Association, Inc. and Spruce Creek South  
Utilities, Inc.

APPENDIX D-1

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Special Agreement for Villa Irrigation Water  
between Spruce Creek Golf & Country Club  
Homeowners' Association, Inc. and Spruce  
Creek South Utilities, Inc.

Seller's obligations under the Florida Quality Development  
Order including, without limitation, Seller's obligations  
to accept and treat additional wastewater under certain  
circumstances.

ORL1 #573577 v2

APPENDIX D-1

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Exhibit B - Bill of Sale 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT BBILL OF ABSOLUTE SALE

KNOW ALL MEN BY THESE PRESENTS, that, pursuant to that certain Asset Purchase Agreement dated \_\_\_\_\_, 2000 (the "Purchase Agreement"), by and among Florida Water Services Corporation, a Florida corporation (the "Buyer"), Spruce Creek South Utilities, Inc., a Florida corporation (the "Seller"), and Del Webb's Spruce Creek Communities, Inc., an Arizona corporation, and for and in consideration of the sum of the Purchase Price paid or payable to Seller by the Buyer, and the assumption by Buyer of the Assumed Liabilities, the Seller does hereby unconditionally GRANT, BARGAIN, SELL, CONVEY, TRANSFER, SET OVER and ASSIGN unto the Buyer, its successors and assigns, all legal and beneficial right, title and interest in and to the Utility Assets, to have and to hold such Utility Assets to the Buyer, its successors and assigns, for its and their own use, forever.

Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings attributed to them as are set forth in the Purchase Agreement.

This Bill of Absolute Sale is being executed in connection with, and is subject to all representations, warranties, covenants and agreements set forth in the Purchase Agreement and shall neither add to nor detract from the Purchase Agreement.

Seller hereby agrees that it will at any time and from time to time at the request of the Buyer, its successors or assigns, execute and deliver any and all instruments as the Buyer, its successors or assigns, may reasonably request for the purpose of vesting in Buyer the full right, title and interest of the Seller in and to any property intended to be conveyed, transferred or assigned hereby or to enable the Buyer, its successors or assigns, to enjoy such property or to carry out the intent and purposes hereof.

IN WITNESS WHEREOF, the Seller has caused this Bill of Absolute Sale to be executed on its behalf by its undersigned officer, this the \_\_\_\_ day of \_\_\_\_\_, 2000.

the "SELLER":

SPRUCE CREEK SOUTH UTILITIES, INC.

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ORL1 #573464 v3

APPENDIX D-1

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Exhibit C - ~~Asset Purchase Agreement~~ of Sod      050815.00044  
Field Lease  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and

EXHIBIT C

Sod Field Lease

See attached.



**SOD FIELD LEASE**

THIS SOD FIELD LEASE (this "Lease"), effective as of the 1st day of July, 2000, by and between **FLORIDA WATER SERVICES CORPORATION**, a Florida corporation, whose address is 1000 Color Place, Apopka, Florida 32703 (hereinafter called "Lessor"), and **DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC.**, an Arizona corporation, whose address is 8501 SE 140<sup>th</sup> Lane Road, Summerfield, Florida 34491 (hereinafter called "Lessee").

**WITNESSETH:**

THAT for and in consideration of the full and faithful performance of all of the covenants to be kept by Lessee as set forth herein and which Lessee agrees to keep and perform, Lessor hereby leases to Lessee for the term hereinafter specified, for the purposes specified herein and for no other purpose, the real property situated in Marion County, State of Florida, and more particularly described on Exhibit "A" attached hereto (the "Leased Premises").

IN CONSIDERATION OF THE PREMISES: It is hereby mutually agreed as follows:

1. **TERM OF LEASE:** Subject to the provisions herein set out, this Lease shall commence beginning on the effective date hereof, and ending on the third anniversary date hereof (the "Initial Lease Term"), unless earlier terminated as hereinafter provided. Subject to the provisions of Section 14 hereof, upon the expiration of the Initial Lease Term, this Lease shall annually be automatically renewed for successive periods of one year, unless notice of non-renewal is given in writing by either party no later than sixty (60) days prior to the expiration of the then current lease term. As used herein, the Initial Lease Term and any renewals thereof, as applicable, may sometimes be referred to as the "Lease Term."
2. **CONSIDERATION:** In consideration of Lessee's right to use the property as contemplated herein, Lessee agrees to mow and otherwise maintain the Leased Premises as contemplated by Section 7(A).
3. **SURFACE.** This Lease covers the surface only of the lease premises to be used solely for the purpose herein stated, and is subject to all ingress and egress easements, or other agreements now existing or hereafter to be entered into by Lessor.
4. **USE.** Lessee shall use the Leased Premises solely for the purpose of growing sod for use in Lessee's common areas and golf course located at the Spruce Creek Preserve and for no other use without the prior express written consent of Lessor, which consent may be granted or denied in the sole and arbitrary discretion of Lessor (the "Permitted Use"). Permitted Use shall include Lessee's right to plant, maintain and harvest all such sod grown on the Leased Premises. Lessee shall allow no unlawful, improper, or offensive

use of the Leased Premises. Lessee shall not alter the Leased Premises inconsistent with the Permitted Use, and shall not do anything to the Leased Premises that reduces the value thereof, or that impairs the utility thereof, without Lessor's prior written consent. Lessee expressly agrees to utilize and occupy the Leased Premises in accordance with and subject to all statutes, rules, regulations and ordinances of any and all governmental agencies and authorities having jurisdiction over the Leased Premises or Lessee's use thereof (the "Applicable Law"). Lessee will indemnify the Lessor against and hold it harmless from liability or expense arising from Lessee's failure to do so.

5. **TAXES.** Lessee shall pay before default all taxes and other governmental charges levied on the sod, and on all personal property, if any, placed by Lessee on the Leased Premises. Lessor shall pay all ad valorem real property taxes levied on the Leased Premises.
6. **INSURANCE.** Lessee shall maintain liability insurance over the Leased Premises including, without limitation, coverage over Lessee's operations thereof. Any such liability policy(s) shall name Lessor as an additional insured. Lessee agrees to furnish to Lessor copies of all such insurance policies in existence during the term of this Agreement.
7. **LESSEE'S RESPONSIBILITIES.**
  - A. Lessee covenants to maintain all sod and other crops, if any, grown on the Leased Premises, which maintenance shall include the mowing thereof at reasonable intervals.
  - B. Subject to the provisions of Section 8 hereof, Lessee agrees to repair or replace, in a timely manner, any irrigation facilities located on the Leased Premises (the "Sprinkler System") damaged by Lessee.
  - C. Lessee shall not hold Lessor responsible for any injury, damage, or loss caused by: a) repair, or alterations to the Leased Premises by Lessor or Lessor's agent, employee or contractor, whether negligent or not, earthquakes, fire, flood, market conditions, plumbing, noxious weeds, quarantines, pests, storms, tornadoes, wildlife, air, water or land quality, shortage of water for irrigation and any other natural occurrence; b) electric power lines and other utility lines, gas and other pipelines (if any) and roads located on the Leased Premises or contiguous thereof.
  - D. In the event that any portion of the Sprinkler System is damaged by Lessee and, in light of the circumstances, notifying Lessee of the need for repair would not be practical due to Lessor's need to continuously operate its adjacent waste water treatment plant which disposes of effluent onto the Leased Premises, then Lessor shall have the right to effectuate such repairs as may be necessary to the Sprinkler System to cause continued operation of the plant.

8. LESSOR'S RESPONSIBILITIES.

- A. Lessor agrees to irrigate the Leased Premises with wastewater produced by its operations on Lessor's wastewater treatment plant located adjacent to the Leased Premises subject to the availability of such wastewater. Lessor agrees to consult with Lessee with regard to an irrigation schedule reasonably satisfactory to both parties, but in no event shall Lessor be required to irrigate the Leased Premises with wastewater when such irrigation may, in Lessor's sole and absolute opinion, cause Lessor to be in violation of any and all statutes, ordinances, rules or regulations governing Lessor's operation of its wastewater treatment plant and/or the use of wastewater for such irrigation purposes.
- B. Except for any damage to the Sprinkler System caused by Lessee, Lessor shall be responsible for the cost of all repairs and maintenance to the Sprinkler System throughout the term of this Agreement.

9. LESSOR'S RIGHT TO IRRIGATE. Nothing in this Lease shall be construed to limit or prohibit Lessor from utilizing the Leased Premises to dispose of effluent generated from Lessor's waste water treatment plant onto the Leased Premises in such amounts and at such times as are deemed necessary by Lessor for the proper operation of its waste water treatment plant.

10. IMPROVEMENTS AND MATERIALS. Lessee shall not construct any buildings, fixtures or improvements on the Leased Premises without prior written consent of Lessor, which consent may be withheld for any reason, and such buildings, fixtures or improvements shall either become part of the real property or be removed by Lessee, at the option of Lessor, upon the expiration of this Lease. No water, timer, rock, dirt gravel or other materials or minerals shall be sold or removed from the premises by the Lessee without the written permission of the Lessor.

11. LESSEE OPERATIONS.

- A. Lessee shall not damage or destroy the Leased Premises or its appurtenances; shall not burn brush, cuttings, grass stubble, straw, trees, or crops and vegetation of any kind, or set fire to any material on the Leased Premises except in accordance with all Applicable Law and upon prior written consent of Lessor.
- B. Lessee shall conduct its operations on the Leased Premises in a good and businesslike manner in accordance with all Applicable Law.
- C. Lessee hereby accepts the Leased Premises, AS IS, including fences as they now exist and irrigation systems.

- D. In the performance hereunder by Lessee, Lessee shall not be deemed an agent or employee of Lessor. Lessee hereby knowingly and voluntarily waives all claims which Lessee, its heirs, executors or personal representatives may have against Lessor for any and all death, personal injury, or property damage arising on the Leased Premises, or because of any operations related to the Leased Premises.
12. THIRD PARTIES. Lessee shall not give permission to, and shall use reasonable and prudent efforts to prevent any third party or parties from entering upon Leased Premises for any purposes other than those necessary and pertinent to Lessee's operations thereon, or unless such third parties are permitted to enter the Leased Premises by Lessor.
13. PERSONAL USE/NON-ASSIGNMENT. The use of the Leased Premises is personal to Lessee, and Lessee shall not allow the use of all or any part of Leased Premises for any purpose other than the purposes stated first above without first obtaining the written consent of Lessor, and no assignment, sublease or encumbrance of this Lease or any interest herein shall be valid without the written consent of Lessor first obtained and any assignment, sublease or encumbrance without such consent shall be null and void.
14. DEFAULT AND TERMINATION. In the event of the failure or refusal on the part of the Lessee to comply with any of the terms and conditions herein contained (including payment of rental) which continues for a period of thirty (30) days after notice by Lessor to Lessee of the same, this Lease shall at the option of Lessor become in default and may be immediately terminated by Lessor, in addition to any other rights Lessor may have at law or in equity, and Lessor may take full possession of the Leased Premises without notice, opposition or hindrance from Lessee.
15. TERMINATION. Upon sixty (60) days written notice to the other party, either party may for any reason terminate this Lease if such notice is given by Lessor then Lessor shall refund to Lessee on a pro rata basis the rental theretofore paid for the balance of the term. Lessee agrees that Lessor shall have a lien for all unpaid rent upon business property and agricultural products grown on the Leased Premises.
16. SURRENDER OF LEASED PREMISES. Upon the expiration or termination of the lease, Lessee agrees to immediately, peaceably and quietly leave and surrender the Leased Premises to Lessor in as good order and condition as when the same were entered upon, ordinary wear and tear expected. Lessor shall physically inspect the premises within thirty (30) days of termination and Lessee shall pay Lessor for any and all damages caused by Lessee to the Sprinkler System.
17. NON-WAIVER. The failure on the part of Lessor to take any action against Lessee by reason of any particular breach of the terms and conditions of this Lease shall not be deemed a waiver of the continuation of such breach or of any other or subsequent breach on the part of the Lessee.

18. ATTORNEY FEES. Anything to the contrary herein notwithstanding, in the event of any litigation arising out of this lease, the court shall award the prevailing party all reasonable costs and expenses, including attorneys' fees and costs at all trial and appellate levels.
19. Indemnification. Lessee agrees to indemnify and hold Lessee, its agents, employees, subsidiaries and affiliates, harmless from and against any and all losses, expenses, liens, claims, demands and causes of action of every kind and character for death, personal injury, property damage, or any other liability, damages, fines or penalties (except where reimbursement of fines and penalties is prohibited by applicable law) including costs, attorneys fees and settlements arising out of or in connection with any act or omission of Lessee, its agents, employees, consultants, contractors, subcontractors, licensees and invitees arising out of or relating to this Agreement.
20. RIGHT OF ENTRY. Lessor, and Lessor's agents shall have access to the Leased Premises during Lessee's business hours for the purpose of inspecting the same, performing any repair or other obligations pursuant to the terms of this Lease and exhibiting the Leased Premises to prospective lenders and purchasers. Any access by Lessor or Lessor's agents permitted hereunder shall be discrete and conducted in a manner not to unreasonably interfere with Lessee's use of the Leased Premises. Notwithstanding the foregoing, in the event of an emergency repair (a repair necessary to protect the Leased Premises and/or keep it free from hazards), Lessor is hereby granted access to the Leased Premises and shall provide Lessee with reasonable notice under the circumstances making every attempt to contact Lessee's facility manager prior to its entry.
21. MECHANICS LIEN. Subject to the provisions hereafter set forth, Lessor's interest in the Leased Premises shall not be subjected to liens of any nature by reason of Lessee's construction, alteration, renovation, repair, restoration, replacement or reconstruction of any improvements on or in the Leased Premises, or by reason of any other act or omission of Lessee (or of any person claiming by, through or under Lessee) including, but not limited to, mechanics' and materialmen's liens. All persons dealing with Lessee are hereby placed on notice that such persons shall not look to Lessor or to Lessor's credit or assets (including Lessor's interest in the Leased Premises) for payment or satisfaction of any obligations incurred in connection with the construction, alteration, renovation, repair, restoration, replacement or reconstruction thereof by or on behalf of Lessee. Lessee has no power, right or authority to subject Lessor's interest in the Leased Premises to any mechanic's or materialmen's lien or claim of lien. If a lien, a claim of lien or an order for the payment of money shall be imposed against the Leased Premises on account of work performed, or alleged to have been performed, for or on behalf of Lessee, Lessee shall, within thirty (30) days after written notice of the imposition of such lien, claim or order, cause the Leased Premises to be released therefrom by the payment of the obligation secured thereby or by furnishing a bond or by any other method prescribed or permitted by law. If a lien is released, Lessee shall thereupon furnish

Lessor with a written instrument of release in form for recording or filing in the appropriate office of land records of the County in which the Leased Premises is located, and otherwise sufficient to establish the release as a matter of record.

- 22. **NOTICE.** All notices shall be deemed to have been properly given when deposited in the United States mail, certified and return receipt requested, or when deposited in parcel express delivery, and addressed to the party at the address set forth above, or such notice may be delivered in person.
- 23. **ENVIRONMENTAL RESPONSIBILITY.** Lessee shall not engage in any activities that will result in environmental contamination of the Leased Premises and lands contiguous thereto. Lessee shall be solely responsible for the clean up and remediation of all contamination caused by or resulting from activities of Lessee.
- 24. **CONDEMNATION.** Lessee shall have no rights to make any claim for losses or damages in the event all or any of the Leased Premises is taken under power of eminent domain, or sold under threat thereof.
- 25. **RECORDING.** Neither this Lease nor any memoranda thereof shall be recorded in the Public Records of Marion County, Florida. Any attempt by Lessee to record notice of this Lease shall constitute a default hereunder and shall be addressed in accordance with the provisions of Section 14 hereof.
- 26. **SUCCESSORS.** The covenants and agreements herein contained shall extend to and be binding on the permitted heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, Lessor and Lessee have executed this instrument as of the date and year first written above.

**LESSOR:**

**DEL WEBB'S SPRUCE CREEK  
COMMUNITIES, INC.,** an Arizona  
corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LESSEE:**

**FLORIDA WATER CORPORATION,** a  
Florida corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT "A"**

**Legal Description of the Leased Premises**

ORL1 #573835 v2

APPENDIX D-1

PAGE 46 OF 241

Exhibit D - ~~Assignment~~ of HOA Agmts 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.



EXHIBIT D

APPENDIX D-1

PAGE 47 OF 241

**Homeowners' Association Agreements**

See attached:

- Special Agreement for Villa Irrigation Water between Spruce Creek Preserve Homeowners' Association, Inc. and Spruce Creek South Utilities, Inc.
- Special Agreement for Villa Irrigation Water between Spruce Creek Golf & Country Club Homeowners' Association, Inc. and Spruce Creek South Utilities, Inc.

SPECIAL AGREEMENT FOR VILLA IRRIGATION WATER OF 241  
PAGE 48

THIS SPECIAL AGREEMENT FOR VILLA IRRIGATION WATER ("Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2000 by and between Spruce Creek Preserve Homeowners' Association, Inc. (the "Homeowners' Association") and Spruce Creek South Utilities, Inc. (hereinafter "Utility").

**WITNESSETH:**

WHEREAS, the Utility currently provides domestic water and irrigation service to single family homes known as villas located within the Spruce Creek Preserve development in Central Florida, as more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter the "Villa Property"); and

WHEREAS, each single family home within the Villa Property has a meter for domestic water used other than for irrigation purposes, payment for which is the responsibility of the owner of the villa; and

WHEREAS, each single family home within the Villa Property also has a separate meter for water service used for irrigation purposes, payment for which is the responsibility of the Homeowners' Association; and

WHEREAS, pursuant to Utility's water tariff currently on file with the Florida Public Service Commission ("FPSC"), the Homeowners' Association must pay a monthly base facility charge of \$10.16 for each irrigation meter within the Villa Property; and

WHEREAS, the Homeowners' Association's primary source of revenue is the dues that it receives from its members; and

WHEREAS, it is in the best interests of the Utility and the Homeowners' Association that the Homeowners' Association's dues be kept at a minimum to encourage the sale of villas within the Villa Property.

**NOW, THEREFORE,** in consideration of the mutual undertakings and agreements herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the Homeowners' Association and Utility hereby covenant and agree as follows:

1. **Base Facilities Charge.** Notwithstanding Utility's water tariff, Utility agrees, beginning July 1, 2000 that the base facilities charge that it will collect for each irrigation meter within the Villa Property from the Homeowners' Association will be as follows:

July 1, 2000 through June 30, 2001	\$0.00
July 1, 2001 through June 30, 2002	\$2.00
July 1, 2002 through June 30, 2003	\$4.00
July 1, 2003 through June 30, 2004	\$6.00
July 1, 2004 through June 30, 2005	\$8.00

Utility, however, will continue to record as revenues the base facilities charge that would have been collected pursuant to Utility's tariff in the absence of this agreement.

2. **Regulatory Assessment Fees.** Utility will pay regulatory assessment fees to the FPSC as if the base facilities charge for the irrigation meters had been collected from the Homeowners' Association in accordance with Utility's water tariff. The Homeowners' Association, however, shall reimburse Utility for that portion of the regulatory assessment fees attributed to the revenues that would have been generated from the base facilities charge for the irrigation meters within the Villa Property had such base facilities charge been collected in accordance with Utility's water tariff. The Utility shall provide the Homeowners' Association with a statement on or before March 10<sup>th</sup> of each year indicating the amount of the reimbursement owed. Such reimbursement shall be made to the Utility by the Homeowners' Association on or before April 10<sup>th</sup> of each year for the regulatory assessment fees due to the FPSC for the preceding calendar year. This section shall survive the expiration of this Agreement only to the extent that on or before April 10, 2006, the Homeowners' Association shall reimburse Utility, in accordance with this Section, for regulatory assessment fees accrued from January 1, 2005 through June 30, 2005.

3. **Gallonage Charge.** The Homeowners' Association shall continue to be responsible for payment of the applicable gallonage charge for each irrigation meter within the Villa Property.

4. **Term.** The term of this Agreement shall begin on July 1, 2000 and shall expire on June 30, 2005. Upon expiration of this Agreement, the provision of Utility's tariff shall control.

5. **Miscellaneous.**

(a) **No Waiver.** No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.

(b) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida notwithstanding another jurisdiction.

(c) Headings. All article headings, section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(d) Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provisions; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

(e) Entire Agreement. This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date above-stated, and it supersedes any and all prior negotiation, agreements, and understandings with respect to the subject matter hereof.

(f) Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver, or modification shall be sought.

(g) Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorney's fees and costs of the party prevailing in such litigation shall be paid by the other Party.

(h) Assignment. This agreement may be assigned by Utility to an entity that purchases the Utility without the consent of the Homeowner's Association. Otherwise, no party may assign its obligations under this Agreement except with the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld.

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

The Parties have executed this Agreement as ~~PAGE~~ <sup>51</sup> day and ~~OF~~ <sup>24</sup> first written above.

SPRUCE CREEK PRESERVE  
HOMEOWNERS' ASSOCIATION, INC.

Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public

Name of Notary Printed:

My Commission Expires:

\_\_\_\_\_

My Commission Number Is:

Notary Seal

SPRUCE CREEK SOUTH UTILITIES, INC.

Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_



DESCRIPTION OF PROPERTY

Include legal description of Villa Property within the Spruce Creek Preserve.

TAL1 #217610 v1

THIS SPECIAL AGREEMENT FOR VILLA IRRIGATION WATER ("Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2000 by and between Spruce Creek Golf & Country Club Homeowners' Association, Inc. (the "Homeowners' Association") and Spruce Creek South Utilities, Inc. (hereinafter "Utility").

**WITNESSETH:**

WHEREAS, the Utility currently provides domestic water and irrigation service to single family homes known as villas located within the Spruce Creek Golf & Country Club development in Central Florida, as more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter the "Villa Property"); and

WHEREAS, each single family home within the Villa Property has a meter for domestic water used other than for irrigation purposes, payment for which is the responsibility of the owner of the villa; and

WHEREAS, each single family home within the Villa Property also has a separate meter for water service used for irrigation purposes, payment for which is the responsibility of the Homeowners' Association; and

WHEREAS, pursuant to Utility's water tariff currently on file with the Florida Public Service Commission ("FPSC"), the Homeowners' Association must pay a monthly base facility charge of \$10.16 for each irrigation meter within the Villa Property; and

WHEREAS, the Homeowners' Association's primary source of revenue is the dues that it receives from its members; and

WHEREAS, it is in the best interests of the Utility and the Homeowners' Association that the Homeowners' Association's dues be kept at a minimum to encourage the sale of villas within the Villa Property.

**NOW, THEREFORE,** in consideration of the mutual undertakings and agreements herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the Homeowners' Association and Utility hereby covenant and agree as follows:

1. **Base Facilities Charge.** Notwithstanding Utility's water tariff, Utility agrees, beginning July 1, 2000 that the base facilities charge that it will collect for each irrigation meter within the Villa Property from the Homeowners' Association will be as follows:



July 1, 2000 through June 30, 2001	\$0.00
July 1, 2001 through June 30, 2002	\$2.00
July 1, 2002 through June 30, 20003	\$4.00
July 1, 2003 through June 30, 2004	\$6.00
July 1, 2004 through June 30, 2005	\$8.00

Utility, however, will continue to record as revenues the base facilities charge that would have been collected pursuant to Utility's tariff in the absence of this agreement.

2. **Regulatory Assessment Fees.** Utility will pay regulatory assessment fees to the FPSC as if the base facilities charge for the irrigation meters had been collected from the Homeowners' Association in accordance with Utility's water tariff. The Homeowners' Association, however, shall reimburse Utility for that portion of the regulatory assessment fees attributed to the revenues that would have been generated from the base facilities charge for the irrigation meters within the Villa Property had such base facilities charge been collected in accordance with Utility's water tariff. The Utility shall provide the Homeowners' Association with a statement on or before March 10<sup>th</sup> of each year indicating the amount of the reimbursement owed. Such reimbursement shall be made to the Utility by the Homeowners' Association on or before April 10<sup>th</sup> of each year for the regulatory assessment fees due to the FPSC for the preceding calendar year. This section shall survive the expiration of this Agreement only to the extent that on or before April 10, 2006, the Homeowners' Association shall reimburse Utility, in accordance with this Section, for regulatory assessment fees accrued from January 1, 2005 through June 30, 2005.

3. **Gallonage Charge.** The Homeowners' Association shall continue to be responsible for payment of the applicable gallonage charge for each irrigation meter within the Villa Property.

4. **Term.** The term of this Agreement shall begin on July 1, 2000 and shall expire on June 30, 2005. Upon expiration of this Agreement, the provision of Utility's tariff shall control.

5. **Miscellaneous.**

(a) **No Waiver.** No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.

(b) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida notwithstanding another jurisdiction.

(c) Headings. All article headings, section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(d) Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provisions; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

(e) Entire Agreement. This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date above-stated, and it supersedes any and all prior negotiation, agreements, and understandings with respect to the subject matter hereof.

(f) Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver, or modification shall be sought.

(g) Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorney's fees and costs of the party prevailing in such litigation shall be paid by the other Party.

(h) Assignment. This agreement may be assigned by Utility to an entity that purchases the Utility without the consent of the Homeowner's Association. Otherwise, no party may assign its obligations under this Agreement except with the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld.

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

The Parties have executed this Agreement as of the day and year first written above.

SPRUCE CREEK GOLF & COUNTRY CLUB HOMEOWNERS' ASSOCIATION, INC.

Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public

Name of Notary Printed:

My Commission Expires:

\_\_\_\_\_

My Commission Number Is:

Notary Seal

SPRUCE CREEK SOUTH UTILITIES, INC.

Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public

Name of Notary Printed:

My Commission Expires: \_\_\_\_\_

My Commission Number Is: Notary Seal

DESCRIPTION OF PROPERTY

Include legal description of Villa Property within the Spruce Creek Golf & Country Club.

TAL1 #217610 v2

Exhibit E - Assumption Agreement 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT E

Assignment and Assumption Agreement

See attached.

## ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2000, by and between Spruce Creek South Utilities, Inc., a Florida corporation (hereinafter referred to as "Assignor"), and Florida Water Services Corporation, a Florida corporation (hereinafter referred to as "Assignee").

BACKGROUND STATEMENT

A. Assignor, Assignee and Del Webb's Spruce Creek Communities, Inc., an Arizona corporation, have entered into an Asset Purchase Agreement dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2000 ("Asset Purchase Agreement"), whereby Assignee has agreed to purchase certain assets of Assignor used in Assignor's business ("Business").

B. As a part of the above-described transaction, Assignor further desires to assign, and Assignee desires to acquire, all Assignor's right, title and interest in certain existing contracts, leases, other agreements, and other assets related to the Business.

STATEMENT OF AGREEMENT

The parties hereby agree as follows:

1. Capitalized Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Asset Purchase Agreement.

2. Contracts. Assignor does hereby assign, transfer, convey and set over unto Assignee all of Assignor's right, title, interest, power and privilege in, to and under those contracts and agreements relating to the Business ("Contracts") in effect as of the date of this Agreement which are described on the list attached to this Agreement as Exhibit A. Assignee hereby expressly assumes and accepts all of the duties and obligations of the Assignor arising out of the Contracts which are to be performed after the date of this Agreement.

3. Leases. Assignor does hereby assign, transfer, convey and set over unto Assignee all of Assignor's right, title, interest, power and privilege in, to and under each and every lease relating to the Business (the "Leases"), which Leases are listed on Exhibit B attached to this Agreement and made a part of this Agreement, free and clear of any prior assignment, lien or encumbrance except as set forth in the Asset Purchase Agreement. Assignee hereby expressly assumes and accepts all of the duties and obligations of the Assignor arising out of the Leases which are to be performed after the date of this Agreement.

4. Intangibles. Assignor does hereby assign, transfer, convey and set over unto Assignee all of Assignor's right, title, interest, power and privilege in, to and



under the intangibles ("Intangibles") which are described on the list attached hereto as Exhibit C.

5. Assumption of Obligations. Assignee hereby assumes all the liabilities of the Business which accrue on and after the date of this Agreement with respect to the Assumed Liabilities set forth on Exhibit D.

6. Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party hereto may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other party.

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

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

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

If to the Assignor:

Spruce Creek South Utilities, Inc.  
c/o Del Webb Corporation  
6001 North 24<sup>th</sup> Street  
Phoenix, Arizona 85016  
Attn: Philip H. Darrow, Esq.  
Facsimile No.: 615/808-8015

Copy to:

Holland & Knight LLP  
200 South Orange Avenue, Suite 2600  
Orlando, Florida 32801  
Attn: Glenn A. Adams, Esq.  
Facsimile No.: 407/244-5288

If to the Assignee:

Florida Water Services Corporation  
1000 Color Place  
Apopka, Florida 32703  
Attn: John L. Tillman, Jr.  
Senior Vice President  
Facsimile No.: 407/598-4223

Copy to:

Florida Water Services Corporation  
1000 Color Place  
Apopka, Florida 32703  
Attn: General Counsel  
Facsimile No.: 407/598-4241

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

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

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

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

13. Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

14. Incorporation of Attachments. The Attachments identified in this Agreement are incorporated herein by reference and made a part hereof.

15. Submission to Jurisdiction. Each of the parties hereto submits to the jurisdiction of any state or federal court sitting in Orange County, Florida, in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each party also agrees not to bring any action or proceeding arising out

of or relating to this Agreement in any other court. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other parties with respect thereto. Any party may make service on any other party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 9 above. Each party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

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

17. Indemnification. All indemnification obligations and rights shall be as set forth in the Asset Purchase Agreement.

Assignor and Assignee have executed this Agreement as of the day and year first written above.

ASSIGNOR:

ASSIGNEE:

SPRUCE CREEK SOUTH UTILITIES, INC.

FLORIDA WATER SERVICES CORPORATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit A

CONTRACTS

Exhibit B

LEASES

Exhibit C

INTANGIBLES

ASSUMED LIABILITIES

3. Indemnification. Each party agrees to indemnify and hold the other party, its agents, employees, subsidiaries and affiliates, harmless from and against any and all losses, expenses, liens, claims, demands and causes of action of every kind and character for death, personal injury, property damage, or any other liability, damages, fines or penalties (except where reimbursement of fines and penalties is prohibited by applicable law) including costs, attorneys fees and settlements arising out of or in connection with any act or omission of such party, its agents, employees, consultants, contractors, subcontractors, licensees and invitees arising out of or relating to this Agreement.

IN WITNESS WHEREOF, Del Webb and Florida Water have executed this Agreement as of the date and year first written above.

DEL WEBB:

FLORIDA WATER:

**DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC.**, an Arizona corporation

**FLORIDA WATER CORPORATION**, a Florida corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT "A"**

**Legal Description of the Spray Field**

EXHIBIT "B"

**Legal Description of the Waste Water Treatment Plant**

Exhibit F - Reclaimed Water Agree't 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT F

Reclaimed Water Agreement

See attached.

RECLAIMED WATER AGREEMENT

THIS Reclaimed Water AGREEMENT ("Agreement") is entered into this \_\_\_ day of \_\_\_\_\_, 2000, by and between FLORIDA WATER SERVICES CORPORATION, Florida corporation (hereinafter "Utility") and DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC., a \_\_\_\_\_ Corporation (hereinafter "Developer").

WITNESSETH:

WHEREAS, Utility is a wastewater utility as defined in Section 367.021(12), Florida Statutes; and

WHEREAS, on even date herewith, Utility has acquired the water and wastewater system ("System") serving the Spruce Creek Country Club Community in Marion County which was previously owned by Spruce Creek South Utilities, Inc. (hereinafter "Spruce Creek") pursuant to the terms of an asset purchase agreement dated \_\_\_\_\_, 2000 (the "Asset Purchase Agreement"); and

WHEREAS, Developer owns certain real property within the SPRUCE CREEK COUNTRY CLUB Community including golf course property and landscaped common areas which is more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter the "Property"); and

WHEREAS, in the future the Developer may develop an additional golf course within the Spruce Creek Country Club Community as indicated on Exhibit "A". The existing and future golf courses shown on Exhibit "A" are referred to hereinafter as the "Golf Course Property"); and

WHEREAS, Utility intends to make certain improvements to the wastewater system so that Utility can provide Reclaimed Water to Developer for irrigation of the Property; and

WHEREAS, Utility is willing to provide, and Developer is willing to accept, Reclaimed Water for irrigation use on the Property subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Definitions.** Unless otherwise defined herein, the following capitalized terms shall have the meanings set forth below:

"DEP" - shall mean the Florida Department of Environmental Protection, or any successor agency.

"Developer's Affiliates" - shall mean any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other affiliate of Developer.

"FPSC" - shall mean the Florida Public Service Commission, or any successor agency.

"GPD" - shall mean gallons per day.

"Irrigation Facilities" - shall mean all tangible property located on the Property that is necessary for the irrigation of the Property from the Points of Delivery, including, but not limited to, the Storage Ponds, pipelines, pumps, valves, spray head assemblies and any improvements or modifications thereto.

"Points of Delivery" - shall mean the points at which the Reclaimed Water leaves the meters located at the two Storage Ponds as shown on Exhibit "A."

"Reclaimed Water" - shall mean Wastewater treated to public access standards as promulgated by DEP in Part III of Chapter 62-610, Florida Administrative Code, ("F.A.C.")

"Reclaimed Water Transmission Lines" - shall mean the pipelines, valves, pumps, and other appurtenances necessary for delivery of Reclaimed Water from the Treatment Plant to the Point of Delivery.

"Storage Ponds" - shall mean those permanent bodies of water used as receptacles and storage areas for Reclaimed Water as shown on Exhibit "A".

"Tariff" - shall mean Utility's tariff on file with the FPSC.

"Treatment Plant" - shall mean the Wastewater treatment plant owned and operated by the Utility that provides service to the Spruce Creek Country Club community as of the date this Agreement is executed and upgrades up to a total capacity of one million gpd capacity.

"Wastewater" - shall mean the combination of the liquid and water-carried pollutants from a residence, commercial building, industrial plant, or institution, together with any groundwater, surface runoff, or leachate that may be present.

"Water Management District" - shall mean the St. Johns River Water Management District or any successor agency.

2. Upgrade of Wastewater Treatment Plant. Utility will use its best efforts to undertake the necessary improvements to the Wastewater Treatment Plant to provide Reclaimed Water to Developer as soon as practicable following the date hereof.

3. **Quantity.** Upon completion of the Treatment Plant upgrades, Utility shall provide Reclaimed Water generated by the Treatment Plant to Developer, subject to the requirements of any government agency with applicable regulatory authority. Subject to the terms of this Agreement, Utility shall provide and Developer shall accept all Reclaimed Water generated by the Treatment Plant. In the event excess Reclaimed Water beyond what is needed by the Developer for irrigation of the Property is generated by Utility, then Utility may provide such excess reclaimed water to one or more other customers.

4. **Use of Reclaimed Water.** Reclaimed Water shall be used for irrigation in any manner determined by Developer that is consistent with, and fully in compliance with, all applicable federal, state and local laws, regulations, and permits. Developer shall not be obligated to accept water that fails to meet quality standards for reuse as promulgated by DEP.

5. **Other Irrigation Wells.** Subject to Paragraphs 3 and 10(v) hereof, Developer may maintain and construct irrigation wells it needs to supplement the supply of Reclaimed Water provided by the Utility. Such actions shall not be deemed to cause Seller to violate any of the terms of this Agreement or the Asset Purchase Agreement.

6. **Points of Delivery.** Utility shall deliver Reclaimed Water to the Points of Delivery for use by Developer in irrigating the Property. Utility shall be deemed to be in possession and control of the Reclaimed Water until the Reclaimed Water is delivered to Developer at the Points of Delivery. After such delivery, Developer shall be deemed to be in possession and control of the Reclaimed Water. The Reclaimed Water delivered by Utility to Developer shall at all times conform to the standards specified by DEP.

7. **Charges.** Subject to approval of this Agreement by the FPSC or other applicable regulatory authority, Developer shall pay for reclaimed water service at the initial rate of five cents (\$0.05) per 1,000 gallons. Developer shall not apply to the FPSC, or other applicable regulatory authority to increase this rate during the term of this Agreement except that this rate may be amended from time to time based on the index factor annually approved by the FPSC pursuant to s. 367.081(4), Florida Statutes, and may otherwise be amended in accordance with the rules, regulations and requirements of the FPSC, or other applicable regulatory authority. In the event that any governmental authority requires the Utility to increase the rate above the index, or the index increases the rates to \$.07 or more per 1,000 gallons, Developer, at its sole option, may terminate this Agreement upon two (2) years written notice to the Utility; provided, however, in the event Utility, after using its best efforts to develop an alternative disposal source for the effluent is unable to do so, then this Agreement shall remain in effect for such additional period as may be necessary to develop such alternative disposal source. In such case, the Developer shall not be required to pay the increase for such two (2) year period, as may be extended.

8. **Meters.** Utility shall install, own and maintain a meter assembly including a backflow prevention device at each Point of Delivery as shown on **Exhibit "A,"** for the purpose of measuring the quantity of Reclaimed Water provided to the Developer.

9. **Meter Calibration** Error! Bookmark not defined.. Utility shall examine and test the meters annually to determine whether they are correctly registering the volume of Reclaimed Water being delivered. Developer shall have the right to read and test the meters at any time, at its expense. Either party shall have the right to be present during any calibration of testing of the meter and shall have the right to receive a copy of the test or calibration results. If, at any time, a test of any meter discloses a deviation of more than two percent (2%) of the annual average daily volume delivered, Utility shall adjust its charges up or down using the percentage of error as determined by the test and Utility shall repair and correct the meter. If the approximate date the meter inaccuracy began can be determined, the charges shall be adjusted from that date, which shall not exceed three months from the date the error is reported. If the approximate date of the meter error cannot be determined, the charges shall be adjusted for the previous three months.

10. **Permits and Regulations.**

a. Utility shall obtain and maintain, at its expense, all governmental permits, consents, and approvals as required by law for performance of its obligations herein.

b. Each party shall fully cooperate with and assist the other in obtaining and complying with all necessary permits, consents, and approvals as required by law for each party's performance under this Agreement. Each party's cooperation with the other shall include, but not be limited to, the execution and consent to the filing of any necessary documents and applications with governmental agencies to accomplish the purposes of the Agreement.

c. Both parties shall comply with all applicable government regulations and requirements including but not limited to Chapter 62-610, F.A.C and all permits issued and rules adopted by the DEP, the Water Management District, and any other governmental agency with applicable legal authority as such regulations and permits may be amended from time to time. In addition to all other government requirements, Developer shall be responsible for compliance with the following:

(i) Irrigation Facilities shall be operated so as to prevent any flooding or ponding of reclaimed water.

(ii) All reclaimed water hose bibbs, hand-operated connections and outlets shall be contained in underground service vaults and shall be appropriately tagged or labeled to warn the public and employees that the water is not intended for drinking. All Reclaimed Water piping, pipelines, valves and outlets shall be color coded, or otherwise marked, to differentiate Reclaimed Water from potable or other water.

(iii) Vaults for Reclaimed Water, hose bibbs and outlets shall be locked or require a special tool for operation of hose bibbs and outlets.



(iv) Signs shall be posted in the vicinity of the Irrigation Facilities advising the public that reuse is practiced.

(v) In all events, Developer shall comply with the priorities for source of irrigation water as set forth in the Consumptive Use Permit issued by the Water Management District.

11. **Compliance with Utility Tariffs and Rules.** Developer shall comply with all of Utility's Policies, Tariffs, Rules and Regulations as amended from time to time.

12. **Construction and Maintenance.** Utility shall, at its sole cost and expense, be responsible for the installation, construction, repair, replacement and maintenance of the Reclaimed Water Transmission Lines. Developer shall, at its sole cost and expense, be responsible for the installation, construction, repair, replacement and maintenance of the Irrigation Facilities. Each party shall maintain such lines and facilities for which they are responsible under this paragraph in good and operable condition and good state of repair. All such installation, construction, repair, replacement and/or maintenance required of Utility and Developer under this paragraph shall be in accordance with all laws, rules and regulations of DEP, or any other governmental agency having jurisdiction over the Irrigation Facilities, Reclaimed Water Transmission Lines and/or Treatment Plant. Notwithstanding anything to the contrary contained herein, any expenses to upgrade the Treatment Plant or Reclaimed Water Transmission Lines and any additional treatment costs due to changes required by DEP shall be the sole responsibility of Utility.

13. **Easement; Right of Access**

a. Prior to the Utility's installation of the Reclaimed Water Transmission Lines required to be installed by Utility under this Agreement, Developer will execute and deliver to Utility at no cost to Utility an instrument of conveyance in recordable form granting Utility easement and right-of-way rights for the Reclaimed Water Transmission Lines over, through and across a strip of land 20' wide lying equally on either side of the center line of the Reclaimed Water Transmission Lines running from the Treatment Plant over all private lands owned by Developer or to which developer has easement rights to the respective Points of Delivery generally located as shown on Exhibit "A." To the extent that the Reclaimed Water Transmission Lines are designed to be located within any publicly dedicated right-of-way, Developer shall use its best efforts to assist Utility in obtaining from Marion County all necessary right-of-way utilization permits for the installation and maintenance of such Reclaimed Water Transmission Lines in dedicated rights-of-way and absent receipt of such approval, Developer shall redesign the location of the Reclaimed Water Transmission Lines on abutting private lands (over which easements as otherwise contemplated above shall be granted).

b. The exact location of the easements and rights-of-way will be as indicated by a survey prepared by Utility and furnished to Developer and the rights afforded to Utility pursuant to the instrument of conveyance will be free of any prior encumbrances of

any nature and shall be perpetual in term. The easement and right-of-way agreement will provide that the easement is for the following purposes:

The perpetual right to enter at any time and from time to time to install, construct, maintain, inspect, repair, replace, rebuild, operate, maintain or test the Reclaimed Water Transmission Lines, monitor wells or devices and any other facilities incident to the provision of Reclaimed Water service and to remove any brush, trees or other installations which interfere with its use and rights under such easement.

c. In the future, if Utility in its sole discretion deems it necessary to obtain additional easement(s) for any purpose related to the provision of Reclaimed Water service, Developer shall convey such easement(s) to Utility at no cost. The location of such easements shall be determined by agreement of Utility and Developer.

d. Notwithstanding any grant of easement pursuant to this Agreement, Utility shall not take any actions that would unreasonably interfere with the use of any portion of the Golf Course Property as a golf course. Utility shall use its best efforts to conduct its activities on the Golf Course Property at the time, and during seasons, when the golf courses are least busy and otherwise avoid causing a disruption in the normal use of the Golf Course Property as golf courses.

14. **Access to Premises.** Developer shall provide Utility representatives with access to Developer's Property at all reasonable hours for the purpose of installing, maintaining, testing, inspecting or removing Utility property, reading meter(s) installing and maintaining monitor wells and other purposes incident to provision or termination of Reclaimed Water service.

15. **Default.** In the event of a default by either party of its duties and/or obligations hereunder, the non-defaulting party shall provide written notice to the defaulting party specifying the nature of the default. The defaulting party shall have thirty (30) days to cure any default of a monetary nature and sixty (60) days to cure any other default. If the default has not been cured within the applicable period (time being of the essence), the non-defaulting party, at its sole option, may terminate this Agreement, such termination to be effective upon written notice to the defaulting party. The non-defaulting party may also exercise all remedies available at law or in equity, including but not limited to, the right to damages, injunctive relief and specific performance.

16. Excuse From Performance.

a. Force Majeure. If either party is prevented from, or delayed in, performing any act required to be performed hereunder, and such prevention or delay is caused by strikes, labor disputes, inability to obtain labor, materials or equipment, storms, earthquakes, electric power failures, land subsidence, acts of God, acts of the public enemy, wars, blockades, riots, acts of armed forces, delays by carriers, inability to obtain rights-of-way, acts of public authority, regulatory agencies, or courts, or any other cause, whether the same kind is enumerated herein, not within the control of such party (a "Force Majeure

Event"), the performance of such act shall be excused for a period equal to the period of prevention or delay.

b. Governmental Acts. If for any reason during the term of this Agreement any federal, state, or local authorities or agencies fail to issue necessary permits, grant necessary approvals or require any change in the operation of the Treatment Plant, Reclaimed Water Lines, or Irrigation Facilities or the application and use of Reclaimed Water as provided herein ("Governmental Acts"), then, to the extent that such Governmental Acts shall affect the ability of any party to perform any of the terms of this Agreement, in whole or in part, the affected party shall be excused from the performance thereof and a new agreement or amendment hereto shall be negotiated, if possible, by the parties in conformity with such permits, approvals or requirements.

17. FPSC Approvals. Developer and Utility recognize that the Asset Purchase Agreement between Utility and Spruce Creek, although effective, is contingent upon FPSC approval. This Agreement will be attached as an exhibit to the Asset Purchase Agreement. To the extent that FPSC approval of this Agreement is required, Utility represents that it will seek FPSC approval of this Agreement as part of its application to the FPSC for approval of the Asset Purchase Agreement. In the Event there is no Non-Appealable Order approving the transfer of the System as contemplated by the terms of the Asset Purchase Agreement, including the approval of this Agreement, within thirty (30) months of the date of execution of this Agreement, this Agreement shall be deemed null and void.

18. Term. Unless deemed null and void or otherwise terminated pursuant to the terms of this Agreement, this Agreement shall continue in full force and effect for a term of twenty (20) years from the date hereof. The term shall be automatically renewed for an additional period of twenty (20) years, unless either party notifies the other of its intent not to renew at least one (1) year prior to the expiration of the initial term.

19. Indemnification. Utility shall indemnify and defend Developer and Developer's Affiliates and hold Developer and Developer's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses, including, without limitation, attorney's fees and costs, suffered or incurred by Developer or any of Developer's Affiliates and arising out of or in connection with Utility's operation of the Reclaimed Water Transmission Lines or Utility's activities within the

Easement granted by Developer. Developer shall indemnify and defend Utility and Utility's Affiliates and hold Utility and Utility's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses, including, without limitation, attorney's fees and costs, suffered or incurred by Utility or any of Utility's Affiliates and arising out of or in connection with Developer's operation of the Irrigation Facilities or Developer's activities on or about the Property; provided, however, that Developer shall not be liable for any claims, demands, causes of action, losses, damages, liabilities, costs and expenses arising from the fact that the Reclaimed Water failed to meet standards specified by DEP at the Point of Delivery. The provisions of this Section shall survive the termination of this Agreement. Developer's duty to indemnify shall include indemnification from and against any fine, penalty, liability, or cost arising out of Developer's violation of any law, ordinance, or governmental regulation applicable to the use of reclaimed water.

20. **Insurance.** Utility shall maintain or cause to be maintained during the entire term of this Agreement, and any extension thereof, a policy of commercial general liability insurance with a broad form contractual liability endorsement covering Utility's indemnification obligations contained in Section 12 of this Agreement, and with a combined single limit of not less than \$1,000,000 general liability, insuring Developer, and Developer's Affiliates, as additional insureds, against any injuries, or damages to person or property that may result from or are related to Utility's operation of the Reclaimed Water Transmission Lines and Utility's activities on or about the Property.

21. **Miscellaneous Provisions.**

a. **No Waiver.** No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.

b. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida notwithstanding another jurisdiction.

c. **Headings.** All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

d. **Severability.** If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provisions; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

e. **Entire Agreement.** This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date above-stated,

and it supersedes any and all prior negotiation, agreements, and understandings with respect to the subject matter hereof.

f. Amendments. Neither this Agreement, nor any of the terms hereof, may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver, or modification shall be sought.

g. Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other Party.

h. Assignment. Utility and Developer agree that neither party may assign its obligations under this Agreement except with the prior written consent of the other party, which consent shall not be unreasonably withheld. Without limiting or restricting the generality of the foregoing, it shall not be unreasonable for a Party to deny its consent where, in its opinion, acting reasonably, the proposed assignee, purchaser or transferee lacks the capacity or resources necessary to ensure the proper conduct and completion of its obligations under this Agreement over the remaining portion of the term of the Agreement. No assignment shall operate to release the assigning party from its obligations hereunder unless such party is expressly released from its obligations by the other Party.

i. Successors and Assigns. This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto.

j. Other Documents and Assurances. Each of the parties to this Agreement agrees that any time after the execution hereof, it will, on request of the other party, execute and deliver such other documents and further assurances as may reasonably be required by such other party in order to carry out the intent of this Agreement.

k. No Third Party Beneficiaries. This Agreement shall not be deemed to confer in favor of any third parties any rights whatsoever as third-party beneficiaries, the parties hereto intending this Agreement to confer no such benefits or status.

l. Counterparts. This Agreement may be executed in one or more counterparts, each of which so executed and delivered shall be deemed an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary for the same counterpart of this Agreement to be executed by all of the parties hereto.

m. Notice. Any notice or document required or permitted to be delivered under this Agreement or the Easement(s) to be granted hereunder shall be in writing and shall be deemed delivered at the earlier of (i) the date received, or (ii) three (3) business days after the date deposited in an United States Postal Service depository, postage prepaid, registered or certified mail, return receipt requested, addressed to Florida Water or Customer as the case may be, at the addresses set forth opposite their names below:

**FLORIDA WATER:**

Florida Water Services Corporation  
P.O. Box 609520  
Orlando, Florida 32860  
Attn: Eric Teittinen, Senior Vice-President  
Operations & Engineering

With a copy to:  
Florida Water Services Corporation  
P.O. Box 609520  
Orlando, Florida 32860  
Attn: General Counsel

**DEVELOPER:**

Del Webb Corporation  
6001 North 24<sup>th</sup> Street  
Phoenix, Arizona 85016  
Attn: Philip H. Darrow, Esq.  
Facsimile No.: 615/808-8015

With a copy to:  
Holland & Knight LLP  
200 South Orange Avenue, Suite 2600  
Orlando, FL 32801  
Attn: Glenn A. Adams, Esq.  
Facsimile No.: 407/244-5288

n. Recordation. Utility may record this Agreement or a memorandum of this Agreement in the Public Records of Marion County, Florida.

The Parties have executed this Agreement as of the day and year first written above. FLORIDA WATER SERVICES CORPORATION

Dated: \_\_\_\_\_

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public  
Name of Notary Printed:

My Commission Expires: \_\_\_\_\_

My Commission Number Is: \_\_\_\_\_

Notary Seal

DEL WEBB'S SPRUCE CREEK  
COMMUNITIES, INC.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public  
Name of Notary Printed:

My Commission Expires: \_\_\_\_\_

My Commission Number Is: \_\_\_\_\_

Notary Seal

Exhibit A

DESCRIPTION OF PROPERTY

(include legal description of property included in amended FQD)

Exhibit B

DESCRIPTION OF GOLF COURSE PROPERTY



Exhibit G - Futures Agreement                      050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

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EXHIBIT G

Futures Agreement

See attached.

THIS FUTURES AGREEMENT ("Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2000 by and between Del Webb's Spruce Creek Communities, Inc. (hereinafter "Developer") and Florida Water Services Corporation (hereinafter "Utility").

WITNESSETH:

WHEREAS, Developer owns or will acquire certain real property in Central Florida known as the Spruce Creek Country Club and the Spruce Creek Preserve, which is more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter the "Property"); and

WHEREAS, prior to the date of execution of this Futures Agreement, Spruce Creek South Utilities, Inc. ("Spruce Creek") has provided water and wastewater service to the Property; and

WHEREAS, Utility is a provider of water and wastewater service; and

WHEREAS, on even date herewith, Utility has acquired the water and wastewater system (the "System") previously owned by Spruce Creek pursuant to the terms of an asset purchase agreement (the "Asset Purchase Agreement"); and

WHEREAS, as a result of the Asset Purchase Agreement, Utility will provide water and wastewater service to the Property; and

WHEREAS, Developer will continue to expand its Property for sale for residential and commercial purposes; and

WHEREAS, the persons or entities that purchase Developer's Property will be customers of the Utility; and

WHEREAS, Utility will need to extend the System in order to provide service to the Property.

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

1. Extension of System. The parties acknowledge that the Utility is required to construct the facilities necessary to extend the System under the terms of tariffs applicable to the Property on file with the Florida Public Service Commission ("FPSC"). Utility hereby agrees that, pursuant to the Developer's Agreement by and between Utility and Developer executed contemporaneously

herewith, Developer has the exclusive right to construct, on behalf of the Utility, the necessary facilities within the Property described in Exhibit "A", including transmission and distribution lines and all other infrastructure (excluding water well sites and wastewater treatment plants) necessary for the extension of Utility's System to serve such Property.

2. Future Payments. In exchange for Developer constructing the facilities within the Property necessary to extend the Utility's System to serve the Property, Utility agrees to make monthly periodic futures payments and one lump-sum payment to Developer as follows:

(a) Periodic Futures Payments. Utility agrees to make monthly futures payments to Developer. Utility shall pay Developer the following amounts for each equivalent residential connection ("ERC") made to the System on or after October 1, 1999 through June 30, 2005:

<u>Period</u>	<u>Payment Per ERC</u>
October 1, 1999 through June 30, 2002	\$1,000
July 1, 2002 through June 30, 2003	\$1,500
July 1, 2003 through June 30, 2005	\$2,500

Notwithstanding Rule 25-30.515, Florida Administrative Code, for purposes of this paragraph, "ERC" includes connections to the System located on the Property. Further, for purposes of this paragraph, an "ERC" means each connection to a single-family residence. For a commercial user, "ERC" means the equivalent of a single-family residential connection which the parties acknowledge on average approximates 350 gallons of water per day. For a commercial user, ERCs shall be calculated by dividing the total daily flow of the commercial user by 350 gallons per day for water. For purposes of this paragraph, an ERC shall be deemed to be made when a connection is made to the System. On the Closing Date (as defined in the Asset Purchase Agreement), Utility agrees to make all futures payments owed to Developer for ERCs made from October 1, 1999 through the Closing Date, by wire transfer or delivery of other immediately available funds as reflected on Exhibit B attached hereto. After the Closing Date, Utility will pay Developer on the twentieth day of each month all periodic futures payments owed for ERCs made during the preceding month.

(b) Lump-Sum Payment. In addition to the periodic futures payments made by Utility to Developer under paragraph 2(a) hereof, Utility agrees to pay to Developer the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) by wire transfer or other immediately available funds within fifteen (15) days of the date that three thousand three hundred (3,300) residential connections have been made to the System at the Spruce Creek Country Club and the Spruce Creek Preserve. For purposes of determining when the payment is due hereunder, the parties acknowledge that the three thousand three hundred (3,300)

residential connections contemplated by the prior sentence includes ~~all~~ residential units connected to the System at the Spruce Creek Country Club and the Spruce Creek Preserve including connections made prior to the date hereof. The Parties acknowledge that the obligation to make a payment hereunder shall continue until such time that the payment is made regardless of the date that three thousand three hundred (3,300) residential connections have been made to the System as contemplated hereunder.

3. Condemnation. In the event that a governmental unit condemns the System, the obligation of the Utility to make the payments contemplated hereunder shall continue, and the date upon which such payments shall be due shall be the same date that such payments would have been due assuming that the Utility continued to operate the System rather than such governmental unit.

4. Additional Payments. In the event that Utility does not make the payments due hereunder on a timely basis, an event of default shall be deemed to have occurred hereunder, and the Utility shall pay to Developer an additional amount equal to one and one-half percent (1-1/2%) per month (or the maximum amount permitted by law whichever is less) of the aggregate amount owed to Developer for each month that any amount remains unpaid.

5. Miscellaneous.

(a) No Waiver. No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.

(b) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida notwithstanding another jurisdiction.

(c) Headings. All article headings, section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(d) Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provisions; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

(e) Entire Agreement. This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of

the date above-stated, and it supersedes any and all prior negotiation, agreements, and understandings with respect to the subject matter hereof.

(f) Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver, or modification shall be sought.

(g) Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other Party.

(h) Assignment. The Utility may not assign its obligations under this Agreement except with the prior written consent of the Developer, which consent shall not be unreasonably withheld. Without limiting or restricting the generality of the foregoing, it shall not be unreasonable for Developer to deny its consent where, in its opinion, acting reasonably, the proposed assignee, purchaser or transferee lacks the capacity or resources necessary to ensure the proper conduct and completion of its obligations under this Agreement over the remaining portion of the term of the Agreement. No assignment shall operate to release the Utility from its obligations hereunder unless the Utility is expressly released from its obligations by the Developer. Developer may assign its rights under this Agreement to an Affiliate as such term is defined in the Asset Purchase Agreement.

(i) Inurement. This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto. It is understood that the Developer may assign its rights hereunder to successor/owners of the Developer's parcels of real property included in the Property.

[INTENTIONALLY LEFT BLANK]

The Parties have executed this Agreement as of the day and year first written above.

DEL WEBB'S SPRUCE CREEK  
COMMUNITIES, INC.

Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public

Name of Notary Printed:

My Commission Expires:

\_\_\_\_\_

My Commission Number Is:

Notary Seal

FLORIDA WATER SERVICES  
CORPORATION

Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public

Name of Notary Printed:  
\_\_\_\_\_

My Commission Expires:

My Commission Number Is:

\_\_\_\_\_  
Notary Seal



Exhibit A

DESCRIPTION OF PROPERTY

Include legal description of Spruce Creek Preserve

Include legal description of Spruce Creek Country Club (including additions contemplated by amended FQD)

Exhibit B

ERCs 10-1-99 through Closing

ORL1 #516855 v10

050815.00044  
Exhibit H - Developer's Agreement  
Asset Purchase Agreement between Florida Water  
Services Corp, Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT H

Developers' Agreement

See attached.

**DEVELOPER'S AGREEMENT**

**By and Between**

**Florida Water Services Corporation**

**and**

**Del Webb's Spruce Creek Communities, Inc.**

This AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_ 2000, by and between Florida Water Services Corporation, a Florida corporation (hereafter "Utility"), and Del Webb's Spruce Creek Communities, Inc., an Arizona corporation (hereafter "Developer").

**RECITALS**

1. Developer owns certain properties located in Marion County, Florida, known as the Spruce Creek Country Club and Spruce Creek Preserve more particularly described in Exhibit "A", attached to and incorporated in this Agreement and hereinafter referred to as the "Developer's Property".

2. Prior to the date of execution of this Developer's Agreement, Spruce Creek South Utilities, Inc. ("Spruce Creek") has provided water and wastewater service to the Developer's Property.

3. On even date herewith, Utility has acquired the water and wastewater system previously owned by Spruce Creek pursuant to the terms of an asset purchase agreement (the "Asset Purchase Agreement").

4. Developer intends to further construct improvements to 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 Water and Wastewater Service Capacity.

5. Developer has completed and executed an Application for Service Extension, a true copy of which is attached to and incorporated in this Agreement as Exhibit "C".

6. Water and Wastewater Service Capacity for the Improvements shall be provided in the manner described below and subject to the terms and conditions provided herein.

7. Utility is willing to provide Water and Wastewater Service Capacity to 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 mutual undertakings and agreements herein contained and assumed, and other good and valuable consideration received by each party from the other, the receipt and sufficiency of which are hereby acknowledged, the parties 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 Developer's Agreement by and between Utility and Developer, as it may be amended from time to time.

2.2 "Asset Purchase Agreement" has the meaning set forth in the Recitals of this Agreement.

2.3 "Customer Installation" means for Water service, all pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature which are located on the customer's side of the Point of Delivery and used in connection with or forming a part of the installation necessary for rendering Water services to the customer's premises regardless of whether such installation is owned by the customer or used by the consumer under lease or other agreement. For Wastewater service, "Customer Installation" means all pipes, shut-offs, valves, fixtures, and appliances or apparatus of every kind and nature which are located on the customer's side of the Point of Collection and used in connection with or forming a part of the installation necessary for disposing of Wastewater collected from the customer's premises regardless of whether such installation is owned by the customer or used by the consumer under lease or other agreement.

2.4 "Developer" (or "Applicant" in Exhibit "C") means Del Webb's Spruce Creek Communities, Inc., an Arizona corporation, its successors and assigns.

2.5 "Developer's Property" means that land described in Exhibit "A" hereto plus additional parcels of land acquired by Developer in the future which adjoin the land described on Exhibit "A".

2.6 "Development Plan" means the document describing the proposed Improvements to be constructed on the Developer's Property as set forth in Exhibit "B" attached to and incorporated in this Agreement, as amended from time to time.

2.7 "ERC" has the meaning assigned to the term in the Asset Purchase Agreement.

2.8 "FDEP" means the Florida Department of Environmental Protection, 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 (including roads, drainage, grading, lot layout, water supply facilities, maintenance, and service lines to the Point of Delivery) which will be constructed and developed by Developer on the Developer's Property.

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

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

2.14 "Off-Site Facilities" means the portion of the Water and Wastewater Facilities that are not located wholly within the Developer's Property the purpose of which are either to provide Water service to properties within the Utility's service territory or to collect Wastewater received from properties within the territory.

2.15 "On-Site Facilities" means the portion of the Water and Wastewater Facilities that has been or will be located wholly within the Developer's Property. For purposes hereof, On-Site Facilities do not include water well and water treatment plants or any wastewater treatment plant facilities.

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

2.17 "Plans and Specifications" means those documents and drawings prepared by Developer's Engineer (as defined in Section 3.1 hereof) for the design and construction of certain Water and Wastewater Facilities and approved by Utility, as described in Subsection 2.28 hereof.

2.18 "Plant Capacity Charge" means a charge made by Utility for the purpose of covering all or part of Utility's capital costs in construction or expansion of the Water and Wastewater Facilities.

2.19 "Point of Collection" means the point at which the Utility's piping, fittings and valves for Wastewater service connect with the customer's piping, fittings and valves.

2.20 "Point of Delivery" means the outlet connection of the meter for metered Water service or the point at which the Utility's piping, fittings and valves connect with the customer's piping, fittings and valves for non-metered Water service, to be located on or about the property line of the customer's Lot or Tract.

2.21 "Service Availability Charges" means those charges described in Subsection 5.2 herein.

2.22 "Service Availability Policies" means the sections of the Utility's Tariffs which set forth the methods of determining the Service Availability Charges to be



paid and conditions to be met by applicants in order to obtain Water and Wastewater service from Utility. The Service Availability Policies applicable to this Agreement are attached hereto as Exhibit "D".

2.23 "Tariffs" means the Water and Wastewater Tariffs of Spruce Creek South Utilities, Inc. on file with the FPSC, or as amended from time to time.

2.24 "Utility" means Florida Water Services Corporation, a water and wastewater utility as defined in Chapter 367, Florida Statutes, its successors or assigns.

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

2.26 "Wastewater" means the combination of the liquid and water-carried pollutants from a residence, commercial building, industrial plant, or institution, together with any groundwater, surface runoff, or leachate that may be present.

2.27 "Water" means water satisfactory for drinking, cooking and domestic purposes in accordance with all government standards meeting the quality standards of the FDEP.

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

2.29 "Water and Wastewater Service Capacity" means the readiness and ability of Utility to furnish Water and Wastewater service to each Lot or Tract in accordance with applicable governmental requirements and regulations. Water and Wastewater Service Capacity is typically expressed as a rate of Water flow measured in GPD.

SECTION 3 - DESIGN, CONSTRUCTION, AND OPERATION OF ON-SITE FACILITIES. The parties acknowledge that responsibility for construction of On-Site Facilities under the terms of the Tariffs applicable to Developer's Property lies with Utility. In order to install the On-Site Facilities in an orderly and economic fashion, Developer and Utility have determined that Developer shall construct the On-Site Facilities in conjunction with its development and engineering of the Lots and Tracts. Accordingly, Utility hereby designates

Developer as its exclusive contractor to construct the On-Site Facilities on behalf of the Utility pursuant to the terms hereof as follows: PAGE 104 of 241

3.1 Design of On-Site Facilities. Developer shall, at its expense, cause its own Florida registered professional engineer ("Engineer") to design and produce and submit to Utility for its review and approval or rejection prior to construction, graphic Plans and Specifications, which are based upon Utility's standard specifications to design utility facilities, for the construction of the On-Site Facilities needed in the future. The Plans and Specifications may be limited to one Phase only, and subsequent Phases may be furnished from time to time. However, each such Phase shall conform to the Development Plan for the Developer's Property attached hereto or, if not so attached, such Development Plan shall be submitted to Utility concurrent with or prior to submission of the Plans and Specifications for the first Phase contemplated hereunder. Developer shall cause its Engineer to submit to Utility Plans and Specifications governing the materials to be used by Developer and the method and manner of installation for each such Phase.

3.2 Approval of Plans and Specifications for On-Site Facilities. Utility shall review, and reject or approve, any such Plans and Specifications submitted pursuant to Subsection 3.1 hereof within thirty (30) days after its receipt of the Plans and Specifications; provided, however, that approval shall not be unreasonably withheld. Developer's Engineer shall make corrections or modifications at Developer's expense to any portion of the Plans and Specifications which are unacceptable to Utility and shall resubmit the corrected or modified Plans and Specifications to Utility for further review until Utility shall have approved the Plans and Specifications. Utility shall have, in each case, fifteen (15) days within which to approve or reject any such revision to said Plans and Specifications. Any such submitted Plans and Specifications which are not approved or rejected within the time period provided shall be deemed approved.

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

3.4 Construction of On-Site Facilities. After Utility's approval of the Plans and Specifications for any Phase or portion of the On-Site Facilities, Developer shall, at its expense, construct and install that Phase or portion of the On-Site Facilities as the same are depicted in Utility approved Plans and Specifications therefor. Developer shall construct the On-Site Facilities 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. 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 Record Drawings showing specification locations, depth, and other appropriate details of all Water and Wastewater Facilities as located by a licensed surveyor along with three (3) prints of the Record Drawings which have been sealed by the surveyor. Prior to acceptance by Utility, Developer shall provide Utility with a certification by Developer's Engineer that the facilities described in such Record Drawings were constructed, pressure tested, and bacteriologically cleared in accordance with approved plans and specifications, and applicable regulatory requirements. In addition, Developer will provide Utility with one (1) set 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, Utility shall have the continuing right to inspect such installations to determine compliance with the Plans and Specifications. Utility shall be entitled to perform standard tests, and shall be given no less than forty-eight (48) hours advance notice of any Developer tests, for pressure, exfiltration, infiltration, line and grade, and all other normal engineering tests to determine that the On-Site Facilities have been installed in accordance with the Plans and Specifications and good engineering practices, but it shall remain the responsibility of Developer's Engineer to certify that such construction by Developer (i) complies with approved Plans and Specifications and applicable regulatory requirements and (ii) is approved by FDEP. If not completed in accordance with the Plans and Specifications or approved by FDEP, a notice of non-compliance will be issued. Developer will correct the non-compliance within a reasonable period of time and will notify the Utility for reinspection.

3.6 Characterization and Surrender of On-Site Facilities. Developer shall transfer any On-Site Facilities constructed by Developer pursuant to this Agreement to Utility upon completion of construction as contemplated above. Developer shall surrender control of such On-Site Facilities and execute and deliver to Utility all documents or instruments necessary for that purpose, including but not limited to a Bill of Sale and a Waiver and Release of Lien, both in a form acceptable to Utility. If Developer shall fail or refuse to do so, then Utility shall be entitled to specifically enforce the provisions of this Subsection 3.6 against Developer.

3.7 WARRANTY. DEVELOPER HEREBY WARRANTS THAT THE ON-SITE FACILITIES TO BE CONSTRUCTED BY DEVELOPER SUBSEQUENT TO THE DATE HEREOF SHALL BE FREE FROM MATERIAL DEFECTS IN MATERIAL OR WORKMANSHIP UNDER NORMAL AND REASONABLE USE FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF TRANSFER UNDER PARAGRAPH 3.6. DEVELOPER'S WARRANTY HEREUNDER IS LIMITED TO REPLACEMENT OR REPAIR OF THE DEFECT AND DOES NOT APPLY TO DEFECTS, MALFUNCTION OR DAMAGE CAUSED BY MISUSE, NEGLIGENCE, ACCIDENT, FAULTY HOOK-UP, ABUSE OR ANY DAMAGE CAUSED BY ANY

REPAIR OR ATTEMPTED REPAIR NOT AUTHORIZED BY DEVELOPER. DEVELOPER AGREES TO PROVIDE TO UTILITY A COPY OF THE CONSTRUCTION CONTRACTOR'S WARRANTY, IF ANY, AND APPLICABLE EQUIPMENT WARRANTIES AND TO THE EXTENT POSSIBLE SHALL ASSIGN SUCH WARRANTIES TO UTILITY. IF, UPON WRITTEN NOTICE TO DEVELOPER OF A WARRANTY CLAIM, SUCH WARRANTY WORK IS NOT COMPLETED WITHIN A REASONABLE PERIOD OF TIME WHICH SHALL BE AT LEAST FORTY-FIVE (45) DAYS, UTILITY SHALL HAVE THE RIGHT TO COMPLETE THE WORK AND BILL DEVELOPER FOR ITS REASONABLE COSTS.

3.8 Assurance of Title to Property. Within a period of forty-five (45) days after the execution of this Agreement, at the expense of Developer, Developer shall deliver to Utility an opinion of title from a qualified attorney-at-law, or a title report by a title company operating in Florida reasonably acceptable to Utility, with respect to the Developer's Property then-owned by Developer, which opinion or report 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. Utility acknowledges that certain property included within the definition of the term "Developer's Property" is currently subject to an option to be acquired by Developer and, therefore, will not be included on any title reports or opinions delivered hereunder. Nevertheless, upon acquisition by Developer of such additional property and prior to its development into Lots and Tracts, Developer shall submit to Utility the opinions or reports otherwise required herein as to such additional property.

3.9 Effect of Reviews, Inspections, Approvals, and Acceptances. The reviews, inspections, approvals and acceptances by Utility of the Plans and Specifications and construction shall not constitute a waiver of Developer's warranty provided by Section 3.7 nor as a waiver by Utility of any tort claims.

3.10 Operation and Maintenance of On-Site Facilities. Subject to Developer's compliance with Sections 3 and 5 hereof, Utility or its successors shall in writing accept ownership and assume responsibility for the operation and maintenance of those On-Site Facilities transferred to Utility pursuant to Subsection 3.6, excluding the Customer Installations; provided, however, nothing herein shall prohibit Utility from assuming responsibility for the operation of the On-Site Facilities prior to the transfer of ownership upon its consent. Upon acceptance of ownership and assumption of the responsibility for the operation and maintenance of any such On-Site Facilities by Utility as contemplated in this Agreement, all customers of those On-Site Facilities shall be deemed customers of the Utility's System, and Utility shall set and collect all Water and Wastewater

rates, fees, charges and deposits for those On-Site Facilities, without exception, in accordance with its Tariffs.

SECTION 4 - EASEMENTS.

4.1 Conveyance or Dedication of Facilities and Easements. Prior to acceptance of any phase or portion of the On-Site Facilities for ownership by Utility, Developer shall, with respect to such phase or portion constructed or otherwise provided by Developer, (a) convey, grant or dedicate to Utility free and clear of all liens and encumbrances, such non-exclusive easements as are reasonably necessary for Utility to own, operate, maintain, repair, expand, and replace the On-Site Facilities accepted by 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 Utility to operate and maintain the applicable phase or portion of those On-Site Facilities and provide Water and Wastewater Service Capacity to the Improvements, and notify all governmental agencies of such transfer and conveyance as may be required by law. Utility shall review and approve or reject within thirty (30) days after receipt thereof all documents submitted by Developer pursuant to this Subsection 4.1.

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

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

4.4 Use of Easement Grants. Utility agrees that all easement grants will be utilized in accordance with the established and generally accepted practices of the Water and Wastewater utility industry with respect to the installation of all

such On-Site 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 and Wastewater service.

SECTION 5 - RATES, FEES, AND CHARGES.

5.1 As a condition to the provision of Water and Wastewater Service Capacity, Developer agrees to comply with Utility's Service Availability Policies attached hereto as Exhibit "D".

5.2 Developer shall be required to pay Utility's applicable Service Availability Charges as contained in Utility's Service Availability Policies including main extension charges, meter installation fees and Plant Capacity Charges for Water service and Plant Capacity Charges, line extension charges and connection fees for Wastewater service. In no event shall Utility seek an amendment to the Tariffs in which the Service Availability Charges exceed \$1,010.00 per ERC for Water service and \$1,100.00 per ERC for Wastewater service.

5.3 General Rate Provisions.

(1) Payment of the sums set forth in this Section 5 does not and will not result in Utility waiving any of its other applicable rates, fees, charges, rate schedules, or rules and regulations.

(2) In the event Utility fails to provide Water and Wastewater Service Capacity as provided for above after Developer has complied with all requirements and obligations applicable to Developer, then Developer shall be entitled to a refund of all monies paid hereunder, with interest, related to any of Developer's Property requested to be served and not provided with such service. In the event Developer requests such reimbursement and Utility pays such reimbursement in full, then the parties shall be released from any and all liability or obligation to the other arising hereunder as to such portion of Developer's Property or, in lieu thereof, Developer shall have the right to pursue any other remedies, if any, available to it.

SECTION 6 - ALLOCATION AND PROVISION OF WATER AND SEWER SERVICE CAPACITY.

6.1 Availability of Potable Water. Utility will supply Water and Wastewater Service Capacity required to serve the entire Developer's Property throughout the term of this Agreement and any amendments thereto as provided in Subsection 11.1 hereof; provided however that, with respect to Phases of Developer's Property not yet developed, Utility's obligations hereunder do not arise

until such time as Utility assumes responsibility for the operation of the On-Site Facilities under Section 3.10. The parties acknowledge that Spruce Creek Country Club consists of approximately 1,170 acres and 2,200 units are proposed to be built thereon. The parties further acknowledge that Developer is seeking to expand the Spruce Creek Country Club by 400 acres and 1,000 additional units. The parties acknowledge that Spruce Creek Preserve consists of approximately 416 acres and 667 units are proposed to be built thereon. The parties acknowledge that the definition of the term "Developer's Property" includes additional parcels of land which Developer may acquire which adjoin the Spruce Creek Country Club and the Spruce Creek Preserve. Notwithstanding anything to the contrary contained herein, no provisions of this Agreement shall be construed as a guaranty on the part of the Developer that any certain number of units will be built and/or sold at either the Spruce Creek Country Club or the Spruce Creek Preserve.

6.2 Fees. Utility acknowledges it will not charge Developer, nor its successors or assigns, any other fees with regard to the Developer's Property other than normal and customary user fees established in accordance with Utility's Tariffs, rate schedules and Service Availability Policies to include Service Availability Charges described in Subsection 5.2 hereof. If there is a conflict between Utility's Tariffs and the terms of this Agreement, the terms of this Agreement shall govern and control.

6.3 Covenant Not to Contest. In the event there is not a Non-Appealable Order (as defined in the Asset Purchase Agreement) approving the transfer of the Utility Assets (as defined in the Asset Purchase Agreement) to Utility within thirty (30) months of the date of Closing (as defined in the Asset Purchase Agreement), and Developer or Utility elects to terminate this Agreement pursuant to Subsection 11.1 herein, Developer or one or more of its affiliates shall have the right to supply Water and Wastewater service to Developer's Property after acquisition of Utility's assets (as necessary for service to the Developer's Property as more particularly provided in the Asset Purchase Agreement) by Developer or an affiliate, and Utility covenants not to contest such supply.

6.4 Periodic Written Capacity Assurances. During the term of this Agreement, Utility agrees, within thirty (30) days of a written request from Developer, to provide additional written assurances to Developer of sufficient capacity to supply Water and Wastewater service to the Developer's Property in order to assist Developer in making necessary and appropriate real estate filings with relevant regulatory agencies and other governmental bodies. Developer and Utility hereby agree to meet from time to time to discuss current construction activity to assist in the coordination of efficient and timely delivery of infrastructure on the Developer's Property.

6.5 Equity Statement. Notwithstanding any other provision of this Agreement, all of the rates and prices granted by Utility to Developer hereunder are hereby warranted by Utility to be comparable to the rates and prices that are being

and will be offered by Utility to any of its other similarly situated customers in Marion County and Sumter County during the term of this Agreement; provided, however, the Customers located within the Marion Oaks development shall be excluded from the terms of this Section 6.5. If at any time during the period stated above, Utility shall contract, or have contracted, with any other similarly situated customer for the provision of substantially similar services as is provided to Developer hereunder, then (1) Utility shall within thirty (30) days after the effective date of such other contract notify Developer in writing of that fact, explaining the more favorable rates or prices in detail, and (2) regardless of whether the notice is sent by Utility or received by Developer, this Agreement shall be deemed automatically amended as of such date to provide the same rates and pricing to Developer, provided that Developer shall have the right and option at any time to decline to attempt any such change, in which event such automatic amendment shall be deemed to be null and void.

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

6.7 **Prior Approvals.** Notwithstanding anything to the contrary contained in this Agreement, the parties recognize that the parties may be required to obtain approvals from various governmental authorities having jurisdiction and regulatory power over the construction, maintenance and operations of the Water and Wastewater Facilities, before it can render service to the Developer's Property. The parties will diligently and earnestly make the necessary and proper applications to all governmental authorities, and will pursue the same to the end that they will use their best efforts to obtain such approvals. Applications for the approval of Plans and Specifications for those Water and Wastewater Facilities to be constructed by Developer pursuant to this Agreement shall be forwarded by Developer's Engineer to the applicable governmental agencies subsequent to Utility's approval of such Plans and Specifications, to the extent required. This Agreement shall be filed with, and approved by, the FPSC as described in Section 23 herein.

## SECTION 7 - CUSTOMER INSTALLATIONS.

7.1 **Notice of Initial Connection to Utility's System.** Developer shall give 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 Utility may inspect said connection(s); provided, however, that if the date of inspection occurs on a Saturday, Sunday, or legal holiday, 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, Utility may require Developer



to uncover and expose said connection for inspection, at the sole cost of Developer or Utility may disconnect any Developer installations from the Utility's System at Developer's expense.

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

(1) Only cast iron, PVC, or other such 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 forty-eight (48) 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, Developer or owner may backfill or cover the pipes without Utility's approval; provided, however, such failure shall not be construed as a waiver of Developer's warranty provided by Section 3.7 nor as a waiver by Utility of any tort claims.

(5) If 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 or may disconnect any Developer installation that has improperly been connected to the Utility's System at Developer's expense; and

(6) The cost of constructing, operating, repairing, or maintaining the Customer Installations shall not be the responsibility of Utility.

7.3 Application for Service. Developer, its successors, or the occupant(s) of the Developer's Property, shall make written application to Utility for the opening of an account(s) for service. Said application is to be made only after the payment of all Service Availability Charges as required in Section 5 hereof. Within ten (10) business days after Developer's receipt of any building permits for construction of all or any portion of the Improvements, Developer shall send a true copy of any such building permits to Utility.

SECTION 8 - INCORPORATION OF LAWS, RULES AND POLICIES. Agreement shall be read in conjunction with and be subject to all federal, state, and local laws, rules and policies applicable to Utility.

SECTION 9 - COVENANT NOT TO ENGAGE IN UTILITY SERVICE TO DEVELOPER'S PROPERTY. Developer, as a further consideration for this Agreement, agrees that it will not engage in the business of providing Water and Wastewater Service Capacity to the Developer's Property during the term of this Agreement and will not contract with any third party to provide Water and Wastewater Service Capacity to Developer's Property during the term of this Agreement so long as Utility complies with the terms of this Agreement.

SECTION 10 - DISCLAIMERS; LIMITATIONS ON LIABILITY.

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

10.2 INDEMNITY.

(1) 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 ATTORNEY'S FEES, FOR INJURY (INCLUDING DEATH) TO PERSONS OR DAMAGE TO PROPERTY OR PROPERTY RIGHTS THAT MAY ARISE FROM OR BE RELATED TO THE NEGLIGENT OR WILLFULLY WRONGFUL 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 CONTAINED IN THIS AGREEMENT CONCERNING ALL OR ANY PART OF THE UTILITY'S SYSTEM.

(2) UTILITY SHALL INDEMNIFY DEVELOPER, 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 ATTORNEY'S FEES, FOR INJURY (INCLUDING DEATH) TO PERSONS OR DAMAGE TO PROPERTY OR PROPERTY RIGHTS THAT MAY ARISE FROM OR BE RELATED TO THE NEGLIGENT OR WILLFULLY WRONGFUL ACTS, ERRORS, OR OMISSIONS OF UTILITY, ITS AGENTS, EMPLOYEES,

SERVANTS, LICENSEES, INVITEES, OR CONTRACTORS OR BY ANY PERSON UNDER THE CONTROL OR DIRECTION OF UTILITY, OR BY UTILITY'S OPERATION OF THE UTILITY'S SYSTEM, AND THE UTILITY SHALL INDEMNIFY DEVELOPER 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 UTILITY OF ANY COVENANT, CONDITION, AGREEMENT OR PROVISION CONTAINED IN THIS AGREEMENT CONCERNING ALL OR ANY PART OF THE UTILITY'S SYSTEM.

10.3 FORCE MAJEURE. NEITHER UTILITY NOR DEVELOPER SHALL BE LIABLE OR RESPONSIBLE TO THE OTHER PARTY BY REASON OF THE FAILURE OR INABILITY OF THE UTILITY OR DEVELOPER, AS APPROPRIATE, TO TAKE ANY ACTION IT IS REQUIRED TO TAKE OR TO COMPLY WITH THE REQUIREMENTS IMPOSED HEREBY (OR ANY INJURY TO THE OTHER PARTY OR BY THOSE CLAIMING BY OR THROUGH THE OTHER PARTY), 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 BLOCKAGES, RIOTS, ACTS OF ARMED FORCES, MILITIA, OR PUBLIC AUTHORITY, EPIDEMICS; LANDSLIDES, EARTHQUAKES, FIRES, STORMS, FLOODS, OR WASHOUTS; GOVERNMENTAL RESTRAINTS OF ANY NATURE WHETHER FEDERAL, STATE, COUNTY, MUNICIPAL OR OTHERWISE, CIVIL OR MILITARY; OR CIVIL DISTURBANCES.

10.4 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.

#### SECTION 11 - TERM, TERMINATION AND OTHER REMEDIES.

11.1 This Agreement shall be effective from the date hereof through December 31, 2010 (the "Initial Term") or buildout of Developer's Property, whichever occurs first. This Agreement shall automatically renew for an additional five (5) year period unless one of the parties hereto provides written notice to the other party prior to one hundred eighty (180) days before the end of the Initial Term of its intention not to renew the Agreement. Notwithstanding any other provisions hereof, in the event there is not a Non-Appealable Order (as defined in the Asset Purchase Agreement) approving the transfer of the Utility Assets to Utility as contemplated by the terms of the Asset Purchase Agreement, including the

approval of this Agreement, within thirty (30) months of the date hereof, Developer and Utility shall each have the right to terminate this Agreement upon thirty (30) days written notice to the other party; provided, however, that Developer may not provide Developer's Property with water or wastewater service, or seek such service from any other party, unless and until Developer or an affiliate acquires the assets of Utility necessary for service to the Developer's Property (as more particularly described in the Asset Purchase Agreement).

11.2 Subject to Section 13 hereof, Utility shall have the right to terminate this Agreement, refuse to provide or terminate Water and Wastewater Service Capacity to Developer or any structure on the Developer's Property in the event Developer, or its successors and assigns fail to comply with any of the material terms and conditions of this Agreement. Nothing contained in this Agreement shall be construed to prohibit 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. The exercise of Utility's termination or refusal rights hereunder shall, however, be subject to Utility's and the FPSC's rules and regulations.

11.3 Subject to Section 13 hereof, Developer shall have the right to terminate this Agreement, refuse to accept Water and Wastewater Service Capacity from Utility in the event Utility, or its successors and assigns fail to comply with any of the material terms and conditions of this Agreement. Nothing contained in this Agreement shall be construed to prohibit Developer 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. The exercise of Developer's termination or refusal rights hereunder shall, however, be subject to the FPSC's rules and regulations.

SECTION 12 - NOTICE, PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and shall 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 under 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:

If to Utility:

Florida Water Services Corporation  
 1000 Color Place  
 Apopka, FL 32703  
 Attn: John L. Tillman, Jr.  
 Senior Vice President  
 Facsimile No.: 407/598-4223

Copy to:

Florida Water Services Corporation  
 100 Color Place  
 Apopka, FL 32703  
 Attn: General Counsel  
 Facsimile No.: 407/598-4241

PAGE 115 OF 441If to Developer:

Del Webb's Spruce Creek  
 Communities, Inc.  
 6001 North 24<sup>th</sup> Street  
 Phoenix, AZ 85016  
 Attn: Philip H. Darrow, Esq.  
 Facsimile No.: 615/808-8015

Copy to:

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

SECTION 13 - 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 14 - ASSIGNMENTS.

14.1 Assignments by Developer. Except as expressly provided herein, Developer agrees not to assign or transfer all or any portion of this Agreement; provided, however, that Developer shall have the right to assign its rights and obligations hereunder to an Affiliate (as such term is defined in the Asset Purchase Agreement) without the consent of Utility. The allocation of Water and Wastewater Service Capacity granted to Developer may be assigned, transferred, leased, encumbered or disposed of if and only if:

(1) Developer has obtained the prior written consent of 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 bona fide sale of the Developer's Property or a portion thereof to which the Water and Wastewater Capacity reserve relates, and Utility is notified in writing of such assignment.

14.2 Maintenance of Water and Wastewater Service Capacity. Utility shall have the right to allocate its remaining unused Water and Wastewater 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 6, Utility may otherwise allocate Water and Wastewater Service Capacity in the Water and Wastewater 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 Utility determines that it can provide Water and Wastewater Service Capacity to Developer in the amount required to meet the reasonable needs of Developer.

14.3 Assignments by Utility. 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 Developer; provided, however, that Developer shall be given thirty (30) days prior written notice of any proposed transfer, and such transfer is approved by the FPSC to the extent required.

14.4 Notice of Transfer of Developer's Property. Developer agrees to provide proper written notice to Utility of the actual date of the legal transfer of Water and Wastewater Service Capacity from Developer to any third party.

14.5 Binding Agreement on Successors. This Agreement shall be binding upon and shall inure to the benefit of Developer, Utility and their respective successors and assigns.

SECTION 15 - 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 16 - SURVIVAL OF COVENANTS. The rights, privileges, obligations, and covenants of Developer and Utility shall survive the completion of the work of Developer with respect to any Phase and to the Developer's Property as a whole; provided, that the parties acknowledge that Developer's only warranty is provided by Section 3.7 hereof.

SECTION 17 - 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 18 - RECOVERY OF COSTS AND FEES. In the event 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 19 - 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.

Developer shall provide Utility with a Certificate from the Florida Department of State certifying that Developer is a corporation in good standing. Additionally, Developer shall submit to Utility, in a form acceptable to Utility, a certified resolution of the corporate entity, certifying that the person executing this Agreement has the authority to do so on behalf of Developer.

Utility shall provide Developer with a Certificate from the Florida Department of State certifying that Utility is a corporation in good standing. Additionally, Utility shall submit to Developer, in a form acceptable to Developer, a certified resolution of the corporate entity, certifying that the person executing this Agreement has the authority to do so on behalf of Utility.

SECTION 20 - 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 21 - ENTIRE AGREEMENT. This instrument and its exhibits constitute the entire Agreement between the parties and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement.

SECTION 22 - 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 23 - EFFECTIVENESS OF THIS AGREEMENT. The parties hereto recognize that the FPSC's rules 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 be deemed effective as of the date hereof. However, in the event that the FPSC disapproves this Agreement subsequent to its filing with the FPSC, this Agreement shall be null and void and of no further force and effect, in which event, any monies paid to Utility pursuant to Sections 5 or 6 shall be refunded to Developer and any Water and Wastewater Facilities transferred to Utility shall be transferred back to Developer (upon payment of the reacquisition price contemplated in the Asset Purchase Agreement). Pursuant to Rule 25-30.550, FAC, the FPSC's approval of this Agreement does not preclude the FPSC from affecting the provisions of this Agreement if, by FPSC action, the Utility's Service Availability Policies change. This Section shall not affect Developer's right to terminate this Agreement pursuant to Section 11.1 herein.

SECTION 24 - ASSET PURCHASE AGREEMENT ~~AND OTHER~~  
ANCILLARY DOCUMENTS. The parties hereto acknowledge that, to the extent there is a conflict between the provisions of this Agreement and the terms of the Asset Purchase Agreement, the Futures Agreement (as defined in the Asset Purchase Agreement) and/or the Reclaimed Water Agreement (as defined in the Asset Purchase Agreement) (collectively, the "Asset Purchase Documents"), the terms of the Asset Purchase Documents shall control.

[INTENTIONALLY LEFT BLANK]



IN WITNESS WHEREOF, Developer and 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.

DEVELOPER:

UTILITY:

DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC.

FLORIDA WATER SERVICES CORPORATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_ of Del Webb's Spruce Creek Communities, Inc., an Arizona corporation, on behalf of the corporation. \_\_\_\_\_ has produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
\_\_\_\_\_

Notary Public-State of \_\_\_\_\_

Commission Number: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_ of Florida Water Services Corporation, a Florida corporation, on behalf of the corporation. \_\_\_\_\_ has produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
\_\_\_\_\_  
Notary Public-State of \_\_\_\_\_  
Commission Number: \_\_\_\_\_

EXHIBIT A  
TO  
DEVELOPER'S AGREEMENT

LEGAL DESCRIPTION AND GRAPHIC DEPICTION OF PROPERTY

LEGAL DESCRIPTION:

Please see attached.

GRAPHIC DEPICTION:

Please see attached.

EXHIBIT B  
TO  
DEVELOPER'S AGREEMENT

DEVELOPMENT PLAN

GENERAL DESCRIPTION:

SCHEDULE & ESTIMATES:

PHASE ID	SPECIFIC CONSTRUCTION (TYPE & SCOPE)	ASSOC. ERCS (WTR/WSTW)	PROJECTED CONNECTION DATE	WATER CONTRIBUTED PROPERTY	WASTEWATER CONTRIBUTED PROPERTY
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**EXHIBIT C  
TO  
DEVELOPER'S AGREEMENT**

**Water and Wastewater Service Application**

Please see attached Application for Service Extension.

EXHIBIT D  
TO  
DEVELOPER'S AGREEMENT

SERVICE AVAILABILITY CHARGES

ATTACH SHEETS 23 AND 30 OF SPRUCE CREEK'S WATER TARIFF

ATTACH SHEETS 19, 20 AND 24 OF SPRUCE CREEK'S WASTEWATER TARIFF

ORL1 #560071 v6

Exhibit I - Financial Statements 050815 00011  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT I

## Financial Statements

See attached:

- GAAP Balance Sheet as of 3/31/00
- GAAP Statement of Income for 9 months ended 3/31/00
- GAAP Balance Sheet as of 7/31/99
- GAAP Statement of Income for 7 months ended 7/31/99
- Balance Sheet as of 12/31/98 and Statement of Income for year ended 12/31/98



Spruce Creek Communities  
 UTILITY Balance Sheet

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As of March 31, 2000

02

	Prior Month Balance	Monthly Activity	Current Balance
<b>ESTATE UNDER DEVELOPMENT:</b>			
Land in Production	0	0	0
Land Improvements & Amenities	0	0	0
Land Held for Housing	0	0	0
<b>TOTAL REAL ESTATE UNDER DEVELOPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>LAND HELD FOR SALE</b>			
	0	0	0
<b>CASH &amp; SHORT-TERM INVESTMENTS:</b>			
Cash on Hand	0	0	0
Cash in Bank	<50,356>	<38,383>	<88,739>
Cash Collateral	0	0	0
<b>TOTAL CASH</b>	<b>&lt;50,356&gt;</b>	<b>&lt;38,383&gt;</b>	<b>&lt;88,739&gt;</b>
Short-term Investments	0	0	0
<b>TOTAL CASH &amp; S-T INVESTMENTS</b>	<b>&lt;50,356&gt;</b>	<b>&lt;38,383&gt;</b>	<b>&lt;88,739&gt;</b>
<b>RECEIVABLES:</b>			
Grow Proceeds Due From Title	0	0	0
Grow Proceeds Due From Title	0	0	0
Accounts Receivable	0	0	0
Accrued Interest	0	0	0
Other Receivables	162,292	49,037	211,329
<b>TOTAL RECEIVABLES</b>	<b>162,292</b>	<b>49,037</b>	<b>211,329</b>
Less: Allowance for Doubtful Accounts	0	0	0
<b>TOTAL RECEIVABLES, NET</b>	<b>162,292</b>	<b>49,037</b>	<b>211,329</b>
<b>PROPERTY AND EQUIPMENT:</b>			
Cost	9,718,970	260,188	9,979,158
Accumulated Depreciation	<947,496>	<14,144>	<961,640>
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>8,771,474</b>	<b>246,044</b>	<b>9,017,518</b>
<b>OTHER ASSETS:</b>			
Prepaid Expenses	0	0	0
Deferred Charges	0	0	0
Other Assets	833,173	<16,860>	816,313
<b>TOTAL OTHER ASSETS</b>	<b>833,173</b>	<b>&lt;16,860&gt;</b>	<b>816,313</b>
<b>TOTAL ASSETS</b>	<b>9,716,583</b>	<b>239,838</b>	<b>9,956,421</b>

Spruce Creek Communities  
UTILITY Balance Sheet

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As of March 31, 2000

02

	Prior Month Balance	Monthly Activity	Current Balance
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ASSETS & NET WORTH:

PAYABLE, SENIOR & SUBORD DEBT:

Convertible Debentures	0	0	0
Direct Financing	0	0	0
Estate Notes	0	0	0
Living Credit	0	0	0
Municipal Bonds	0	0	0
Capitalized Leases	0	0	0
Other	0	0	0
Short-term Lines of Credit	0	0	0

TOTAL NOTES PAYABLE 0 0 0

ACCOUNTS PAYABLE:

Utility Accounts	178,978	<46,124>	132,854
Accounts to Complete	0	0	0

TOTAL ACCOUNTS PAYABLE 178,978 <46,124> 132,854

ACCRUED LIABILITIES & OTHER PAYABLES

Accrued Liabilities	105,385	<52,456>	52,929
Deferred Income	0	0	0
Other Liabilities	4,430,162	58,124	4,488,286
Priority Interest	0	0	0

TOTAL ACCRUED LIABILITIES 4,535,547 5,668 4,541,215

WHOLESALE/RETAIL DEPOSITS 0 0 0

TAX LIABILITIES:

State Income Taxes Payable	0	0	0
Federal Income Taxes Payable	0	0	0
Deferred Income Taxes	0	0	0

TOTAL TAXES PAYABLE 0 0 0

TOTAL LIABILITIES 4,714,525 <40,456> 4,674,069

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Spruce Creek Utility

Spruce Creek Communities  
UTILITY Department Detail

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APPENDIX D-1  
 PAGE 29 OF 241

	January 1999	February 1999	March 1999	April 1999	May 1999	June 1999	July 1999	Total
<b>OPERATING REVENUE</b>								
METERED WATER REVENUE								
METERED SEWER REVENUE								
<b>COST OF SALES</b>								
<b>SALARIES &amp; WAGES</b>								
Salaries & Wages	6,568	4,633	8,400	6,733	8,131	10,245	10,256	54,966
Accrued Vacation	0	0	571	0	0	0	0	571
Overtime Pay	1,307	461	563	648	891	909	846	5,625
Payroll Taxes	753	490	871	587	703	891	862	5,157
Payroll Benefits	546	365	264	367	539	658	803	3,542
<b>SALARIES &amp; WAGES</b>	<b>9,174</b>	<b>5,949</b>	<b>10,669</b>	<b>8,335</b>	<b>10,264</b>	<b>12,703</b>	<b>12,767</b>	<b>69,861</b>
<b>OPERATING EXPENSES</b>								
Supplies	5,239	1,543	6,584	5,549	1,218	2,076	5,285	28,494
Equipment	0	0	0	424	0	27	0	451
Equipment Rental	0	39	30	0	0	0	0	69
Gas	1,060	1,201	538	472	368	174	938	4,751
Vehicle Maintenance	0	0	0	0	25	0	0	25
Food - Local	80	59	67	33	71	129	8	447
Accounting Services	376	0	0	0	0	2,104	0	2,480
Legal Services	93	0	0	0	307	0	0	400
Other Consulting	14,756	1,850	30,573	17,040	33,019	24,240	22,061	143,539
Telephone - Cellular	68	216	410	223	222	124	151	1,314
Landscape Services	165	790	115	0	500	0	1,132	2,702
Equipment Maintenance	368	8,168	3,420	2,606	399	2,130	449	16,530
RAF Taxes	1,412	1,506	1,647	1,713	1,735	4,133	1,690	13,836
Property Taxes	0	4,228	4,228	4,228	4,228	4,228	4,228	25,368
Licenses and Fees	75	0	0	0	0	200	0	275
Utilities	7,389	9,437	10,220	9,584	7,695	5,859	10,835	61,019
Other Expenses	6,225	9,386	<16,573>	25,493	<14,188>	<18,126>	4,483	<3,302>
Depreciation	6,944	6,944	6,944	6,944	6,944	14,651	6,944	56,315
CIAC Amortization	<4,028>	<4,028>	<4,028>	<4,028>	<4,028>	<1,710>	<4,028>	<25,078>
<b>TOTAL OPERATING EXPENSE</b>	<b>41,222</b>	<b>42,239</b>	<b>44,165</b>	<b>69,279</b>	<b>38,515</b>	<b>40,239</b>	<b>54,176</b>	<b>328,835</b>
<b>TOTAL EXPENSES</b>	<b>50,396</b>	<b>47,188</b>	<b>54,834</b>	<b>77,614</b>	<b>48,779</b>	<b>52,942</b>	<b>66,943</b>	<b>398,696</b>
<b>NET DEPARTMENT</b>	<b>50,396</b>	<b>47,188</b>	<b>54,834</b>	<b>77,614</b>	<b>48,779</b>	<b>52,942</b>	<b>66,943</b>	<b>398,696</b>

PENDING PAGE 13 OF 24

Spruce Creek Communities  
 UTILITY Department Detail

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For the Nine Months Ending March 31, 2000

Spruce Creek Utility  
 REVENUE & COST OF SALES

	August 1999	September 1999	October 1999	November 1999	December 1999	January 2000	February 2000	March 2000	Total
<b>OPERATING REVENUE</b>									
<b>METERED WATER REVENUE</b>									
Residential Customers	88,401	102,863	77,680	98,544	82,344	80,073	71,181	90,840	691,926
Commercial Customers	2,729	3,136	2,955	3,094	2,674	37,589	2,631	32,224	22,584
<b>TOTAL METERED WATER REVENUE</b>	<b>91,130</b>	<b>105,999</b>	<b>80,635</b>	<b>101,638</b>	<b>85,018</b>	<b>117,662</b>	<b>73,812</b>	<b>58,616</b>	<b>714,510</b>
<b>METERED SEWER REVENUE</b>									
Residential Customers	36,170	38,049	34,854	37,500	36,926	2,539	37,041	75,826	298,905
Commercial Customers	1,615	1,992	2,419	1,765	1,674	1,860	1,685	1,728	14,738
<b>TOTAL METERED SEWER REVENUE</b>	<b>37,785</b>	<b>40,041</b>	<b>37,273</b>	<b>39,265</b>	<b>38,600</b>	<b>4,399</b>	<b>38,726</b>	<b>77,554</b>	<b>313,643</b>
<b>TOTAL OPERATING REVENUE</b>	<b>128,915</b>	<b>146,040</b>	<b>117,908</b>	<b>140,903</b>	<b>123,618</b>	<b>122,061</b>	<b>112,538</b>	<b>136,170</b>	<b>1,028,153</b>
<b>COST OF SALES</b>									
Sludge Removal	5,479	7,358	6,586	13,022	3,497	4,273	1,704	2,847	44,766
CIAC Tax Amortization	0	0	0	2,414	2,414	2,414	2,414	2,414	12,070
<b>TOTAL COST OF SALES</b>	<b>5,479</b>	<b>7,358</b>	<b>6,586</b>	<b>15,436</b>	<b>5,911</b>	<b>6,687</b>	<b>4,118</b>	<b>5,261</b>	<b>56,836</b>
<b>OPERATING MARGIN</b>	<b>123,436</b>	<b>138,682</b>	<b>111,322</b>	<b>125,467</b>	<b>117,707</b>	<b>115,374</b>	<b>108,420</b>	<b>130,909</b>	<b>971,317</b>
<b>SALARIES &amp; WAGES</b>									
<b>OPERATING EXPENSES</b>									
<b>NET DEPARTMENT</b>	<b>123,436</b>	<b>138,682</b>	<b>111,322</b>	<b>125,467</b>	<b>117,707</b>	<b>115,374</b>	<b>108,420</b>	<b>130,909</b>	<b>971,317</b>

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Spruce Creek Communities  
UTILITY Department Detail

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For the Nine Months Ending March 31, 2000

AFFILIATION  
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Spruce Creek Utility

	August 1999	September 1999	October 1999	November 1999	December 1999	January 2000	February 2000	March 2000	Total
<b>OPERATING REVENUE</b>									
METERED WATER REVENUE									
METERED SEWER REVENUE									
<b>POST OF SALES</b>									
<b>SALARIES &amp; WAGES</b>									
Salaries & Wages	2,665	1,777	1,866	1,866	5,231	3,799	1,866	1,866	19,936
Accrued Vacation	0	<88>	0	0	<207>	0	0	251	<44>
Overtime Pay	62	0	44	4	826	0	0	0	936
Payroll Taxes	209	136	146	143	506	233	157	156	1,686
Payroll Benefits	299	126	202	202	215	395	169	264	1,872
Temporary Labor	0	0	0	278	642	731	2,107	626	4,184
<b>SALARIES &amp; WAGES</b>	<b>3,235</b>	<b>1,951</b>	<b>2,258</b>	<b>2,493</b>	<b>7,213</b>	<b>4,158</b>	<b>4,299</b>	<b>3,163</b>	<b>28,770</b>
<b>OPERATING EXPENSES</b>									
Supplies	6,618	3,955	1,234	3,504	2,266	1,749	2,822	2,847	24,995
Equipment	0	0	334	0	0	0	0	0	334
Equipment Rental	0	582	0	0	0	0	0	0	582
Gas	310	186	1,022	260	304	237	289	330	2,958
Vehicle Maintenance	33	0	68	0	79	25	8	183	396
Legal Services	0	0	0	1,155	6,654	0	0	0	7,809
Other Consulting	21,287	33,749	21,290	14,350	17,710	8,033	3,693	22,582	142,674
Telephone - Office	0	0	0	108	10	125	113	27	383
Telephone Cellular	322	171	377	111	247	260	176	189	1,853
Postage	259	297	0	707	274	323	297	248	2,405
Landscape Services	0	0	0	0	0	0	33	0	33
Equipment Maintenance	3,366	12,729	0	428	45	2,550	8,810	2,089	30,017
RAP Taxes	4,301	4,770	3,671	4,597	3,817	3,725	3,341	4,488	32,530
Property Taxes	2,341	2,341	2,341	23,227	0	5,338	5,338	5,338	46,264
Licenses and Fees	9	290	0	0	0	10	15	0	324
Utilities	3,941	2,522	5,174	139	2,164	3,564	4,649	8,009	30,162
Other Expenses	<702>	4,501	6,426	4,571	11,247	9,471	14,032	3,082	52,628
Depreciation	7,199	7,199	7,199	7,199	7,199	7,199	7,199	7,199	57,592
CIAC Amortization	<5,368>	<5,368>	<5,368>	<5,368>	<5,368>	<5,368>	<5,368>	<5,368>	<42,944>
<b>TOTAL OPERATING EXPENSE</b>	<b>43,736</b>	<b>67,924</b>	<b>43,768</b>	<b>54,988</b>	<b>46,668</b>	<b>37,221</b>	<b>45,447</b>	<b>51,243</b>	<b>390,995</b>
<b>TOTAL EXPENSES</b>	<b>46,971</b>	<b>69,875</b>	<b>46,026</b>	<b>57,481</b>	<b>53,881</b>	<b>41,379</b>	<b>49,746</b>	<b>54,406</b>	<b>419,765</b>
<b>NET DEPARTMENT</b>	<b>46,971</b>	<b>69,875</b>	<b>46,026</b>	<b>57,481</b>	<b>53,881</b>	<b>41,379</b>	<b>49,746</b>	<b>54,406</b>	<b>419,765</b>

Spruce Creek Communities  
UTILITY Department Detail

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For the Nine Months Ending March 31, 2000

Spruce Creek Utility  
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	August 1999	September 1999	October 1999	November 1999	December 1999	January 2000	February 2000	March 2000	Total
OPERATING REVENUE									
ENTERED WATER REVENUE									
ENTERED SEWER REVENUE									
PROPERTY TAX SALES									
EXPENSES									
SALARIES & WAGES									
Salaries & Wages	15,349	10,335	9,344	4,810	6,446	6,324	4,621	5,113	62,362
Accrued Vacation	0	<52>	0	0	<909>	0	0	112	<849>
Overtime Pay	781	2,177	866	419	70	11,871	358	316	18,858
Payroll Taxes	1,226	988	757	518	367	1,642	413	425	6,436
Payroll Benefits	1,127	325	791	417	487	623	208	442	4,420
Temporary Labor	0	0	0	2,300	642	731	2,107	626	6,406
SALARIES & WAGES	18,483	13,773	11,758	8,444	7,203	23,191	7,707	7,034	97,613
OPERATING EXPENSES									
Supplies	6,437	661	2,412	1,288	3,491	3,117	4,764	4,338	26,508
Equipment	0	0	334	0	0	0	0	0	334
Equipment Rental	0	582	0	0	0	0	0	0	582
Gas	319	186	1,001	260	104	217	289	330	2,928
Vehicle Maintenance	0	0	129	0	79	25	8	183	424
Food - Local	30	0	479	67	152	34	15	0	777
Legal Services	0	0	0	1,155	6,654	0	0	0	7,809
Other Consulting	22,342	35,105	22,750	16,428	18,156	18,104	1,044	41,164	175,493
Telephone - Office	0	0	0	308	10	125	113	27	383
Telephone - Cellular	262	171	377	111	247	260	176	189	1,793
Postage	259	297	558	707	274	323	297	248	2,963
Landscape Services	1,768	1,300	1,400	950	0	0	1,355	0	6,373
Equipment Maintenance	9,835	0	0	1,052	1,270	420	3,719	4,946	23,242
RAF Taxes	1,703	1,802	1,673	1,802	1,738	1,775	3,595	1,918	16,006
Property Taxes	4,228	4,228	4,228	25,113	583	5,338	5,338	5,338	54,394
Licenses and Fees	9	0	0	0	0	10	15	0	34
Utilities	7,837	3,648	9,479	2,992	4,914	8,968	13,507	5,798	57,143
Other Expenses	37	4,335	5,799	4,569	13,731	8,953	14,019	1,875	53,318
Depreciation	6,944	6,944	6,944	6,944	7,050	6,944	6,944	6,944	55,658
CIAC Amortization	<4,028>	<4,028>	<4,028>	<4,028>	<4,028>	<4,028>	<4,028>	<4,028>	<32,224>
TOTAL OPERATING EXPENSE	57,982	55,031	53,537	59,518	56,625	50,805	50,970	69,470	453,938
TOTAL EXPENSES	76,465	68,804	65,295	67,982	63,828	73,996	58,677	76,504	551,551
NET DEPARTMENT	76,465	68,804	65,295	67,982	63,828	73,996	58,677	76,504	551,551

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Spruce Creek Communities  
UTILITY Balance Sheet

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As of July 31, 1999

02

APPENDIX D-1  
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	Prior Month Balance	Monthly Activity	Current Balance
<b>REAL ESTATE UNDER DEVELOPMENT:</b>			
Land in Production	0	0	0
Land Improvements & Amenities	0	0	0
Land Held for Housing	0	0	0
<b>TOTAL REAL ESTATE UNDER DEVELOPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>LAND HELD FOR SALE</b>			
	0	0	0
<b>CASH &amp; SHORT-TERM INVESTMENTS:</b>			
Cash on Hand	0	0	0
Cash in Bank	2,867	4,131	6,998
Cash Collateral	0	0	0
<b>TOTAL CASH</b>	<b>2,867</b>	<b>4,131</b>	<b>6,998</b>
Short-term Investments	0	0	0
<b>TOTAL CASH &amp; S-T INVESTMENTS</b>	<b>2,867</b>	<b>4,131</b>	<b>6,998</b>
<b>RECEIVABLES:</b>			
Escrow Proceeds Due From Title	0	0	0
Escrow Proceeds Due From Title	0	0	0
Notes Receivable	0	0	0
Accrued Interest	0	0	0
Other Receivables	277,574	<126,098>	151,476
<b>TOTAL RECEIVABLES</b>	<b>277,574</b>	<b>&lt;126,098&gt;</b>	<b>151,476</b>
Less: Allowance for Doubtful Accounts	0	0	0
<b>TOTAL RECEIVABLES, NET</b>	<b>277,574</b>	<b>&lt;126,098&gt;</b>	<b>151,476</b>
<b>PROPERTY AND EQUIPMENT:</b>			
Cost	9,285,308	26,521	9,311,829
Accumulated Depreciation	<834,238>	<14,144>	<848,382>
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>8,451,070</b>	<b>12,377</b>	<b>8,463,447</b>
<b>OTHER ASSETS:</b>			
Prepaid Expenses	0	0	0
Deferred Charges	0	0	0
Other Assets	842,865	<14,483>	828,382
<b>TOTAL OTHER ASSETS</b>	<b>842,865</b>	<b>&lt;14,483&gt;</b>	<b>828,382</b>
<b>TOTAL ASSETS</b>	<b>9,574,376</b>	<b>&lt;124,073&gt;</b>	<b>9,450,303</b>

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Spruce Creek Communities  
UTILITY Balance Sheet

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As of July 31, 1999

02

	Prior Month Balance	Monthly Activity	Current Balance
-----			
LIABILITIES & NET WORTH:			
NOTES PAYABLE, SENIOR & SUBORD. DEBT:			
Convertible Debentures	0	0	0
Project Financing	0	0	0
Real Estate Notes	0	0	0
Revolving Credit	0	0	0
Swiss Franc Bonds	0	0	0
Capitalized Leases	0	0	0
Other	0	0	0
Short-term Lines of Credit	0	0	0
-----			
TOTAL NOTES PAYABLE	0	0	0
-----			
ACCOUNTS PAYABLE:			
Trade Accounts	282,485	45,731	328,216
Cost to Complete	0	0	0
-----			
TOTAL ACCOUNTS PAYABLE	282,485	45,731	328,216
-----			
ACCRUED LIABILITIES & OTHER PAYABLES			
Accrued Liabilities	90,291	13,559	103,850
Deferred Income	0	0	0
Other Liabilities	4,165,620	11,704	4,177,324
Minority Interest	0	0	0
-----			
TOTAL ACCRUED LIABILITIES	4,255,911	25,263	4,281,174
-----			
USING/RETAIL DEPOSITS	0	0	0
-----			
INCOME TAX LIABILITIES:			
State Income Taxes Payable	0	0	0
Federal Income Taxes Payable	0	0	0
Deferred Income Taxes	0	0	0
-----			
TOTAL TAXES PAYABLE	0	0	0
-----			
TOTAL LIABILITIES	4,538,396	70,994	4,609,390
-----			



Spruce Creek Communities  
 UTILITY Balance Sheet

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As of July 31, 1999

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 APPENDIX D-1  
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	Prior Month Balance	Monthly Activity	Current Balance
-----			
MEMBER STOCKHOLDERS' EQUITY:			
Equity in Divisions	0	0	0
Common Stock	0	0	0
Paid-in Capital	0	0	0
Retained Earnings - Prior	0	1	1
Retained Earnings - Current	1	<2>	<1>
-----			
Sub-total	1	<1>	0
-----			
Less Treasury Stock	0	0	0
-----			
TOTAL COMMON STOCKHOLDERS' EQUITY	1	<1>	0
-----			
INTERCOMPANY CONSOLIDATED:			
Investments in Subsidiaries	0	0	0
Investments in Partnerships	0	0	0
Intercompany Receivables/Payables	5,035,979	<195,067>	4,840,912
-----			
TOTAL INTERCOMPANY CONSOLIDATED	5,035,979	<195,067>	4,840,912
-----			
TOTAL LIABILITIES & NET WORTH	9,574,376	<124,074>	9,450,302
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Spruce Creek Communities  
UTILITY Department Detail

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Spruce Creek Utility  
REVENUE & COST OF SALES

APPENDIX D-1  
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	January 1999	February 1999	March 1999	April 1999	May 1999	June 1999	July 1999	Total
<b>OPERATING REVENUE</b>								
<b>METERED WATER REVENUE</b>								
Residential Customers	55,976	58,584	77,279	103,649	91,473	91,411	86,331	566,703
Commercial Customers	2,361	2,361	2,463	2,575	2,744	3,104	2,761	18,369
<b>TOTAL METERED WATER REVENUE</b>	<b>58,337</b>	<b>60,945</b>	<b>79,742</b>	<b>106,224</b>	<b>96,217</b>	<b>94,515</b>	<b>89,092</b>	<b>585,072</b>
<b>METERED SEWER REVENUE</b>								
Residential Customers	29,800	28,443	34,837	36,370	36,544	36,399	35,683	238,076
Commercial Customers	1,584	1,620	1,749	1,688	1,988	1,880	1,725	12,234
<b>TOTAL METERED SEWER REVENUE</b>	<b>31,384</b>	<b>30,063</b>	<b>36,586</b>	<b>38,058</b>	<b>38,532</b>	<b>38,279</b>	<b>37,408</b>	<b>250,310</b>
<b>TOTAL OPERATING REVENUE</b>	<b>89,721</b>	<b>91,008</b>	<b>116,328</b>	<b>144,282</b>	<b>134,749</b>	<b>132,794</b>	<b>126,500</b>	<b>835,382</b>
<b>COST OF SALES</b>								
Sludge Removal	4,339	3,140	3,019	9,726	5,871	8,786	5,638	41,519
CIAC Tax Amortization	0	0	0	0	28,966	9,655	14,483	53,104
<b>TOTAL COST OF SALES</b>	<b>4,339</b>	<b>3,140</b>	<b>3,019</b>	<b>9,726</b>	<b>34,837</b>	<b>18,441</b>	<b>21,121</b>	<b>94,623</b>
<b>OPERATING MARGIN</b>	<b>85,382</b>	<b>87,868</b>	<b>113,309</b>	<b>134,556</b>	<b>99,912</b>	<b>114,353</b>	<b>105,379</b>	<b>740,759</b>
<b>SALARIES &amp; WAGES</b>								
<b>OPERATING EXPENSES</b>								
<b>NET DEPARTMENT</b>	<b>85,382</b>	<b>87,868</b>	<b>113,309</b>	<b>134,556</b>	<b>99,912</b>	<b>114,353</b>	<b>105,379</b>	<b>740,759</b>

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Spruce Creek Communities  
UTILITY Department Detail

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Spruce Creek Utility  
WATER

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	January 1999	February 1999	March 1999	April 1999	May 1999	June 1999	July 1999	Total
<b>OPERATING REVENUE</b>								
REGISTERED WATER REVENUE								
REGISTERED SEWER REVENUE								
<b>COST OF SALES</b>								
<b>SALARIES &amp; WAGES</b>								
Salaries & Wages	2,665	1,777	1,777	1,777	1,777	1,777	1,777	13,327
Accrued Vacation	0	0	692	0	0	0	0	692
Overtime Pay	0	0	31	31	0	0	0	62
Payroll Taxes	279	186	189	159	136	136	136	1,221
Payroll Benefits	272	199	126	199	199	199	199	1,393
<b>SALARIES &amp; WAGES</b>	<b>3,216</b>	<b>2,162</b>	<b>2,815</b>	<b>2,166</b>	<b>2,112</b>	<b>2,112</b>	<b>2,112</b>	<b>16,695</b>
<b>OPERATING EXPENSES</b>								
Supplies	<74>	1,652	4,059	2,788	5,371	3,976	3,352	21,124
Equipment	18	0	0	0	0	27	0	45
Gas	173	407	72	472	368	174	938	2,604
Vehicle Maintenance	0	0	0	40	0	45	0	85
Accounting Services	376	0	0	0	0	2,104	0	2,480
Legal Services	93	0	0	0	307	0	0	400
Other Consulting	3,700	3,570	40,255	31,420	32,499	34,091	12,710	158,245
Telephone - Cellular	68	116	410	223	222	124	151	1,314
Landscaping Services	0	0	0	0	50	0	0	50
Equipment Maintenance	0	9,089	8,505	576	11,743	2,216	2,064	34,193
RAF Taxes	2,625	2,895	3,600	4,795	4,351	5,677	4,010	27,953
Property Taxes	6,570	2,341	2,341	2,341	2,341	2,341	2,341	20,616
Licenses and Fees	75	0	340	0	0	0	300	715
Utilities	6,090	3,242	6,856	3,749	4,144	2,612	4,873	31,566
Other Expenses	6,233	9,381	<16,603>	26,762	<14,209>	<18,123>	3,750	<2,809>
Depreciation	11,193	11,193	11,193	<13,021>	7,199	36,513	7,199	71,469
CIAC Amortization	<5,368>	<5,368>	<5,368>	<5,368>	<5,368>	<12,481>	<5,368>	<44,689>
<b>TOTAL OPERATING EXPENSE</b>	<b>31,772</b>	<b>38,518</b>	<b>55,660</b>	<b>54,777</b>	<b>49,018</b>	<b>59,296</b>	<b>36,320</b>	<b>325,361</b>
<b>TOTAL EXPENSES</b>	<b>34,988</b>	<b>40,680</b>	<b>58,475</b>	<b>56,943</b>	<b>51,130</b>	<b>61,408</b>	<b>38,432</b>	<b>342,056</b>
<b>NET DEPARTMENT</b>	<b>34,988</b>	<b>40,680</b>	<b>58,475</b>	<b>56,943</b>	<b>51,130</b>	<b>61,408</b>	<b>38,432</b>	<b>342,056</b>

Spruce Creek Communities  
 UTILITY Balance Sheet

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 06/05/00  
 11:28:42

As of March 31, 2000

02

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	Prior Month Balance	Monthly Activity	Current Balance
<b>STOCKHOLDERS' EQUITY:</b>			
Investments in Divisions	0	0	0
Stock	0	0	0
Capital	0	0	0
Retained Earnings - Prior	0	0	0
Retained Earnings - Current	<1>	0	<1>
<b>Total</b>	<b>&lt;1&gt;</b>	<b>0</b>	<b>&lt;1&gt;</b>
Treasury Stock	0	0	0
<b>COMMON STOCKHOLDERS' EQUITY</b>	<b>&lt;1&gt;</b>	<b>0</b>	<b>&lt;1&gt;</b>
<b>COMPANY CONSOLIDATED:</b>			
Investments in Subsidiaries	0	0	0
Investments in Partnerships	0	0	0
Company Receivables/Payables	5,002,059	280,293	5,282,352
<b>INTERCOMPANY CONSOLIDATED</b>	<b>5,002,059</b>	<b>280,293</b>	<b>5,282,352</b>
<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>9,716,583</b>	<b>239,837</b>	<b>9,956,420</b>

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>UTILITY PLANT</b>				
101-105	Utility Plant	F-5	\$ 7,709,665	\$ 6,584,139
108-110	Less: Accumulated Depreciation and Amortization	F-6	(757,616)	(545,434)
	Net Plant		6,952,049	6,038,705
114-115	Utility Plant Acquisition			
	Adjustments (Net)	F-5		
	Other Plant Adjustments (specify)			
	Total Net Utility Plant		6,952,049	6,038,705
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-7		
122	Less: Accumulated Depreciation and Amortization			
	Net Nonutility Property			
123	Investment in Associated Companies	F-8		
124	Utility Investments	F-8		
125	Other Investments	F-8		
127	Special Funds	F-8		
	Total Other Property and Investments			
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		1,448	21,213
132	Special Deposits	F-7		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-9	119,332	56,881
145	Accounts Receivable from Associated Companies	F-10	78,194	327,549
146	Notes Receivable from Associated Companies	F-10		734,410
151	Materials and Supplies			
162	Prepayments	F-11		
171	Accrued Interest and Dividends Receivable			171,766
174	Misc. Current and Accrued Assets		190	190
	Total Current and Accrued Assets		199,164	1,312,009

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense _____	F-12		43,445
182	Extraordinary Property Losses _____	F-12		
186	Misc. Deferred Debits _____	F-11	852,330	881,296
190	Accumulated Deferred Income Taxes _____			
	Total Deferred Debits _____		852,330	924,741
	TOTAL ASSETS AND OTHER DEBITS _____		\$ 8,003,543	\$ 8,275,455

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

UTILITY NAME: Spruce Creek South Utilities, Inc.

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YEAR OF REPORT  
December 31, 1998

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued _____	F-14	50	\$ 50
204	Preferred Stock Issued _____	F-14		
211	Other Paid-in Capital _____			
212	Discount on Capital Stock _____			
213	Capital Stock Expense _____			
214-215	Retained Earnings (Deficit) _____	F-15	(413,404)	(245,879)
216	Reacquired Capital Stock _____			
218	Proprietary Capital (Proprietorship and Partnership Only) _____			
	Total Equity Capital (Deficit) _____		(413,354)	(245,829)
LONG TERM DEBT				
221	Bonds _____	F-16		
223	Advances from Associated Companies _____	F-16		
224	Other Long Term Debt _____	F-14		1,929,217
	Total Long Term Debt _____			1,929,217
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable _____		31,081	31,573
232	Notes Payable _____	F-13		
233	Accounts Payable to Associated Co. _____	F-13	218,399	288,426
234	Notes Payable to Associated Co. _____	F-13	4,259,696	2,861,527
235	Customer Deposits _____		11,716	11,716
236	Accrued Taxes _____	F-17	64,938	133,876
237	Accrued Interest _____	F-18	74,781	279,602
238	Accrued Dividends _____			
239	Matured Long Term Debt _____			
240	Matured Interest _____			
241	Miscellaneous Current and Accrued Liabilities _____	F-19		
	Total Current and Accrued Liabilities _____		4,660,611	3,606,720

UTILITY NAME: Spruce Creek South Utilities, Inc.

YEAR OF REPORT  
December 31, 1998

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt _____	F-12		\$ _____
252	Advances for Construction _____	F-19		_____
253	Other Deferred Credits _____			_____
255	Accumulated Deferred Investment Tax Credits _____			_____
	Total Deferred Credits _____			_____
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve _____			_____
262	Injuries and Damages Reserve _____			_____
263	Pensions and Benefits Reserve _____			_____
265	Miscellaneous Operating Reserves _____			_____
	Total Operating Reserves _____			_____
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction _____	F-20	4,270,730	3,382,420
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(514,444)	(397,073)
	Total Net C.I.A.C. _____		3,756,286	2,985,347
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____			_____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____			_____
283	Accumulated Deferred Income Taxes - Other _____			_____
	Total Accum. Deferred Income Taxes _____			_____
	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b> _____		<b>\$ 8,003,543</b>	<b>\$ 8,275,455</b>



UTILITY NAME: Spruce Creek South Utilities, Inc.

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues -----	\$ 812,641	F-3(b)	\$ 1,194,521
401	Operating Expenses -----	618,330	F-3(b)	864,182
403	Depreciation Expense -----	71,042	F-6/F-21	94,811
406	Amortization of Utility Plant Acquisition Adjustment -----			
407	Amortization Expense -----			
408.1	Taxes Other Than Income -----	138,033	F-17	174,418
409.1	Income Taxes -----		F-17	
410.10	Deferred Federal Income Taxes -----			
411.10	Provision for Deferred Income Taxes - Credit -----			
412.10	Investment Tax Credits Deferred to Future Periods -----			
412.11	Investment Tax Credits Restored to Operating Income -----			
	Utility Operating Expenses -----	827,405		1,133,411
	Utility Operating Income (Loss) -----	(14,764)		61,110
413	Income From Utility Plant Leased To Others -----			
414	Gains (Losses) From Disposition of Utility Property -----			
	Total Utility Operating Income [Enter here and on Page F-3(c)] (Loss) -----	(14,764)		61,110

COMPARATIVE OPERATING INCOME

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	SEWER (c)	OTHER (e)
W-3	\$ 833,370	S-3	\$ 361,151	\$ N/A
W-2	488,135	S-2	376,047	
F-6/F-21	49,656	F-6	45,155	
F-6		F-6		
F-17	103,622	F-17	70,796	
F-17		F-17		
	641,413		491,998	
	191,957		(130,847)	
	\$ 191,957		\$ (130,847)	\$ N/A

UTILITY NAME: Spruce Creek South Utilities, Inc.

YEAR OF REPORT  
December 31, 1998

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	Total Utility Operating Income (From Page F-3(a))	(14,764)		61,110
	<b>OTHER INCOME AND DEDUCTIONS</b>			
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income	46,851		
420	Allowance for Funds Used During Construction			
421	Nonutility Income			20
426	Miscellaneous Nonutility Expenses	(31,434)		(32,637)
	Total Other Income and Deductions	15,417		(32,617)
	<b>TAXES APPLICABLE TO OTHER INCOME</b>			
408.20	Taxes Other Than Income		F-17	
409.20	Income Taxes		F-17	
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
	Total Taxes Applicable to Other Income			
	<b>INTEREST EXPENSE</b>			
427	Interest Expense	256,536	F-18	152,573
428	Amortization of Debt Discount & Expense	11,246	F-12	43,445
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	267,782		196,018
	<b>EXTRAORDINARY ITEMS</b>			
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	NET INCOME	\$ (267,129)		\$ (167,525)

Exhibit J - List of permitted exceptions

EXHIBIT J

**List of Permitted Exceptions in re: Buyer's Title Insurance to Real  
Property**

See attached.

SCHEDULE B-II  
(Exceptions)

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

- 1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
- 2. Any rights, interests or claims affecting the land which a correct survey would disclose and which are not shown by the public records. *(Out after Survey - See Escrow Agreement)*
- 3. Any lien for services, labor, or materials in connection with improvements, repairs or renovations provided before, on, or after Date of Policy, not shown by the public records.
- 4. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the land prior to Date of Policy, and any adverse claim to all or part of the land that is, at Date of Policy, or was previously, under water.
- 5. Taxes or special assessments not shown as liens in the public records or in the records of the local tax collecting authority, as Date of Policy.
- 6. Any minerals or mineral rights leased, granted or retained by current or prior owners.
- 7. Easements, or claims of easements, not shown by the public records. *(Out after Survey - See Escrow Agreement)*
- 8. Taxes for the year 2000 and subsequent years. NOTE: Taxes for the year 2000 become an inchoate lien as of January 1, 2000, but are due and payable November 1, 2000, but do not become delinquent until April 1, 2001.
- 9. Matters contained upon the Plat(s).

As to Parcels 1 and 2:

- 10. Corrective, Amended and Restated Declaration filed in Official Records Book 2496, Page 1134; Assignment of Developers Rights filed in Official Records Book 2453, Page 116; Supplemental declaration filed in Official Records Book 2687, Page 792; Amendment to Restrictions filed in Official Records Book 2753, Page 1362; Amendment to Restrictions filed in Official Records Book 2777, Page 1631, Public Records of Marion County, Florida.
- 11. Developmental Order for Designation of Spruce Creek Golf and County Club, as a Florida Quality Development, filed in Official Records Book 2325, Page 939; First Amendment to Development Order filed June 13, 1997 in Official Records Book 2377, Page 954, Public Records of Marion County, Florida.

As to Parcel 3:

- 12. Corrective, Amended and Restated Declaration filed in Official Records Book 2496, Page 1134; Assignment of Developers Rights filed in Official Records Book 2453, Page 116; Supplemental declaration filed in Official Records Book 2687, Page 792; Amendment to Restrictions filed in Official Records Book 2753, Page 1362; Amendment to Restrictions filed in Official Records Book 2777, Page 1631; Supplemental Declaration filed in Official Records Book 2551, Page 1806, Public Records of Marion County, Florida.
- 13. Developmental Order for Designation of Spruce Creek Golf and County Club, as a Florida Quality Development, filed in Official Records Book 2325, Page 939; First Amendment to Development Order filed June 13, 1997 in Official Records Book 2377, Page 954, Public Records of Marion County, Florida.

As to Parcel 4:PAGE 149 OF 341

14. Declaration of Restrictions for Spruce Creek South executed by Spruce Creek Development Co. of Ocala filed June 9, 1989 in Official Records Book 1583, Page 241; First Amendment to Declaration filed in Official Records Book 1657, Page 1930; Second Amendment to Declaration filed in Official Records Book 1675, Page 719; Second Amended Declaration of Spruce Creek South filed November 2, 1990 in Official Records Book 1695, Page 380; Third Amended Declaration for Spruce Creek South filed December 10, 1990 in Official Records Book 1702, Page 1049; Third Amendment to Declaration filed in Official Records Book 1720, Page 471; Fourth Amendment to Declaration filed in Official Records Book 1781, Page 1114; Fifth Amendment to Declaration filed in Official Records Book 1839, Page 1726; Sixth Amendment to Declaration filed in Official Records Book 1872, Page 659; Seventh Amendment to Declaration filed in Official Records Book 1892, Page 1817; Eighth Amendment to Declaration filed in Official Records Book 1917, Page 525; Ninth Amendment to Declaration filed in Official Records Book 1932, Page 488; Tenth Amendment to Declaration filed in Official Records Book 1959, Page 602; Eleventh Amendment to Declaration filed in Official Records Book 1968, Page 157; Twelfth Amendment to Declaration filed in Official Records Book 1988, Page 1322; Thirteenth Amendment to Declaration filed in Official Records Book 2009, Page 392; Fourteenth Amendment to Declaration filed in Official Records Book 2026, Page 1992; Fifteenth Amendment to Declaration filed in Official Records Book 2043, Page 24; Sixteenth Amendment to Declaration filed in Official Records Book 2086, Page 1113, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
15. Assessment Covenant filed December 21, 1993 in Official Records Book 1988, Page 1321; and Official Records Book 1988, Page 1351, Public Records of Marion County, Florida.
16. Agreement for Grant of Reservation for Sewer Lift Station Site filed in Official Records Book 1988, Page 1354, Public Records of Marion County, Florida.
17. Easement for Sewer Lift Station Site filed in Official Records Book 1988, Page 1356, Public Records of Marion County, Florida. *(After review and approval by Buyer)*

As to Parcel 5:

18. Declaration of Restrictions for Spruce Creek South executed by Spruce Creek Development Co. of Ocala filed June 9, 1989 in Official Records Book 1583, Page 241; First Amendment to Declaration filed in Official Records Book 1657, Page 1930; Second Amendment to Declaration filed in Official Records Book 1675, Page 719; Second Amended Declaration of Spruce Creek South filed November 2, 1990 in Official Records Book 1695, Page 380; Third Amended Declaration for Spruce Creek South filed December 10, 1990 in Official Records Book 1702, Page 1049; Third Amendment to Declaration filed in Official Records Book 1720, Page 471; Fourth Amendment to Declaration filed in Official Records Book 1781, Page 1114; Fifth Amendment to Declaration filed in Official Records Book 1839, Page 1726; Sixth Amendment to Declaration filed in Official Records Book 1872, Page 659; Seventh Amendment to Declaration filed in Official Records Book 1892, Page 1817; Eighth Amendment to Declaration filed in Official Records Book 1917, Page 525; Ninth Amendment to Declaration filed in Official Records Book 1932, Page 488; Tenth Amendment to Declaration filed in Official Records Book 1959, Page 602; Eleventh Amendment to Declaration filed in Official Records Book 1968, Page 157; Twelfth Amendment to Declaration filed in Official Records Book 1988, Page 1322; Thirteenth Amendment to Declaration filed in Official Records Book 2009, Page 392; Fourteenth Amendment to Declaration filed in Official Records Book 2026, Page 1992; Fifteenth Amendment to Declaration filed in Official Records Book 2043, Page 24; Sixteenth Amendment to Declaration filed in Official Records Book 2086, Page 1113, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
19. Easement for Sewer Lift Station Site filed October 22, 1992 in Official Records Book 1872, Page 689, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
20. Agreement for Reservation of Sewer Lift Station Site filed October 22, 1992 in Official Records Book 1872, Page 690, Public Records of Marion County, Florida.
21. Covenant filed October 22, 1992 in Official Records Book 1872, Page 692, Public Records of Marion County, Florida.

As to Parcel 6:

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Spruce Creek Development Co. of Ocala filed
22. Declaration of Restrictions for Spruce Creek South executed by Spruce Creek Development Co. of Ocala filed June 9, 1989 in Official Records Book 1583, Page 241; First Amendment to Declaration filed in Official Records Book 1657, Page 1930; Second Amendment to Declaration filed in Official Records Book 1675, Page 719; Second Amended Declaration of Spruce Creek South filed November 2, 1990 in Official Records Book 1695, Page 380; Third Amended Declaration for Spruce Creek South filed December 10, 1990 in Official Records Book 1702, Page 1049; Third Amendment to Declaration filed in Official Records Book 1720, Page 471; Fourth Amendment to Declaration filed in Official Records Book 1781, Page 1114; Fifth Amendment to Declaration filed in Official Records Book 1839, Page 1726; Sixth Amendment to Declaration filed in Official Records Book 1872, Page 659; Seventh Amendment to Declaration filed in Official Records Book 1892, Page 1817; Eighth Amendment to Declaration filed in Official Records Book 1917, Page 525; Ninth Amendment to Declaration filed in Official Records Book 1932, Page 488; Tenth Amendment to Declaration filed in Official Records Book 1959, Page 602; Eleventh Amendment to Declaration filed in Official Records Book 1968, Page 157; Twelfth Amendment to Declaration filed in Official Records Book 1988, Page 1322; Thirteenth Amendment to Declaration filed in Official Records Book 2009, Page 392; Fourteenth Amendment to Declaration filed in Official Records Book 2026, Page 1992; Fifteenth Amendment to Declaration filed in Official Records Book 2043, Page 24; Sixteenth Amendment to Declaration filed in Official Records Book 2086, Page 1113, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
23. Easement for Sewer Lift Station Site filed February 28, 1994 in Official Records Book 2009, Page 425, Public Records of Marion County, Florida.
24. Agreement for Reservation of Sewer Lift Station Site filed February 28, 1994 in Official Records Book 2009, Page 426, Public Records of Marion County, Florida.
25. Assessment Covenants filed February 28, 1994 in Official Records Book 2009, Page 380; and in Official Records Book 2009, Page 428, Public Records of Marion County, Florida. *(After review and approval by Buyer)*

s to Parcel 7:

26. Declaration of Restrictions for Spruce Creek South executed by Spruce Creek Development Co. of Ocala filed June 9, 1989 in Official Records Book 1583, Page 241; First Amendment to Declaration filed in Official Records Book 1657, Page 1930; Second Amendment to Declaration filed in Official Records Book 1675, Page 719; Second Amended Declaration of Spruce Creek South filed November 2, 1990 in Official Records Book 1695, Page 380; Third Amended Declaration for Spruce Creek South filed December 10, 1990 in Official Records Book 1702, Page 1049; Third Amendment to Declaration filed in Official Records Book 1720, Page 471; Fourth Amendment to Declaration filed in Official Records Book 1781, Page 1114; Fifth Amendment to Declaration filed in Official Records Book 1839, Page 1726; Sixth Amendment to Declaration filed in Official Records Book 1872, Page 659; Seventh Amendment to Declaration filed in Official Records Book 1892, Page 1817; Eighth Amendment to Declaration filed in Official Records Book 1917, Page 525; Ninth Amendment to Declaration filed in Official Records Book 1932, Page 488; Tenth Amendment to Declaration filed in Official Records Book 1959, Page 602; Eleventh Amendment to Declaration filed in Official Records Book 1968, Page 157; Twelfth Amendment to Declaration filed in Official Records Book 1988, Page 1322; Thirteenth Amendment to Declaration filed in Official Records Book 2009, Page 392; Fourteenth Amendment to Declaration filed in Official Records Book 2026, Page 1992; Fifteenth Amendment to Declaration filed in Official Records Book 2043, Page 24; Sixteenth Amendment to Declaration filed in Official Records Book 2086, Page 1113, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
27. Covenant filed June 18, 1992 in Official Records Book 1839, Page 1760, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
28. Easement for Sewer Lift Station Site filed June 19, 1992 in Official Records Book 1840, Page 2, Public Records of Marion County, Florida.
29. Agreement for Grant of Reservation of Sewer Lift Station Site filed June 19, 1992 in Official Records Book 1840, Page 4, Public Records of Marion County, Florida.



As to Parcel 8:

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- 30. Declaration of Restrictions for Spruce Creek South executed by Spruce Creek Development Co. of Ocala filed June 9, 1989 in Official Records Book 1583, Page 241; First Amendment to Declaration filed in Official Records Book 1657, Page 1930; Second Amendment to Declaration filed in Official Records Book 1675, Page 719; Second Amended Declaration of Spruce Creek South filed November 2, 1990 in Official Records Book 1695, Page 380; Third Amended Declaration for Spruce Creek South filed December 10, 1990 in Official Records Book 1702, Page 1049; Third Amendment to Declaration filed in Official Records Book 1720, Page 471; Fourth Amendment to Declaration filed in Official Records Book 1781, Page 1114; Fifth Amendment to Declaration filed in Official Records Book 1839, Page 1726; Sixth Amendment to Declaration filed in Official Records Book 1872, Page 659; Seventh Amendment to Declaration filed in Official Records Book 1892, Page 1817; Eighth Amendment to Declaration filed in Official Records Book 1917, Page 525; Ninth Amendment to Declaration filed in Official Records Book 1932, Page 488; Tenth Amendment to Declaration filed in Official Records Book 1959, Page 602; Eleventh Amendment to Declaration filed in Official Records Book 1968, Page 157; Twelfth Amendment to Declaration filed in Official Records Book 1988, Page 1322; Thirteenth Amendment to Declaration filed in Official Records Book 2009, Page 392; Fourteenth Amendment to Declaration filed in Official Records Book 2026, Page 1992; Fifteenth Amendment to Declaration filed in Official Records Book 2043, Page 24; Sixteenth Amendment to Declaration filed in Official Records Book 2086, Page 1113, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
- 31. Covenant filed April 15, 1993 in Official Records Book 1917, Page 512, Public Records of Marion County, Florida.
- 32. Easement for Sewer Lift Station Site filed April 15, 1993 in Official Records Book 1917, Page 522, Public Records of Marion County, Florida.
- 33. Agreement for Grant of Reservation for Sewer Lift Station Site filed in Official Records Book 1917, Page 523, Public Records of Marion County, Florida.

As to Parcel 9:

- 34. Declaration of Restrictions for Spruce Creek South executed by Spruce Creek Development Co. of Ocala filed June 9, 1989 in Official Records Book 1583, Page 241; First Amendment to Declaration filed in Official Records Book 1657, Page 1930; Second Amendment to Declaration filed in Official Records Book 1675, Page 719; Second Amended Declaration of Spruce Creek South filed November 2, 1990 in Official Records Book 1695, Page 380; Third Amended Declaration for Spruce Creek South filed December 10, 1990 in Official Records Book 1702, Page 1049; Third Amendment to Declaration filed in Official Records Book 1720, Page 471; Fourth Amendment to Declaration filed in Official Records Book 1781, Page 1114; Fifth Amendment to Declaration filed in Official Records Book 1839, Page 1726; Sixth Amendment to Declaration filed in Official Records Book 1872, Page 659; Seventh Amendment to Declaration filed in Official Records Book 1892, Page 1817; Eighth Amendment to Declaration filed in Official Records Book 1917, Page 525; Ninth Amendment to Declaration filed in Official Records Book 1932, Page 488; Tenth Amendment to Declaration filed in Official Records Book 1959, Page 602; Eleventh Amendment to Declaration filed in Official Records Book 1968, Page 157; Twelfth Amendment to Declaration filed in Official Records Book 1988, Page 1322; Thirteenth Amendment to Declaration filed in Official Records Book 2009, Page 392; Fourteenth Amendment to Declaration filed in Official Records Book 2026, Page 1992; Fifteenth Amendment to Declaration filed in Official Records Book 2043, Page 24; Sixteenth Amendment to Declaration filed in Official Records Book 2086, Page 1113, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
- 35. Assessment Covenants filed September 16, 1993 in Official Records Book 1959, Page 595; and Official Records Book 1959, Page 630, Public Records of Marion County, Florida.
- 36. Agreement for Grant of Reservation for Sewer Lift Station Site filed September 16, 1993 in Official Records Book 1959, Page 631, Public Records of Marion County, Florida.
- 37. Easement for Sewer Lift Station Site filed September 16, 1993 in Official Records Book 1959, Page 633, Public Records of Marion County, Florida.

- 38. Declaration of Restrictions for Spruce Creek South executed by Spruce Creek Development Co. of Ocala filed June 9, 1989 in Official Records Book 1583, Page 241; First Amendment to Declaration filed in Official Records Book 1657, Page 1930; Second Amendment to Declaration filed in Official Records Book 1675, Page 719; Second Amended Declaration of Spruce Creek South filed November 2, 1990 in Official Records Book 1695, Page 380; Third Amended Declaration for Spruce Creek South filed December 10, 1990 in Official Records Book 1702, Page 1049; Third Amendment to Declaration filed in Official Records Book 1720, Page 471; Fourth Amendment to Declaration filed in Official Records Book 1781, Page 1114; Fifth Amendment to Declaration filed in Official Records Book 1839, Page 1726; Sixth Amendment to Declaration filed in Official Records Book 1872, Page 659; Seventh Amendment to Declaration filed in Official Records Book 1892, Page 1817; Eighth Amendment to Declaration filed in Official Records Book 1917, Page 525; Ninth Amendment to Declaration filed in Official Records Book 1932, Page 488; Tenth Amendment to Declaration filed in Official Records Book 1959, Page 602; Eleventh Amendment to Declaration filed in Official Records Book 1968, Page 157; Twelfth Amendment to Declaration filed in Official Records Book 1988, Page 1322; Thirteenth Amendment to Declaration filed in Official Records Book 2009, Page 392; Fourteenth Amendment to Declaration filed in Official Records Book 2026, Page 1992; Fifteenth Amendment to Declaration filed in Official Records Book 2043, Page 24; Sixteenth Amendment to Declaration filed in Official Records Book 2086, Page 1113, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
- 39. Assessment Covenants filed November 14, 1994 in Official Records Book 2086, Page 1142; and Official Records Book 2086, Page 1149, Public Records of Marion County, Florida.

As to Parcel 11:

As to Parcel 12:

- 40. Covenant filed August 22, 1997 in Official Records Book 2402, Page 209, Public Records of Marion County, Florida.
- 41. Corrective Amended and Restated Declaration of Protective Deed Restrictions and Covenants for Spruce Creek Preserve filed May 6, 1998 in Official Records Book 2496, Page 1186; Amendment to Declaration of Restrictions filed in Official Records Book 2519, Page 489; Supplemental Declaration filed February 11, 2000 in Official Records Book 2753, Page 1354, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
- ~~42.~~ Development Order for Designation of Spruce Creek Golf and Country Club, as a Florida Quality Development, filed in Official Records Book 2325, Page 939; First Amendment to Development Order filed June 13, 1997 in Official Records Book 2377, Page 954, Public Records of Marion County, Florida. *(Should not encumber Preserve property)*

As to Parcel 13:

- 43. Corrective Amended and Restated Declaration of Protective Deed Restrictions and Covenants for Spruce Creek Preserve filed May 6, 1998 in Official Records Book 2496, Page 1186; Amendment to Declaration of Restrictions filed in Official Records Book 2519, Page 489; Supplemental Declaration filed February 11, 2000 in Official Records Book 2753, Page 1354, Public Records of Marion County, Florida. *(After review and approval by Buyer)*
- ~~44.~~ Development Order for Designation of Spruce Creek Golf and Country Club, as a Florida Quality Development, filed in Official Records Book 2325, Page 939; First Amendment to Development Order filed June 13, 1997 in Official Records Book 2377, Page 954, Public Records of Marion County, Florida. *(Should not encumber Preserve property)*
- 45. Covenant filed May 10, 1996 in Official Records Book 2247, Page 123, Public Records of Marion County, Florida.

As to Parcel 14:

- 46. Development Order for Designation of Spruce Creek Golf and Country Club, as a Florida Quality Development, filed in Official Records Book 2325, Page 939; First Amendment to Development Order filed June 13, 1997 in Official Records Book 2377, Page 954, Public Records of Marion County, Florida.

As to Parcel 15:

47. Easement granted in favor of Spruce Creek South Utilities filed March 13, 1996 in Official Records Book 584, Page 549; re-recorded March 20, 1996 in Official Records Book 585, Page 372, Public Records of Sumter County, Florida.
48. Development Order for Designation of Spruce Creek South filed February 27, 1991 in Official Records Book 423, Page 775; Second Amendment filed November 17, 1993 in Official Records Book 498, Page 550, Public Records of Sumter County, Florida.
49. Deed of Conservation Easement in favor of Florida Game and Fresh Water Fish Commission filed September 22, 1995 in Official Records Book 493, Page 497, Public Records of Sumter County, Florida. *Subject to confirmation of compliance*
- ~~50.~~ Mortgage executed by Spruce Creek Development Co. of Ocala, Inc., in favor of SouthTrust Bank of Florida, N. A. filed April 10, 1996 in Official Records Book 587, Page 745; Assignment of Leases and Rents filed April 10, 1996 in Official Records Book 587, Page 754; Financing Statement filed April 10, 1996 in Official Records Book 587, Page 761; Partial Release of Assignment of Leases and Rents filed March 5, 1997 in Official Records Book 625, Page 560; Partial Release of Financing Statement filed March 5, 1997 in Official Records Book 625, Page 562, Public Records of Sumter County, Florida. *NO*

As to Parcel 16:

51. Easement granted in favor of Spruce Creek South Utilities filed March 13, 1996 in Official Records Book 584, Page 549; re-recorded March 20, 1996 in Official Records Book 585, Page 372, Public Records of Sumter County, Florida.
52. Development Order for Designation of Spruce Creek South filed February 27, 1991 in Official Records Book 423, Page 775; Second Amendment filed November 17, 1993 in Official Records Book 498, Page 550, Public Records of Sumter County, Florida.
53. Deed of Conservation Easement in favor of Florida Game and Fresh Water Fish Commission filed September 22, 1995 in Official Records Book 493, Page 497, Public Records of Sumter County, Florida. *Subject to confirmation of compliance*
54. Distribution Easement in favor of Florida Power Corporation filed September 9, 1991 in Official Records Book 437, Page 473, Public Records of Sumter County, Florida.

As to Parcel 17: *Easement*

55. Development Order for Designation of Spruce Creek South filed February 27, 1991 in Official Records Book 423, Page 775; Second Amendment filed November 17, 1993 in Official Records Book 498, Page 550, Public Records of Sumter County, Florida.
- ~~56.~~ Mortgage executed by Henry A. Ehlers, as Trustee, in favor of First Bank Villages filed February 4, 1997 in Official Records Book 621, Page 640; Assignment in favor of Huntington National Bank filed January 21, 1998 in Official Records Book 669, Page 303; Mortgage Modification Agreement filed January 21, 1998 in Official Records Book 669, Page 304; Collateral Assignment of Leases/Rents filed January 21, 1998 in Official Records Book 669, Page 306, Public Records of Sumter County, Florida. *Approved as subordinate water*
57. Declaration filed September 15, 1997 in Official Records Book 651, Page 183; Supplemental Addendum filed in Official Records Book 674, Page 265; Supplemental Addendum filed in Official Records Book 704, Page 123; Supplemental Addendum filed in Official Records Book 717, Page 265; Supplemental Addendum filed in Official Records Book 753, Page 655; and Supplemental Addendum filed in Official Records Book 772, Page 686, Public Records of Sumter County, Florida. *Not approved if easement rights cannot be conveyed*
58. Matters as reflected on the Plat of Oakland Hills.

59. Mortgage executed by Henry A. Ehlers, Trustee, in favor of Independent National Bank filed June 7, 2000 in Official Records Book 809, Page 62; Assignment of Leases and Rents filed June 7, 2000 in Official Records Book 809, Page 73, Public Records of Sumter County, Florida. *Approved as subordinate matter*

As to Parcel 18: *Easements*

- 60. Easement granted in favor of Spruce Creek South Utilities filed March 13, 1996 in Official Records Book 584, Page 549; re-recorded March 20, 1996 in Official Records Book 585, Page 372, Public Records of Sumter County, Florida.
- 61. Development Order for Designation of Spruce Creek South filed February 27, 1991 in Official Records Book 423, Page 775; Second Amendment filed November 17, 1993 in Official Records Book 498, Page 550, Public Records of Sumter County, Florida.
- 62. Deed of Conservation Easement in favor of Florida Game and Fresh Water Fish Commission filed September 22, 1995 in Official Records Book 493, Page 497, Public Records of Sumter County, Florida. *Subject to confirmation of compliance*
- ~~63.~~ Mortgage executed by Spruce Creek Development Co. of Ocala, Inc., in favor of SouthTrust Bank of Florida, N. A. filed April 10, 1996 in Official Records Book 587, Page 745; Assignment of Leases and Rents filed April 10, 1996 in Official Records Book 587, Page 754; Financing Statement filed April 10, 1996 in Official Records Book 587, Page 761; Partial Release of Assignment of Leases and Rents filed March 5, 1997 in Official Records Book 625, Page 560; Partial Release of Financing Statement filed March 5, 1997 in Official Records Book 625, Page 562, Public Records of Sumter County, Florida.
- ~~64.~~ Development Order for Designation of Spruce Creek Golf and Country Club, as a Florida Quality Development, filed in Official Records Book 2325, Page 939; First Amendment to Development Order filed June 13, 1997 in Official Records Book 2377, Page 954, Public Records of Marion County, Florida. *Not for South Y. project*
- 65. Deed of Conservation Easement filed September 22, 1993 in Official Records Book 1960, Page 1983, Public Records of Marion County, Florida. *Subject to confirmation of compliance*
- 66. Drainage Easement Executed by Spruce Creek Development Company of Ocala, Inc. filed December 29, 1997 in Official Records Book 471, Page 466, Public Records of Sumter County, Florida.

As to Parcel 19:

- 67. Easement filed May 10, 1996 in Official Records Book 2247, Page 124, Public Records of Marion County, Florida.
- ~~68.~~ Development Order for Designation of Spruce Creek Golf and Country Club, as a Florida Quality Development, filed in Official Records Book 2325, Page 939; First Amendment to Development Order filed June 13, 1997 in Official Records Book 2377, Page 954, Public Records of Marion County, Florida.

*1st Review party*  
As to Parcel 20: *not being conveyed*

- 69. Development Order for Designation of Spruce Creek Golf and Country Club, as a Florida Quality Development, filed in Official Records Book 2325, Page 939; First Amendment to Development Order filed June 13, 1997 in Official Records Book 2377, Page 954, Public Records of Marion County, Florida.
- 70. Easement filed May 10, 1996 in Official Records Book 2247, Page 124, Public Records of Marion County, Florida.

APPENDIX D-1

PAGE 155 OF 241

Exhibit K - Application for Amended 050815 00044  
Florida Quality Development  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT K

**Application for Amended Florida Quality Development/ Amended and Restated Development Order**

See attached.

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA, APPROVING THE AMENDED AND RESTATED DEVELOPMENT ORDER FOR DEL WEBB'S SPRUCE CREEK COUNTRY CLUB A FLORIDA QUALITY DEVELOPMENT; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Florida Quality Development (FQD) program was established to encourage development which has been thoughtfully planned to take into consideration protection of Florida's natural amenities, the cost to local government of providing services to a growing community, and the quality of life Floridians desire, and

WHEREAS, under the program development may be designated as an FQD if the local government with jurisdiction and the state land planning agency (the "Reviewing Entities") concur that a proposed development meets the goals and objectives of the FQD program and should be designated as an FQD, and

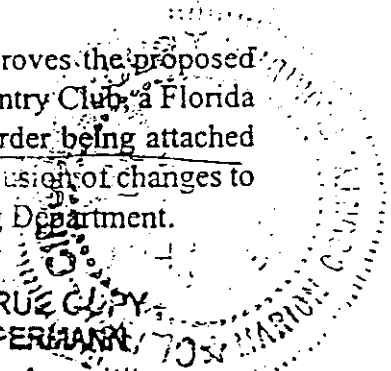
WHEREAS, under the provisions of Section 380.061, Florida Statutes, and Chapter J-28, Florida Administrative Code (F.A.C.), designation shall be in the form of a Development Order issued by the Florida Department of Community Affairs ( the "Department") as the state land planning agency, and

WHEREAS, an application for development designation for a Substantial Deviation to the existing FQD was submitted in May 1999 that addressed adding additional land to the existing FQD (409.09 acres to 1579.35 acres total) and adding dwelling units (1000 units to 3200 total) to the development; extending build out by three years (to 2009) and revising the plan of development, and

WHEREAS, the Developer has met with representatives of Marion County, the Withlacoochee Regional Planning Council, the Department and other local, regional, state, and federal agencies, and the Developer has worked closely with those agencies in addressing agency concerns, now therefore

BE IT RESOLVED by the Board of County Commissioners of Marion County, Florida:

SECTION 1. DEVELOPMENT ORDER. The Board hereby approves the proposed Amended and Restated Development Order for Del Webb's Spruce Creek Country Club, a Florida Quality Development, a copy of such amended and restated Development Order being attached hereto as Exhibit A, and by this reference made a part hereof subject to the inclusion of changes to the Amended and Restated Development Order recommended by the Planning Department.



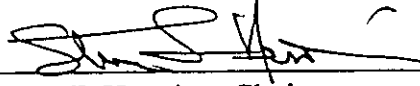
CERTIFIED A TRUE COPY  
DAVID R. ELLSPERMAN


BY: Nirvan Paulus D.C.

SECTION 2. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

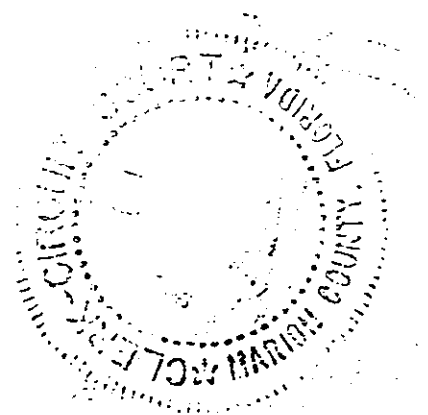
DULY ADOPTED this 19<sup>th</sup> day of May, 2000.

BOARD OF COUNTY COMMISSIONERS  
MARION COUNTY, FLORIDA

  
\_\_\_\_\_  
Steve F. Henning, Chairman

ATTEST  
  
\_\_\_\_\_  
David R. Ellspermann, Clerk

2000:\cnyatty\Noemi\Resolutions\Del Webb's Spruce Country Club Amended and Restated.wpd





AMENDED AND RESTATED DEVELOPMENT ORDER

FOR DESIGNATION

OF

DEL WEBB'S SPRUCE CREEK COUNTRY CLUB

(FORMERLY KNOWN AS SPRUCE CREEK GOLF AND COUNTRY CLUB)

AS A

FLORIDA QUALITY DEVELOPMENT

UNDER

SECTION 380.061, FLORIDA STATUTES

AND

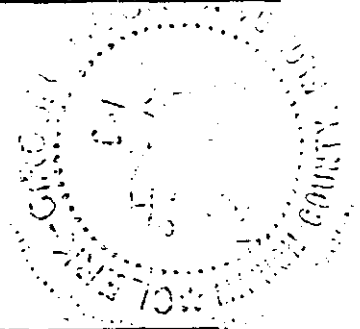
RULE 9J-28, FLORIDA ADMINISTRATIVE CODE

ISSUED BY

SECRETARY STEVEN SEIBERT

DEPARTMENT OF COMMUNITY AFFAIRS

Del Webb's Spruce Creek Country Club FQD Development Order  
May, 2000



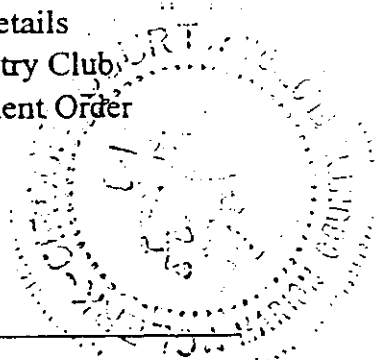
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1 WHEREAS, the Florida Quality Development (FQD) program was established to encourage  
2 development which has been thoughtfully planned to take into consideration protection of Florida's  
3 natural amenities, the cost to local government of providing services to a growing community and  
4 the high quality of life Floridians desire; and

6 WHEREAS, under the program a development may be designated as an FQD if the local government  
7 with jurisdiction and the state land planning agency (the "Reviewing Entities") concur that a  
8 proposed development meets the goals and objectives of the FQD program and should be designated  
9 as an FQD; and

11 WHEREAS, under the provisions of Section 380.061, Florida Statutes, and Chapter 9J-28, Florida  
12 Administrative Code (F.A.C.), designation shall be in the form of a Development Order issued by  
13 the Florida Department of Community Affairs (the "Department") as the state land planning agency;  
14 and

16 WHEREAS, Spruce Creek Development Company of Ocala, Inc., (the former Developer)  
17 received designation as an FQD for its development, Spruce Creek Golf and Country Club,  
18 located within the boundaries of Marion County via a Development Order effective December  
19 24, 1996; and

21 WHEREAS, the December 24, 1996 Development Order was amended on June 4, 1997 to make  
22 minor changes to the Master Development Plan; and

25 WHEREAS, Del Webb's Spruce Creek Communities, Inc. (the Developer) purchased the  
26 development on January 16, 1998 and changed the name of the development to Del Webb's Spruce  
27 Creek Country Club at a Pre-Application Conference for a proposed Substantial Deviation held  
28 October 22, 1998; and

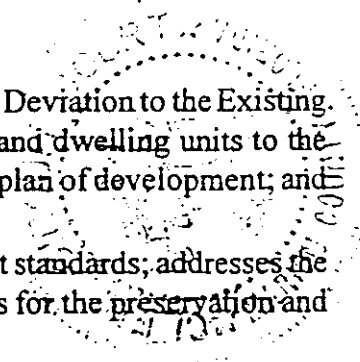
29 WHEREAS, an agreement pursuant to Subsection 380.032(3), Florida Statutes; to move the model  
30 center was executed on May 26, 1998; and

32 WHEREAS, an agreement pursuant to Subsection 380.032(3), Florida Statutes; to remove the phase  
33 line from Map H and extend the filing date of an NOPC to amend Map H was executed on  
34 September 25, 1998; and

36 WHEREAS, an agreement pursuant to Subsection 380.032(3), Florida Statutes; to change the  
37 alignment of Star Pass Road was executed on October 5, 1999; and

39 WHEREAS, an Application for Development Designation for a Substantial Deviation to the Existing  
40 FQD was submitted in May 1999 that addressed adding additional land and dwelling units to the  
41 development; extending build out by three years (to 2005) and revising the plan of development; and

43 WHEREAS, the revised development plan demonstrates high development standards; addresses the  
costs to local government for providing services; makes special provisions for the preservation and



1 conservation of natural resources; meets or exceeds the statutory requirements of Section 380.061,  
2 Florida Statutes, and Chapter 9J-28, F.A.C.; and ensures a high quality of life ~~PAGE~~ 162 standard for those who 241  
3 will live and work in and near the Development; and

4 WHEREAS, the revised development plan as included in the Application for Development  
5 Designation for the Substantial Deviation furthers appropriate and relevant goals and objectives of  
6 the adopted State Comprehensive Plan and the State Land Development Plan; and  
7

8 WHEREAS, based upon that revised development plan, the Marion County Board of County  
9 Commissioners met and approved the designation of Del Webb's Spruce Creek Country Club as an  
10 FQD, subject to the terms, general provisions and conditions of this development order; and  
11

12 WHEREAS, the Reviewing Entities have received and considered reports, comments and  
13 recommendations from interested citizens, and local, regional, state and federal agencies. They have  
14 concluded that the proposed Del Webb's Spruce Creek Country Club development, as revised by the  
15 Substantial Deviation to the original FQD, reflects exemplary planning and commitment on the part  
16 of the Developer to create a community uniquely suitable to the site, the environment and the County  
17 within which it is located, and the Development should retain its designation as an FQD.  
18

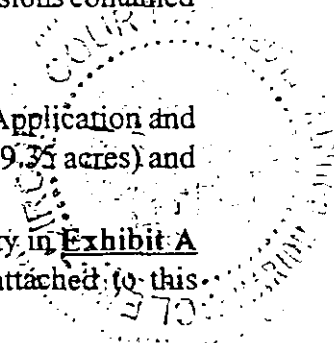
19  
20 **NOW, THEREFORE, BE IT ORDERED BY THE SECRETARY OF THE**  
21 **DEPARTMENT OF COMMUNITY AFFAIRS:**

22  
23 **I. FINDINGS OF FACT**

24 A. The Developer submitted to the Reviewing Entities an Application for Development  
25 Designation (ADD) as an FQD for the Substantial Deviation to the original Spruce Creek  
26 Golf and Country Club. Hereinafter, the word "Application" shall refer to the Substantial  
27 Deviation ADD submitted on May 5, 1999; the Appendices to that document; the First  
28 Completeness Response dated November 18, 1999 and the Second Completeness Response  
29 dated February 28, 2000, and Clarification Response dated April 14, 2000 submitted by the  
30 Developer to the Reviewing Entities; said Application being incorporated herein by reference  
31 and being on file and available for public inspection at the Marion County Courthouse in  
32 Ocala and the Department of Community Affairs in Tallahassee. The word "Original  
33 Application" shall refer to the original ADD submitted on September 12, 1995; the Appendices to  
34 that document and the Completeness Responses dated November 20, 1995 and February 23, 1996.  
35 Where the Application and this Development Order are inconsistent, the provisions contained  
36 within this Development Order will supersede.  
37

38  
39 B. The real property is the subject of the Application and the Original Application and  
40 is comprised of 409.09 acres and 1,170.26 acres, respectively, (Total of 1,579.35 acres) and  
41 is located in Marion County.

42 The property is specifically described in the legal description of the property in Exhibit A  
43 and the Master Development Plans provided as Composite Exhibit B attached to this  
Development Order.



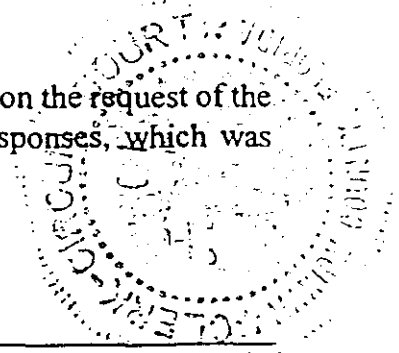
C. A comprehensive review of impacts projected to be generated by the Development has been conducted by the Reviewing Entities. The Department has solicited comments on the Development and the Application from the Withlacoochee Regional Planning Council, St. Johns River Water Management District, Florida Department of Environmental Protection, the Florida Fish and Wildlife Conservation Commission, Division of Historical Resources of the Florida Department of State, Florida Department of Transportation, the Florida Division of Forestry, the U.S. Department of Agriculture - Soil Conservation Service, Florida Natural Areas Inventory, the U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, The Executive Office of the Governor, The Marion County School Board, the Marion County Soil and Water Conservation District, The City of Belleview, East Central Florida Regional Planning Council, Town of Lady Lake, Sumter County, and the Ocala/Marion County Metropolitan Planning Organization (MPO).

D. On April 13, 2000 the Withlacoochee Regional Planning Council met and, based upon the application, found that the proposed Development is consistent with the Withlacoochee Regional Planning Council's adopted Strategic Regional Policy Plan for the Withlacoochee Region, and recommended the designation of Del Webb's Spruce Creek Country Club as an FQD and consideration of the recommendations of the Withlacoochee Regional Planning Council.

E. On May 19, 2000, the Marion County Board of County Commissioners met and found that the proposed Development is consistent with the Marion County Local Government Comprehensive Plan. Marion County approved the designation of Del Webb's Spruce Creek Country Club as an FQD, subject to the terms, general provisions, and conditions of this Development Order, which incorporate the terms and conditions of the Marion County Board of County Commissioners.

F. On \_\_\_\_\_, the Department found that:

1. The Development is not in an area of critical state concern;
2. The Development is above 120 percent of the multi-use threshold for developments of regional impact, pursuant to Section 380.06, Florida Statutes, and is thereby a development of regional impact;
3. The Application meets the requirements of Subsection 380.061(4), Florida Statutes and Chapter 9J-28, F.A.C.; and
4. The Application was determined to be complete, based on the request of the Developer, at the submission of the second completeness responses, which was received by the Department on February 28, 2000.



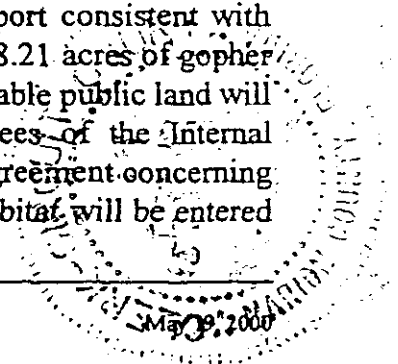
1 G. Based upon the representations made in the Application and comments received from  
2 other agencies and the public, the Department specifically finds PAGE 1164 OF 241

3  
4  
5 1. There are no wetlands or water bodies within the jurisdiction of the  
6 Department of Environmental Protection.

7 2. There are no beaches or primary or secondary dunes on the Development  
8 property.

9  
10 3. There are no known significant archaeological sites on the Development  
11 property as determined by the Division of Historical Resources of the Department of  
12 State.

13  
14 4. The Developer will preserve, in perpetuity, the 142.53 acres of habitat areas,  
15 as depicted on the Master Development Plan (Map H) attached as Composite  
16 Exhibit B of this Development Order necessary to ensure the survival of the animal  
17 species designated as of special concern, threatened or endangered by the U.S. Fish  
18 and Wildlife Service or by the Florida Fish and Wildlife Conservation Commission,  
19 (FWC) subject to the provisions of section IV. F. of the Development Order. The  
20 original DO required that 125 acres of habitat would be preserved onsite. The  
21 additional 17.53 acres, for a total of 142.53 acres, comes from the addition 409.09  
22 acres in the substantial deviation. The means of protection will be in the form of a  
23 conservation easement to the Florida Fish and Wildlife Conservation Commission.  
24 Included in the 142.53 acres of on site habitat preservation area is a new Southeastern  
25 American Kestrel nest protection area near the seventh hole of the western golf  
26 course as shown on Map H. The Developer will also provide and maintain 125 acres  
27 of land (including the kestrel nest protection area cited above), which may include  
28 golf course rough areas as kestrel foraging areas. The perpetual preservation of the  
29 nest site buffer area, the maintenance and management of the foraging areas, and  
30 protection for other species designated as threatened or endangered will be in  
31 accordance with Section IV. F. of this Development Order and the Wildlife Habitat  
32 Management Plan (WHMP) referenced in that Section. Any revision(s) to the  
33 WHMP shall be approved by the Florida Fish and Wildlife Conservation  
34 Commission but shall not be considered an action requiring the filing of a Notice of  
35 Proposed Change for an Amendment to the Development Order as identified in  
36 Development Order Section III. The Development's required Annual Report shall  
37 identify if any revision(s) to the WHMP have been completed, and if a revision(s) has  
38 been completed, two (2) copies of the complete revised WHMP shall be submitted  
39 to the Reviewing Entities and the Withlacoochee Regional Planning Council, to serve  
40 as a companion document to the Development's Annual Report consistent with  
41 Section III. K. 3. of this Development Order. An additional 28.21 acres of gopher  
42 tortoise habitat adjacent to the Goethe State Forest or other suitable public land will  
43 be purchased by the Developer for donation to the Trustees of the Internal  
44 Improvement Trust Fund of the State of Florida. A binding agreement concerning  
the purchase and donation of the additional gopher tortoise habitat will be entered



into with the FWC prior to the start of any development activity in the area added to Del Webb's Spruce Creek Country Club under this substantial <sup>125</sup> deviation. ~~TOP~~ <sup>241</sup> 6.65 acre and 50.00 acre mitigation areas adjacent to Goethe State Park which were to have been purchased as mitigation to the Original Application have been purchased and a warranty deed granting the property to The State of Florida was executed on June 13, 1999 as required by the Original DO. The property was accepted by the State on July 15, 1999.

5. There are no areas on the Development property that are known to contain endangered plant species.

6. The Development shall not generate or dispose of hazardous substances in amounts that exceed the small quantity generator upper limit as defined in Section 62-730.160 (formerly Section 17-730.160), F.A.C., and Chapter 40, Code of Federal Regulations, Section 262.44.

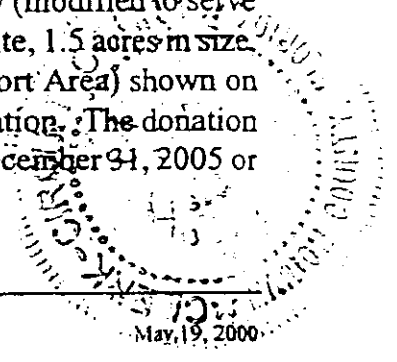
7. The Development will include open space, recreation areas, energy conservation features, and minimization of impermeable surfaces.

8. The Developer, through the Application and this Development Order, has entered into a binding commitment to provide for the construction and maintenance of all on-site infrastructure necessary to support the project. The Developer has scheduled the Development to ensure that the public facilities and services will be concurrent with the impacts of the development (where applicable, at the level of service standards adopted in the Marion County Comprehensive Plan).

9. The Developer has entered into a binding commitment with Marion County as described in the Application to provide on-site potable water facilities, sewage treatment facilities, and stormwater management facilities. The Developer has entered into a binding commitment with Marion County to provide a monetary contribution/donation to the Salvation Army, a non-profit charitable organization. These binding commitments are further described in Development Order sections III and IV.

10. The Developer has also entered into the following commitments with Marion County which are further described in Sections III and IV herein:

a. Fire Service - The Developer will donate an existing building formerly used as a heavy equipment maintenance facility (modified to serve as a fire station to the County's satisfaction) and fenced site, 1.5 acres in size, adjacent to S. E. 140th St (located within the Site Support Area) shown on Map H (**Composite Exhibit B**), for the proposed fire station. The donation of the refurbished building and land shall be made on December 31, 2005 or at a mutually agreeable earlier date.



b. Transportation - For the purposes of off-site transportation impacts, the Developer shall comply, at a minimum, with the standards of the Department's development of regional impact transportation rule (9J-2.045, FAC), the Withlacoochee Strategic Regional Policy Plan, the approved Marion County Comprehensive Plan and Land Development Regulations adopted pursuant to Chapter 163, Part II, FS. The Developer shall further comply with the transportation requirements and conditions as specified in Section IV. N. of this Development Order.

c. Recreation - The Developer has previously entered into a binding commitment with Marion County under the Original Development Order of December 24, 1996 to provide a monetary fee-in-lieu payment of \$\$5.54 per dwelling unit to mitigate off-site recreation impacts as specified in Section IV. Q. of this Development Order. For the 1,000 additional dwelling units to be added to the Development under this Amended Development Order, the Developer will provide a monetary fee-in-lieu payment of \$71.26 per dwelling unit.

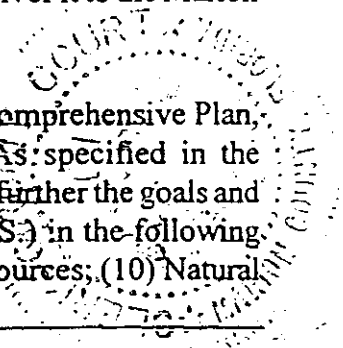
This monetary contribution for each residential unit shall be completed prior to receiving Final Plat approval, as defined within Marion County's Land Development Code, for a residential lot which will accommodate a residential unit, with receipt documentation from the Marion County Parks and Recreation Department being provided as proof of the contribution.

d. Water and Sewer Capacity - The Developer will provide and ensure that additional centralized wastewater treatment capacity is available for use by Marion County as specified in Section IV. I. of this Development Order.

e. Emergency Management - The Developer has committed to designate the Community Center as an emergency shelter for use of residents as specified in Section IV. Q. of this Development Order.

f. Solid Waste - The Developer shall also comply with the solid waste collection and disposal requirements specified in Section IV. J. of this Development Order. The Developer has committed to provide a private trash hauler who will remove solid waste, with recyclable materials separated, from the Del Webb's Spruce Creek Country Club and deliver it to the Marion County land fill.

11. The development is consistent with the adopted State Comprehensive Plan, and the adopted Local Government Comprehensive Plan. As specified in the Application and this Development Order, the Development will further the goals and policies of the State Comprehensive Plan (Section 187.201, F.S.) in the following areas: (5) Housing; (6) Health; (7) Public Safety; (8) Water Resources; (10) Natural





1 Systems and Recreational Lands; (11) Air Quality; (12) Energy; (16) Land Use; (18)  
2 Public Facilities; (19) Cultural and Historical Resources; (20) ~~Transportation~~ (22) 241  
3 The Economy; and (25) Employment. The Development complies with the design  
features in Rule 9J-28.009(8)(b), F.A.C., and has acquired the following 22 planning  
and design points:

6  
7  
8  
9 **PRIMARY PLANNING AND DESIGN FEATURES**  
10

11  
12 **Feature No. 1 - Design**

**Points Allocated: 5**

13  
14 Promotion of compact urban growth through complementary mixes of residential and  
15 non-residential uses of on-site or off-site adjacent or proximate parcels, including measures for  
16 affordable housing; or establishment of a New Town or New Community, incorporating, where  
17 appropriate, features from the Traditional Neighborhood Development Code, including measures  
18 for affordable housing.

19  
20 **Feature No. 2 - Urban Focus**

**Points Allocated: 0**

21  
22 Urban renewal, downtown redevelopment, urban infill, or project located in designated regional  
activity center.

23  
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25 **SECONDARY PLANNING AND DESIGN FEATURES**  
26

27  
28 **Feature No. 3 - Transportation**

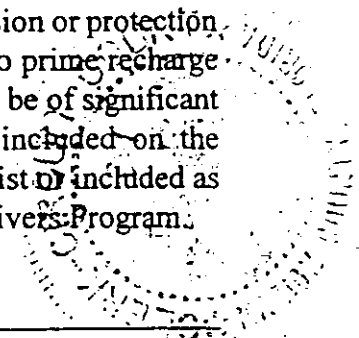
**Points Allocated: 3**

29  
30 Comprehensive Transportation System Management features such as: mass transit, access  
31 management, Transportation Demand Management, and the facilitation of pedestrian movement or  
32 the non-automotive-based conveyance of people between land uses.

33  
34 **Feature No. 4 - Conservation**

**Points Allocated: 3**

35  
36 Preservation of areas that are primary habitat for significant populations of animal species  
37 of special concern designated by the Florida Game and Fresh Water Fish Commission or protection  
38 and preservation of uplands as wildlife habitat with special consideration given to prime recharge  
39 areas, areas designated by the Florida Department of Environmental Protection to be of significant  
40 value to the state park system, or other environmentally sensitive property included on the  
41 Conservation and Recreation Lands or the Land Acquisition Trust Fund priority list or included as  
42 a priority for acquisition by a water management district through the Save Our Rivers Program.



1 **Feature No. 5 – Water Conservation**

Points Allocated: 3

3 Water conservation; reuse of treated effluent where such uses are appropriate; use of water  
4 saving devices; xeriscaping.

6 **Feature No. 7 - Recycling of Solid Waste**

Points Allocated: 2

8 Recycling of solid waste.

10 **Feature No. 8 – Cultural/Educational**

Points Allocated: 2

12 Promotion of cultural or educational activities.

14 **Feature No. 9 - Care for the Elderly**

Points Allocated: 2

16 Care for the elderly

18 **Feature No. 11 - Emergency Management**

Points Allocated: 1

20 Enhancement of emergency management capabilities.

22 **Feature No. 13 – Other features**

Points Allocated: 1

24 Other planning and design features addressing areas as locally identified social concerns,  
25 urban amenities, or aesthetic design considerations.

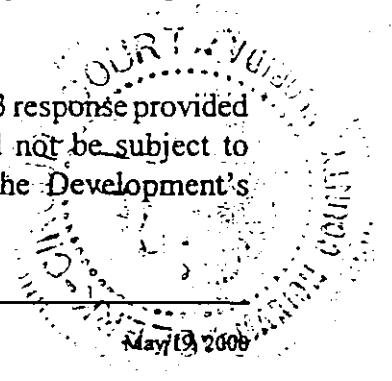
27 H. Subsequent to the rendition of the Original Development Order for this development,  
28 dated December 24, 1996, the following requirements were accomplished:

30 a. Relocation of the U.S. 27/441 median opening to align with the  
31 Development's main U.S. 27/441 entrance/exit;

33 b. Closing the existing (in 1996) U.S. 27/441 median opening located south of  
34 the new proposed U.S. 27/441 median opening.

36 c. Constructing northbound right turn deceleration lane(s) and  
37 west-to-northbound right turn acceleration lane(s) for entering and exiting the Development  
38 to U.S. 27/441.

40 d. The Application for Development Designation Question 23 response provided  
41 that even though the development is in an inland county and would not be subject to  
42 mandatory evacuation it was the intent of the Developer to have the Development's



Community Center designated as a shelter for residents. The Community Center structure is ready for designation as a shelter.

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**II. CONCLUSIONS OF LAW**

A. Based upon compliance with the terms, Findings of Fact, General Provisions, and Conditions of this Development Order, it is concluded that the proposed Development complies with the provisions of Section 380.061, Florida Statutes, and Chapter 9J-28, F.A.C., to continue to maintain its designation as an FQD.

B. Based upon the Findings of Fact that the Development is a development of regional impact and is a designated FQD authorized by Chapter 380, Florida Statutes, it is concluded that the Development is exempt from development of regional impact review under Section 380.06, Florida statutes.

C. The designation of the Development as an FQD under Section 380.061, Florida Statutes, and its authorization to commence development under a Chapter 380, Florida Statutes, development order does not entitle the Developer to any other necessary approvals or permits from any other authority or in any other jurisdiction.

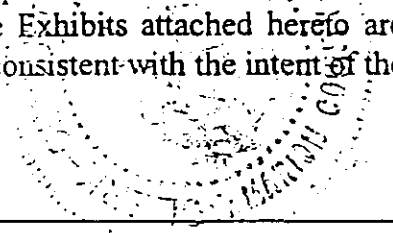
**III. GENERAL PROVISIONS**

A. This Development Order constitutes the Development Order of the Florida Department of Community Affairs, as the state's land planning agency, to designate Del Webb's Spruce Creek Country Club as an FQD, pursuant to Paragraph 380.061(5)(d), Florida Statutes, and to authorize development for a development of regional impact.

B. This Development Order shall be effective upon the effective date of the Comprehensive Plan Amendment adopted to provide for Del Webb's Spruce Creek Country Club FQD, provided, however, that filing of a notice of appeal pursuant to Section 380.07, FS will stay the effectiveness of this Development Order.

C. The legal description of the Development set forth in Exhibit A is hereby incorporated into, and by reference made part of, this Development Order.

D. It is the intent of the Department, as the governmental agency responsible for issuing the Development Order, to preserve and protect the natural resources located within and around the boundaries of the Development and otherwise ensure that the goals and objectives of the FQD program are met through the terms of this Development Order. Therefore, in the event any provisions of this Development Order and the Exhibits attached hereto are ambiguous; any provisions shall be construed in a manner consistent with the intent of the Department expressed herein.



E. Except for terms defined herein, the definitions contained in Chapter 380, Florida Statutes, and Chapter 9J-28, F.A.C., shall govern and apply to this Development Order.

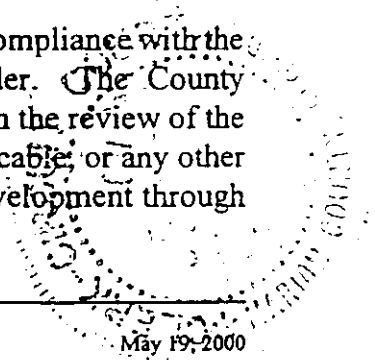
F. This Development Order shall be binding upon and shall be for the benefit of the Developer, its assignees, or successors in interest, including any entity that may assume any of the responsibilities imposed on the Developer by this Development Order. Reference herein to any reviewing agency shall be construed to mean any agency that may in the future be created or designated as a successor in interest to, or that otherwise will possess any of the powers and duties of, the Reviewing Entities with respect to the implementation and administration of the FQD program. This Development Order shall be binding upon those successors in interest in the same manner as upon the Reviewing Entities approving the Development Order herein.

G. Whenever this Development Order provides for or otherwise necessitates reviews, approvals, or determinations of any kind subsequent to its issuance, the right to review and approve or determine shall include the Reviewing Entities and all directly affected governmental agencies and departments as are or may be designated by the Department, including all governmental agencies and departments set forth under applicable laws and rules. However, this language shall not be construed to apply to obtaining permits required from federal, state, regional, or local agencies which would otherwise be required for the activities involved in the Development. Unless otherwise specified in this Development Order or as required by statute or rule, approvals or determinations shall require written notice from the Chief of the Bureau of Local Planning in the Division of Resource Planning and Management of the Department of Community Affairs, and from Marion County.

H. In each instance where the Developer is responsible for ongoing maintenance of privately owned facilities or infrastructure, the Developer may assign any or all of its responsibilities to improve and maintain those facilities to an appropriate entity created and able to fulfill such responsibility. Assignment to those entities must be approved by the Reviewing Entities upon determination that the assignee is capable and competent to provide appropriate maintenance, which approval shall not be unreasonably withheld.

I. Any change in the plan of development or provisions of this Development Order will be submitted by the Developer to the Reviewing Entities. The proposed change will be reviewed by the Reviewing Entities and the Withlacoochee Regional Planning Council pursuant to the provisions of Rule 9J-28.024, F.A.C. In addition, changes as submitted shall be reviewed under, and subject to, requirements of the local government comprehensive plan and agency rules and regulations in effect at the time the proposed changes are submitted.

J. The Reviewing Entities will monitor the development to ensure compliance with the terms, general provisions and conditions of this Development Order. The County Administrator or his/her designee will monitor the Development through the review of the annual report, building permits, certificates of occupancy, plats, if applicable, or any other relevant and factual information. The Department will monitor the Development through



1 the annual reports, reports from other agencies, on-site inspections, or any other relevant and  
2 factual information.

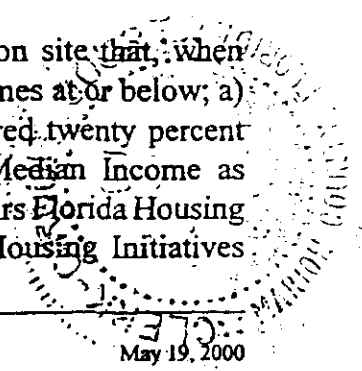
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4  
5 K. The Developer shall file an Annual Report in accordance with Subsection 380.06  
6 (18), Florida Statutes. Annual Reports shall be due no later than February 28 each year until  
7 termination of development activity. Annual Reports shall cover the preceding calendar year  
8 beginning with the year 2000. Annual Reports shall be submitted for review to the  
9 Reviewing Entities, the Withlacoochee Regional Planning Council, the Florida Fish and  
10 Wildlife Conservation Commission, the Florida Department of Transportation, the St. Johns  
11 River Water Management District, and such additional parties as may be appropriate or  
12 required by law. The contents of the report shall include those items required by this  
13 Development Order and by rule of the Department. The Department shall review the report  
14 for compliance with the terms, general provisions, and conditions of this Development order.  
15 Based upon the review of the Annual Report, the Department may issue further orders and  
16 conditions to ensure compliance with the terms, general provisions, and conditions of this  
17 Development Order. Based upon review of the Annual Report, the Developer shall be  
18 notified of any finding of noncompliance; provided, however, that the receipt and review of  
19 the Annual Report by the Department shall not be considered a substitute for or a waiver of  
20 any terms, general provisions, or conditions of the Development Order.

21 The Annual Report shall contain the following:

22  
23 1. All of the information required under Rule 9J-28.023(6), F.A.C. The  
24 statement on infrastructure and facilities, pursuant to Rule 9J-28.023(6)(a), F.A.C.,  
25 shall include, but not be limited to, transportation facilities, potable water supply,  
26 solid waste disposal, and waste water treatment, stormwater management facilities  
27 and recreation facilities.

28  
29 2. A table identifying each residential home model available for purchase and  
30 construction in the Development, including the model's name, its base price, and its  
31 affordability to households with incomes at or below: a) fifty percent (50%), b)  
32 eighty percent (80%), and c) one hundred twenty percent (120%) of the Marion  
33 County Statistical Area Household Median Income as published annually by the  
34 Florida Department of Community Affairs Florida Housing Finance Agency, or its  
35 subsequent equivalent, for the State Housing Initiatives Partnership (SHIP) Program  
36 for a two (2) person household, shall be provided in each Annual Report. (This table  
37 to be provided will be comparable to the table provided in response to Application  
38 Question 24.A. 1.).

39  
40 3.a. The annual and cumulative number of dwelling units on site that, when  
41 initially sold or rented, were affordable to households with incomes at or below: a)  
42 fifty percent (50%), b) eighty percent (80%), and c) one hundred twenty percent  
43 (120%) of the Marion County Statistical Area Household Median Income as  
44 published annually by the Florida Department of Community Affairs Florida Housing  
Finance Agency, or its subsequent equivalent, for the State Housing Initiatives



3.b. Documentation, following the initiation of Development Phase II, that the Affordable Housing Analysis (AHA) update required in Development Order section IV.0.3 has been completed, and that mitigation actions or activities, if any, identified in the updated AHA have been provided.

4. Documentation concerning the maintenance of the on-site wildlife preservation areas established via conservation easement as specified in Development Order sections IV.F.2 and 3 indicating on-going maintenance activities required by the WHMP and the conservation easement. The documentation shall include estimates of the number of active kestrel nests and number of gopher tortoise burrows as obtained by conducting representative sub-sample surveys of the on-site wildlife preservation areas;

5. A copy of documentation reporting compliance with the Integrated Pest Management Plan to the St. Johns River Water Management District and/or the Florida Department of Environmental Protection, including the results of groundwater monitoring requirements as required in the Development permits issued by these agencies, and consistent with Development Order section IV.E.2;

6. Documentation of the continued operation of the Development's curbside solid waste recycling program conducted in conformance with Development Order section IV.J.2.

7. Documentation of the continued operation of the Development's transit service pursuant to Development Order section IV.N.8

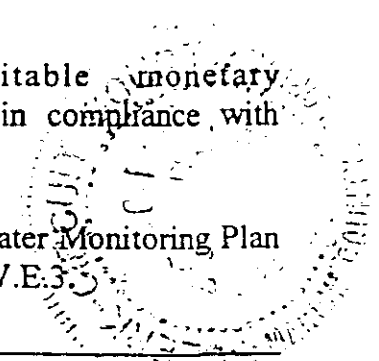
8. Documentation of the results of the regular surface water management system inspections required consistent with Development Order section IV.E.7;

9. Documentation of the ages of persons residing in residential units demonstrating compliance with Development Order section IV.O.2;

10. Documentation demonstrating energy conservation measures provided in compliance with Development Order section IV. D;

11. Documentation demonstrating the charitable monetary contributions/donations to the Salvation Army provided in compliance with Development Order section IV.O.4;

12. Documentation concerning the Ground and Surfacewater Monitoring Plan (GSMP) requirements as specified in Development Section IV.E.3;



13. Documentation concerning the Water Conservation Plan (WCP) as specified in Development Order Section IV.H.6. PAGE 173

14. Documentation concerning hazardous materials as specified in Development Order Section IV.M.5.

15. Documentation concerning the Traffic Impact Analysis as required in Development Order Sections IV.N.2. and 3.

16. The Developer shall provide copies of receipt documentation from the Marion County Parks and Recreation Department as proof of meeting the required park impact mitigation contribution

17. Documentation demonstrating the transfer of the fire station building and site shall be included in the Annual Report for the year in which the transfer of ownership occurs

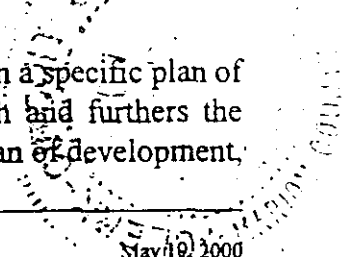
18. Documentation demonstrating the consistency with emergency management conditions contained in this Development Order.

19. Documentation demonstrating compliance with maintaining Audubon International Signature Program designations for the project golf courses as required in Section IV. E. 3. d. 2. b.

L. Upon the effective date of this Development Order, the Developer shall have the right to use for the Development the certification mark registered with the Secretary of the Florida Department of State for a development designated as an FQD under Section 380.061, Florida Statutes. The use of this certification mark shall extend solely to promotional, informational, or advertising purposes in order to identify this Development as a development approved and designated under Section 380.061, Florida Statutes. Any future addition, change, or extension to this Development shall not have the authorization to use the certification mark without the written consent of the Reviewing Entities.

M. Within ten days of the issuance of this Development Order, the Developer shall cause the Development Order to be recorded among the Public Records of Marion County and shall not engage in any construction activities or convey any portion of the Development, other than those conveyances required herein, prior to recordation of the Development Order. The Developer shall transmit certified copies of the recorded Development Order to the Department, the Marion County Planning Department and the Withlacoochee Regional Planning Council within fifteen (15) days following recordation of the Development Order.

N. The designation of the Development as an FQD is premised upon a specific plan of development as reflected in the Application which is consistent with and furthers the purposes of Section 380.061, Florida Statutes. A departure from that plan of development,



1 which significantly decreases the positive aspects of the plan, may result in the revocation  
2 of the designation of the Development as an FQD. In the event the designation of the  
3 Development is revoked, the Development, at the Department's sole discretion, may be  
4 required to undergo development of regional impact review pursuant to Section 380.06,  
5 Florida Statutes.

6  
7 O. Marion County shall give the Developer credit for any contribution of land for public  
8 facility, or construction, expansion, or contribution of funds for land acquisition or  
9 construction or expansion of a public facility, or a portion thereof, required by the  
10 Development Order toward an impact fee or exaction for the same need, consistent with  
11 Paragraph 380.06 (16), Florida Statutes, the Marion County Comprehensive Plan, the Marion  
12 County Land Development Code, and Marion County's Impact Fee Ordinance (currently  
13 Ordinance 94-33), as it may be amended from time to time.

14  
15 P. Prior to the termination date of this Development Order, Del Webb's Spruce Creek  
16 Country Club shall not be subject to down-zoning, unit density reduction, or intensity  
17 reduction, unless Marion County can demonstrate that substantial changes in the conditions  
18 underlying the approval of the Development Order have occurred, or that the Development  
19 Order was based on substantially inaccurate information provided by the Developer, or that  
20 the change is essential to the public health, safety, or welfare.

21  
22 Q. If prior to recordation of the deeds and conservation easements for wildlife  
23 mitigation, required by the Development Order, the Developer is granted abandonment of  
24 this Development Order by the Reviewing Entities, then the requirements for the deeds and  
25 easements shall terminate.

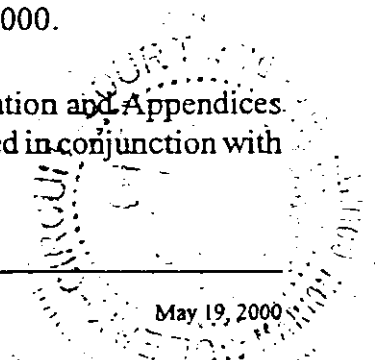
26  
27 **IV. Development Order Conditions**

28  
29 **A. Application**

30  
31 1. The Del Webb's Spruce Creek Country Club FQD shall be developed in  
32 accordance with the information, data, plans, and commitments contained in the  
33 Application and Original Application unless otherwise directed by the conditions  
34 enumerated herein. For the purpose of this condition, the Application shall consist  
35 of the following:

36  
37 a. Application for Development Designation and Appendices dated May  
38 1999 and all amendments submitted in conjunction with the Developer's  
39 subsequent completeness responses dated November 1999 and February  
40 2000, and the Clarification Response provided April 2000.

41  
42 b. Original Application for Development Designation and Appendices  
43 dated September 12, 1995 and all amendments submitted in conjunction with





b. Integrated Pest Management Plan with a Chemical Maintenance Plan (IPMP/CMP) covering the Development's golf courses for Del Webb's Spruce Creek Country Club, Marion County, Florida incorporated herein by reference.

c. Del Webb's Spruce Creek Country Club Wildlife Habitat Management Plan (WHMP) incorporated herein by reference.

**B. Termination Date of the Development Order**

1. The right to develop subject to the terms, general provisions, and conditions of this Development Order shall terminate on December 24, 2009. In the event the Developer fails to have substantially proceeded with the development approved herein within five (5) years of the effective date of this Development Order development approval shall terminate. This date may be extended, with concurrence from Marion County, on the Department's finding of excusable delay, and no adverse impacts resulting from the delay, in any proposed development activity. The termination date of development rights granted by this Development Order shall not affect the continuing obligations of the Developer nor the enforcement authority of the Department, and the Developer shall continue to be bound by the terms, general provisions, and conditions of this Development Order.

2. For the purposes of this Amended Development Order, "substantially proceed" shall mean that the Developer shall have constructed or caused to be constructed 700 residential dwelling units and 25,000 gross square feet of retail and/or office space

**C. Development**

1. All commitments and representations by the Developer described in paragraph G of the Findings of Fact are incorporated herein as conditions of the Development Order. The Development is hereby authorized to develop the property located in Marion County as shown in the legal description (Exhibit A) as follows:

**PROJECT SUMMARY**

LAND -USE	PHASE I		PHASE II		PROJECT TOTAL	
	Acres	Units/SF	Acres	Units/SF	Acres	Units/SF
Residential	428.19	1600.0	445.64	1600.0	873.83	3200.0
Retail	16.4	163,500	10.64	76,500	27.04	240,000
Office	3.6	36,500	2.4	23,500	6	60,000

1	Open Space:					
2	Golf Course	166.35	18 holes	136.21	<del>18 holes</del> 172 holes	<del>136.21</del> 241.36 holes
3	Recreation Facility	9.0		11.0		20.0
4	Wildlife Preserve	142.53		00.0		142.53
5	Lakes/Retention	50.0		50.0		100.0
6	Collector Road	28.0		9.41		37.41
7	RV Storage Facility	5.0		5.0		10.0
8	Fire Station*	0.00		1.5		1.5
9	Site Support*	10.0		(1.5)		8.5
10	Utilities	7.25		3.9		11.15
11	Buffer	16.88		21.95		38.83
12	<b>Totals</b>	<b>883.20</b>		<b>696.15</b>		<b>1579.35</b>

13 \*At buildout, the fire station building site will be transferred to Marion County, thus reducing the  
14 site support area to 8.5 acres.

- 15  
16 2. Buildout is projected for December 31, 2005.

17  
18 **D. Energy Conservation**

19  
20 1. The Developer shall utilize the energy saving designs, methods, and devices  
21 as outlined in the Energy Conservation Plan contained in the Application which  
22 includes Non-Motorized Transportation, Connecting Routes and Sheltered Bus  
23 Stops, Building Design, Blockage of Solar Access and Natural Ventilation,  
24 Maximum Water Temperatures, Minimum Use of Incandescent Lighting, Energy  
25 Conservation Techniques in Design, and Flexible Air Conditioning  
26 Systems/Computerized Energy Management Systems.

27  
28 **E. Surface and Ground Water Management**

29  
30 1. No building permit shall be issued for the Del Webb's Spruce Creek Country  
31 Club development unless and until the Developer provides evidence to the  
32 satisfaction of Marion County that adequate drainage/storm water management  
33 facilities will be available concurrent with the impacts of the proposed development  
34 at the levels of service adopted in the Marion County Comprehensive Plan.

35  
36 2. The Developer shall maintain an up-to-date Integrated Pest Management Plan  
37 with a Chemical Maintenance Plan (IPMP/CMP) covering the Development's golf  
38 courses. The current IPMP/CMP is incorporated by reference into this Development  
39 Order. Prior to opening any new golf course, the IPMP/CMP shall be submitted to the  
40 FFWCC and the Department of Environmental Protection for review and approval.  
41 Any revision(s) to the IPMP/CMP shall not be considered an action requiring the filing  
42 of a Notice of Proposed Change for an Amendment to the Development Order as  
43 identified in Development Order Section III. The Development's required Annual

1 Report shall identify if any revision(s) to the IPMP/CMP have been completed, and if  
2 a revision(s) has been completed a copy of the ~~complete revised IPMP~~ shall be  
3 submitted as a companion document to the Development's Annual Report consistent  
4 with Section III. K. 5. of this Development Order.

5  
6 3. No development permits shall be issued for the construction of any golf course  
7 unless and until the Developer demonstrates that the new golf course proposed for  
8 development approval will comply with the following construction and maintenance  
9 requirements:

10  
11 a. The golf course will be designed, constructed, and maintained  
12 according to the standards of the Audubon International Signature Program  
13 (AISP) or its equivalent; and

14  
15 b. Non-play areas of the golf course designated on Map H as Kestrel  
16 foraging area shall be maintained in accordance with *Ecology and Habitat*  
17 *Protection Needs of the Southeastern American Kestrel (Falco sparverius*  
18 *paulus) on Large-scale Development Sites in Florida (Nongame Wildlife*  
19 *Technical Report No. 13)*. Other non-play areas of the golf course shall be  
20 landscaped in accordance with the AISP requirements or its equivalent. Play  
21 areas will be considered the tee, fairway(s) and greens/putting area; and

22  
23 c. Xeriscape landscape principles shall be incorporated into the golf  
24 course design and construction; and

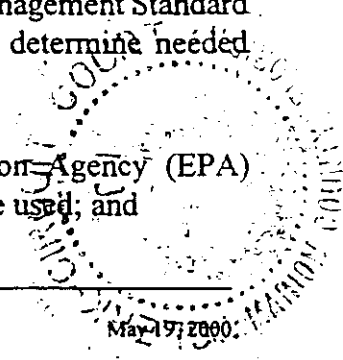
25  
26 d. The Development's Integrated Pest Management Plan (IPMP) shall  
27 address the following:

28  
29 1. The IPMP shall include a Chemicals Management Plan (CMP)  
30 which provides that:

31  
32 a. The IPMP/CMP shall minimize use of pesticides and  
33 shall include the use of the US Department of Agriculture -  
34 Natural Resources Conservation Service (NRCS) Soil Pesticide  
35 Interaction Rating Guide to select pesticides for use that have  
36 a minimum potential for leaching or loss from runoff.

37  
38 b. The nutrient management portions of the IPMP/CMP  
39 shall be based upon the NRCS Nutrient Management Standard  
40 and shall include the use of soil tests to determine needed  
41 applications of nutrients.

42  
43 c. Only US Environmental Protection Agency (EPA)  
approved chemicals and pesticides shall be used; and



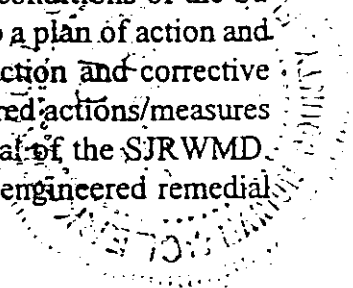
2. The IPMP/CMP shall stress prevention, diagnosis and limited treatment with pesticides as necessary rather than blanket treatment with broad-spectrum pesticides as insurance against all pest species. Pesticides will not be used as a management tool in the preserve areas established by conservation easement. The use of pesticides within the on-site kestrel foraging areas shall be limited to those pesticides which do not cause substantial risk to kestrels or their eggs, and which are approved in writing for such use within the Development by the FWC.

a. The golf course shall be maintained under the direction of a superintendent(s) who is licensed by the State to use restricted pesticides and who is familiar with and experienced in the principles of integrated pest management. The Developer, with the assistance of the superintendent(s), shall be responsible for ensuring the implementation of the IPMP.

b. The Developer shall report on the status and certification of the golf course for compliance with the Audubon International Signature Program or its equivalent in each Annual Report as required under Section III. K. of this Development Order. In the event any golf course(s) loses its respective certification, then the Developer shall submit a plan of action within 60 days identifying how the Developer will achieve re-certification in the shortest possible amount of time. If re-certification will take longer than six (6) months, the Developer shall report to the Reviewing Entities every two months on the progress of the re-certification.

e. Prior to development approval, a minimum of one soil boring shall be completed for each of the greens (putting area). The soil boring(s) shall be used to verify that a minimum of five feet (5) of suitable soil cover is maintained between the putting green surface and any subsurface limestone rock strata, limestone pinnacles or potential karst connection

4. Should any noticeable soil slumping or sinkhole formation become evident before or during construction activities, all construction work shall stop in the area of slumping or sinkhole formation and remain stopped in the area of the slumping or sinkhole formation. The Developer shall comply with permit conditions of the St. Johns River Water Management District (SJRWMD) to develop a plan of action and corrective measures to correct the problem. Once a plan of action and corrective measures is determined, the Developer shall complete the required actions/measures and may then resume construction in the area with the approval of the SJRWMD. Where raveled subsurface conditions are found, appropriately engineered remedial measures will be performed prior to construction.



5. Storm water/drainage retention areas (DRAs), including either "wet" or "dry" DRAs will be designed and constructed in accordance with applicable local, SJRWMD and state regulations, which shall include SJRWMD Rule 40C-41.0636, FAC, dealing with Sensitive Karst Features, and normal and accepted engineering practices.

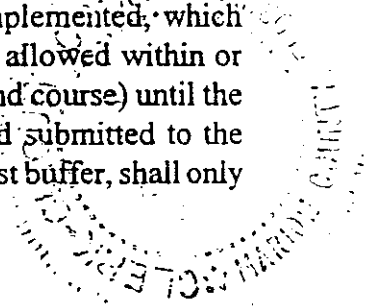
6. The Developer shall conduct regular inspections of the on-site surface water management system as required by local and state regulations to ensure that the system is being properly maintained in keeping with its design, and is capable of accomplishing the level of storm water storage/treatment for which it was designed and intended. The results of the regular inspections shall be included in the Annual Report.

**F. Wildlife and Vegetation**

1. Site development related activities shall not result in the harming, pursuit or harassment of wildlife species classified as endangered, threatened or a species of special concern by either the state or federal government in contravention of applicable state or federal laws. Should listed species be determined to be residing on, or be otherwise significantly dependent upon the project site, the Developer shall cease all activities which might negatively affect that individual or population and immediately notify the Department, the Marion County Planning Department, the Florida Fish and Wildlife Conservation Commission, and the United States Fish and Wildlife Service (if related to a federally listed species). Proper protection and habitat management, to the satisfaction of all four agencies, shall be provided by the Developer consistent with Rule 9J-2.041, F.A.C., requirements. "Harming" and "harassment" as used in this condition shall be defined as in 50 C.F.R. Section 17.3.

2. The Developer shall preserve in perpetuity the 142.53 acres of wildlife preserve habitat on-site for the Southeastern American Kestrel, Sherman's Fox Squirrel, and Gopher Tortoise, as depicted on Map H the Master Plan (attached as Composite Exhibit B), through the use of a conservation easement created in accordance with Section 704.06, F.S. The easement shall be conveyed to the Florida Fish and Wildlife Conservation Commission within six (6) months of approval and issuance of this restated Development Order.

3. The Developer shall prepare and implement a Wildlife Habitat Management Plan (WHMP) that is approved by the FWC, to adequately provide for the listed wildlife species and their attendant wildlife communities. No development shall be allowed within any added substantial deviation properties until an approved WHMP is implemented, which approval shall not unreasonably be withheld. No development will be allowed within or adjacent to the kestrel nest buffer site (adjacent to the 7<sup>th</sup> hole of the second course) until the approved perpetual conservation easement for that site is recorded and submitted to the FWC. All construction of the DRA, within or adjacent to the protected nest buffer, shall only occur between the months of September and February.



1 4. The Developer shall install nest boxes and perches in accordance with the WHMP,  
2 before the start of the first nesting season following the effective date of this ~~Development~~ <sup>restated</sup>  
3 Development Order. The Developer or their successors will be responsible for the <sup>241</sup>  
4 maintenance and well being of the kestrel nest boxes and perches (including cleaning  
5 maintenance) in accordance with the conditions and provisions laid out in the WHMP.

6  
7 5. The Developer shall purchase at least 28.21 acres contiguous to the Goethe State  
8 Forest or other location acceptable to the Florida Fish and Wildlife Conservation  
9 Commission (FWC) and the Developer shall transfer the unencumbered title of this property  
10 to the State of Florida under terms acceptable to the Division of State Lands, within one year  
11 of the date of the signed DO.

12  
13 6. No pesticides shall be used within the preservation areas established by conservation  
14 easement. The use of pesticides within the on-site kestrel foraging areas shall be limited to  
15 those pesticides which do not cause substantial risk to kestrels or their eggs, and which are  
16 approved in writing for such use within the Development by the FWC.

17  
18 7. Any revisions to the WHMP shall be submitted to the FWC for review and approval;  
19 however, revisions shall not be considered an action requiring the filing of a Notice of  
20 Proposed Change for an Amendment to the Development Order. The Development's Annual  
21 Report shall identify if any revision(s) to the WHMP have been proposed by the Developer  
22 and approved by the FWC.

23  
24 8. The current habitat quality at the tracts bordering C.R. 25 has been degraded  
25 primarily due to the lack of fire. The Developer shall complete the following one-time  
26 habitat management within those tracts to limit encroachment of hardwood species into the  
27 sandhill buffers.

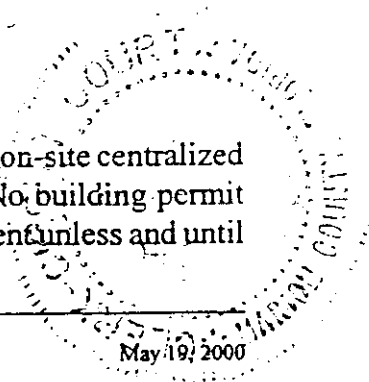
- 28 • Controlled burn in the spring of 2001 on the tracts bordering C.R. 25.
- 29 • Trapping and relocating any gopher tortoises and fox squirrels in the fall immediately  
30 prior to construction of homes in the subject tracts.

31  
32 **G. Historical Preservation**

33  
34 1. In the event of discovery of any archaeological artifacts during project construction,  
35 the Developer shall stop construction in that area and immediately notify the reviewing  
36 Entities and the Division of Historical Resources of the Florida Department of State. Proper  
37 protection, to the satisfaction of the Reviewing Entities and the Division of Historical  
38 Resources, shall be provided by the Developer.

39  
40 **H. Water Supply**

41  
42 1. Potable water shall be provided throughout the project through an on-site centralized  
43 potable water system provided by the Developer or their successors. No building permit  
shall be issued for the Del Webb's Spruce Creek Country Club development unless and until



1 the Developer provides evidence, to the satisfaction of Marion County, that adequate potable  
2 water capacity will be available concurrent with the impacts of the proposed development 241  
at the levels of service adopted in the Marion County Comprehensive Plan.

3  
4  
5 2. The Developer shall use the lowest quality water available for irrigation use, in the  
6 following order of priority:

- 7
- 8 a. Treated wastewater effluent
- 9 b. Treated storm water; and
- 10 c. Non-potable quality groundwater
- 11 d. Potable Water

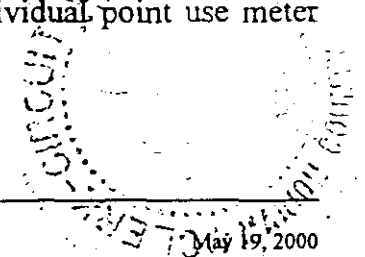
12  
13 In order to optimize capture of stormwater in the lined lakes for use as a source of irrigation  
14 water, permeable surfaces for parking areas, roadways and paths will not be required.

15  
16 3. The Developer shall use groundwater to irrigate common areas and/or golf courses  
17 consistent with the Development's St. Johns River Water Management District Consumptive  
18 Use Permit.

19  
20 4. New residential units and commercial/recreational facilities will incorporate water-  
21 saving plumbing fixtures and lavatory facilities. Residential unit irrigation systems will  
22 include automatic clock timers.

23  
24 5. The Developer shall prepare and implement a Water Conservation Plan (WCP)  
25 including, at a minimum, the following conservation measures:

- 26 a. water reuse, including wastewater effluent and stormwater;
- 27 b. an inverted rate structure for potable water users;
- 28 c. a community-wide water conservation educational program; and
- 29 d. utilization of xeriscape design principles in landscape and irrigation design,  
30 consistent with the declarations made in the Application and its supplemental  
31 materials. (A demonstration xeriscape project will be developed at a model home  
32 with the technical and financial assistance of SJRWMD as agreed to with Margaret  
33 Spontak director of Policy and Planning. The project will include actual examples  
34 of plants and literature on xeriscaping techniques.)
- 35
- 36
- 37 e. water metering - Water supply sources (well heads) and individual points of  
38 use will be fully metered in accordance with water management district requirements.  
39 Complete, real-time meter record data will be maintained at the development site.  
40 Construction related water use may be determined by calculating the difference  
41 between the water supply source meter readings and individual point use meter  
42 readings.
- 43



6. The water use education programs and materials to be provided to Development residents shall highlight the role of residents in the protection of the ground and surface water resources. The program(s) shall include periodic workshops, at least annually, distribution of educational materials on the Florida Yards and Neighborhoods Program, water conservation practices, chemical use and disposal and other activities that could impact local and regional water resources. The program(s) shall be coordinated with the Marion County Agricultural Extension Service.

7. The Developer shall ensure that all golf course irrigation systems operated for Developer controlled areas utilize and maintain computerized irrigation based on weather station information, moisture sensing systems to determine existing soil moisture, evapotranspiration rates, and zone control, to ensure water conservation. The Developer shall encourage that irrigation systems installed for single-family residences in the Development conform to the Florida Yards and Neighborhood Program standards at the time of initial installation of the irrigation system.

8. The Developer will ensure that all landscape design and maintenance throughout the Development on Developer maintained property conforms to the lawn and landscape practices of the Florida Yards and Neighborhoods Program, as implemented by the University of Florida Cooperative Extension Service.

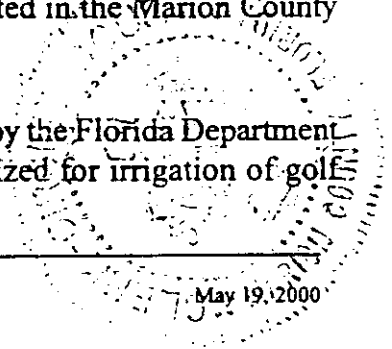
9. The Developer shall ensure that the Development's grounds maintenance staff and/or landscape installation/maintenance firms are trained and educated in the practices mandated by the Florida Yards and Neighborhoods Program. The staff and/or firms shall ensure that ongoing landscape maintenance activities will continue to adhere to the Program. The Developer shall participate in coordinating educational programs for Development residents in the Program's practices through the educational workshops previously referenced in Item 6.

10. No centralized potable water services shall be extended outside the boundary of the Development unless such an extension is completed in conjunction with Marion County and/or the City of Belleview.

I. Waste Water

1. Wastewater treatment shall be provided throughout the project through an on-site centralized wastewater system provided by the Developer or their successors. No building permit shall be issued for the Del Webb's Spruce Creek Country Club development unless and until the Developer provides evidence, to the satisfaction of Marion County, that adequate wastewater collection, treatment and disposal capacity will be available concurrent with the impacts of the proposed development at the levels of service adopted in the Marion County Comprehensive Plan.

2. Wastewater shall be treated to Class I reliability as defined by the Florida Department of Environmental Protection. Reclaimed wastewater shall be utilized for irrigation of golf





1 courses and/or common areas within six (6) months following the achievement of sufficient  
2 wastewater flows to accommodate such irrigation consistent with the Florida Department of  
Environmental Protection requirements.

3 3. Septic tanks shall not be used at the Del Webb's Spruce Creek Country Club site.  
4 However, temporary septic tanks, portable pump-out type toilets or a temporary package  
5 treatment plant may be used for construction activities and other similar temporary activities.  
6 Such temporary facilities shall be phased out when the site in which they are located can be  
7 served by the central sewage system. No other septic tanks shall be allowed without an  
8 amendment to this Development Order.  
9  
10

11 4. The on-site wastewater system shall have a minimum of 400,000 gallons/day of excess  
12 capacity to be utilized by off-site development. The Developer shall make such excess  
13 capacity available to off-site areas following the completion and coordination of agreements,  
14 assurances, and implementation of off-site service with Marion County prior to buildout. The  
15 Developer or their successors shall facilitate the off-site utilization of this excess sewage  
16 treatment capacity by providing the appropriate infrastructure, at the request of Marion  
17 County, to the project's property line.  
18

19 5. No centralized sanitary sewer services shall be extended outside the boundary of the  
20 Development unless such an extension is completed in conjunction with Marion County  
21 and/or the City of Belleview.  
22

23  
24  
25 **J. Solid Waste**

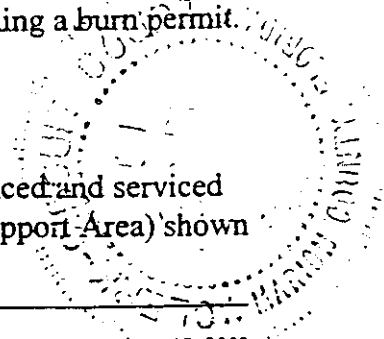
26 1. No building permit shall be issued for Del Webb's Spruce Creek Country Club unless  
27 adequate solid waste collection and disposal capacity will be available concurrent with the  
28 impacts of the proposed development at the level of service adopted in the Marion County  
29 Comprehensive Plan.  
30

31 2. The Developer shall institute a curbside recycling program, in conjunction with a  
32 contracted solid waste hauler, following the issuance of the 500th Certificate of Occupancy  
33 for the Development, and prior to the issuance of the 550th Certificate of Occupancy for the  
34 Development. This recycling program was initiated in August 1999.  
35

36 Debris such as trees and vegetation, generated during initial site development activities or  
37 ongoing landscape maintenance will be chipped for use as mulch or, disposed of in an FDEP-  
38 permitted Class I or Class III landfill off-site or burned only after obtaining a burn permit.  
39

40  
41 **K. Fire**

42 1. The Developer will donate the Mechanic Shop Building and fenced and serviced  
43 site, 1.5 acres in size, fronting on S. E. 140th St (adjacent to the Site Support Area) shown



1 on Map H (Composite Exhibit B), for the proposed fire station. The Developer will  
2 perform alterations to the building, at Developer's expense, to retrofit the building for use  
3 as a fire station, including but not limited to moving bay doors, adding plumbing and,  
4 electrical fixtures, interior partitioning and HVAC. The Developer will no longer be  
5 required to donate the \$100,000 required under the previous DO. A CAD drawing  
6 depicting the before & after floor plan of the Mechanic Shop is attached as an Composite  
7 Exhibit D.  
8

9 The Developer will maintain ownership of the Hwy 441/27 site formerly depicted as the Fire  
10 Station Site. The donation of the refurbished building and land shall be made on December  
11 31, 2005 or on a mutually agreeable earlier date.

12  
13 **L. Air Quality**

14  
15 1. During land clearing and site preparation, wetting operations or other soil treatment  
16 techniques appropriate for controlling unconfined particulates, including grass seeding and  
17 mulching of disturbed areas, shall be undertaken and implemented by the Developer to comply  
18 with Florida Department of Environmental Protection air quality standards.  
19

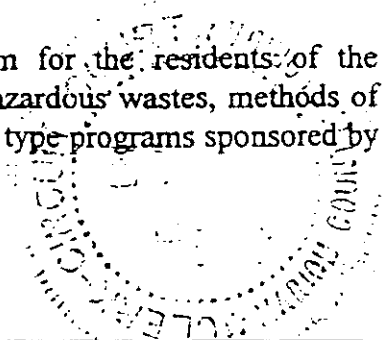
20 **M. Hazardous Substances**

21  
22 1. No large quantity generators of hazardous waste shall be allowed at Del Webb's Spruce  
23 Creek Country Club. There shall be no storage or commercial distribution of any hazardous  
24 substances in amounts that exceed the small quantity generator upper limit as defined in  
25 Section 62-730.160, F.A.C. and Chapter 40, C.F.R. Section 262.44.  
26

27 2. The Developer shall incorporate specific language in any contract for sale or any lease  
28 agreement for property in the retail or office portion concerning the hazardous waste  
29 requirements contained in Section 62-730.160, F.A.C., and Chapter 40, C.F.R., Section  
30 262.44.  
31

32 3. The Developer shall incorporate specific language in any contract for sale or any lease  
33 agreement for retail or office space regarding the disposal of hazardous substances in amounts  
34 that are within but do not exceed the small quantity generator upper limit as defined in Section  
35 62-730.160, F.A.C., and Chapter 40, C.F.R., Section 262.44, that are either medical or non-  
36 medical hazardous wastes, that these wastes must be disposed of by a hazardous waste  
37 transporter.  
38

39 4. The Developer shall establish an educational program for the residents of the  
40 Development to inform them as to the nature and types of hazardous wastes, methods of  
41 storage and disposal, as well as the timing of "Amnesty Days" type programs sponsored by  
42 governmental or other appropriate entities.  
43



5. The Developer shall include information in the Annual Report regarding compliance with, and any violation of, the requirements of this section.

6. A violation of Hazardous Substances conditions 1 through 5 shall be considered a *substantial change and development shall stop until appropriate Department review has been completed*, in addition to any other action appropriate under hazardous substances or hazardous waste regulations in effect at the time of the violation.

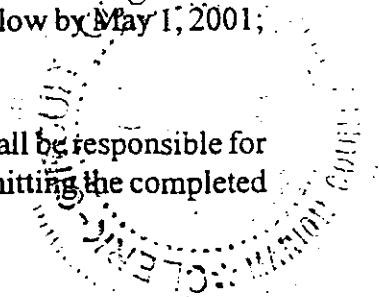
**N. Transportation/Mass Transit**

1. The Developer shall be fully responsible for funding the following site access improvements:

- a. Signalization of the new U.S. 27/441 median opening (when warranted);
- b. Installation of single and subsequent dual left turn lanes entering and exiting the Development at the main U.S. 27/441 entrance/exit (southbound left turn lane(s) entering the Development and southbound westbound left turn lane(s) exiting the Development) (when warranted); and
- c. On CR 25, eastbound right turn deceleration lane and westbound left turn storage lane and installation of traffic signal (if/when warranted) at the Development's access intersection with C. R. 25.
- d. Construct access points from US 27/441 to the commercial area as shown on the Master Development Plan.

2. The Developer shall complete and submit a biennial (every other year) Traffic Impact Analysis Study (TIA), consistent with the following requirements:

- a. Each TIA shall conform to professional standards, including monitoring/modeling and analysis of the traffic impacts of Del Webb's Spruce Creek Country Club, and serve to update the TIA submitted as the Response to Question 21 of the Application and Original Application; and
- b. The first biennial TIA shall be prepared using the most recent traffic data available including Development and surrounding area traffic counts collected in the month of February (peak month) beginning in February 2001 to be submitted to the Reviewing Entities and other reviewing agencies as listed in Section IV. N. 2. g. below by May 1, 2001; and
- c. Following completion of the initial TIA, the Developer shall be responsible for updating and revising the TIA every other year during February and submitting the completed



TIA to the Reviewing Entities and other agencies as listed in Section IV. N. 2. g. below by  
May 1 of each year; and

d. The Developer shall continue the biennial TIAs for the duration of the Development's construction, with the final TIA being completed no later than eighteen (18) months after obtaining the final certificate of occupancy for the final residential unit and non-residential portion of the Development and following the declared buildout; and

e. Each TIA shall include, at a minimum, analysis of the existing and projected conditions for the following:

Phase 1 (year 2000):

US 27/441 and Site Entrance – Signalization (when warranted)

Phase 2 (year 2005):

*Link improvements-*

US 27/441: 95<sup>th</sup> Street to CR 25A  
Site Entrance to SE 147<sup>th</sup> Place  
CR 42 to South of CR 42 (Stonecrest Entrance)

CR 25: SR 35 to SE 110<sup>th</sup> Street Road

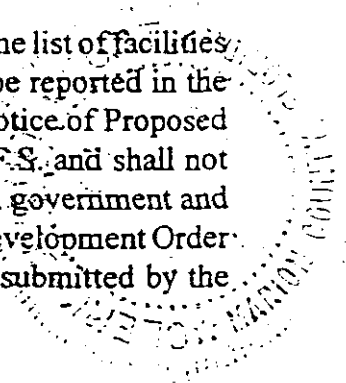
*Intersection Improvements-*

US 27/441 and CR 484 – Southbound, eastbound and westbound left-turn lanes.

CR 25A and Site Entrance – On CR 25, eastbound right-turn and westbound left-turn lanes. Signalization when warranted.

Additional roadway segments may be added as indicated by the TIA, or as conditions change, as agreed to by the Reviewing Entities and FDOT at the joint methodology meeting set forth in Item 2 previously:

f. Any additional roadway links or intersections to be added to the list of facilities to be monitored by the TIA and not identified in item IV. N. 2. f shall be reported in the Annual Report and reflected in the Development Order by the filing of a Notice of Proposed Change for a Development Order Amendment pursuant to §380.06 (19), F.S. and shall not require application fees to the applicable regional planning council or local government and shall not require a public hearing. The Notice of Proposed Change for the Development Order Amendment identifying the additional facilities to be monitored shall be submitted by the



Developer within 30 days of receiving approval for the TIA identifying the additional facilities to be monitored by the Reviewing Entities and the Florida Department of Transportation; and

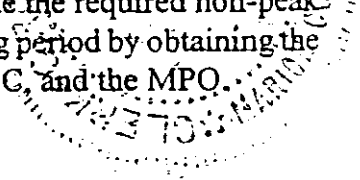
g. The completed TIA shall be reviewed by the Reviewing Entities, the Florida Department of Transportation (FDOT), the Withlacoochee Regional Planning Council (WRPC), the City of Belleview, and the Ocala-Marion County Metropolitan Planning Organization (MPO) for review and comment. The Reviewing Entities and the Florida Department of Transportation shall consider all submitted review comments and either approve or disapprove the TIA for compliance with the approved methodology and respond to the Developer in writing within 30 days after receipt of the TIA. If necessary, the Developer shall revise the TIA and resubmit it for review and approval. Review costs incurred by the WRPC, the City of Belleview, and Marion County shall be borne by the Developer. If the Reviewing Entities and FDOT cannot agree on the approval of the TIA, final approval for roadways maintained by Marion County shall be by Marion County, roads maintained by the City of Belleview shall be by the City of Belleview, and State maintained roadways will be by FDOT; and

3. Proportionate share funding for traffic improvements shall be consistent with the requirements of the Marion County LDC, the WRPC Regional Impact Rule, Rule 9J-2.045 (7)(a) 3, FAC, and Section 380.06, FS, whichever is more restrictive; and

4. The Development shall not continue development beyond any point where levels of service (LOS) are below the adopted peak hour LOS, as determined by the ongoing TIAs, and where the Development contributes 5% or greater to the adopted LOS capacity volume of the facility, unless mitigation measures/improvements are identified which would restore the adopted LOS of the facility and funding commitments for such measures/improvements are funded and secured and are consistent with Rule 9J-2.045, FAC; and

5. The design and location of all traffic improvements shall be subject to the approval of Marion County, the City of Belleview, and/or the FDOT, depending upon jurisdiction, and completed in accordance with the corresponding agency guidelines and access management standards.

6. The Developer shall monitor current levels of development and associated external traffic volumes by conducting one peak season traffic count examining peak hour traffic for three consecutive days at all the Development's U.S. 27/441 accesses, and its CR 25 access, with the three days being Tuesday through Thursday. The Developer's implementation of these traffic counts shall begin the year following the completion of the TIA required in previous Item 2., and subsequent traffic counts shall be conducted biennially (every other year) in such a manner that the traffic counts occur during years not examined by the biennial TIAs required in previous Item 3. The findings of the traffic counts shall be reported in the Annual Report to be filed by the Developer. The Developer may discontinue the required non-peak season traffic counts following the completion of the second reporting period by obtaining the written concurrence of the Reviewing Entities, the FDOT, the WRPC, and the MPO.



1 7. The location of commercial land uses within the Development shall occur as generally  
 2 depicted on Map H 2: Commercial Area Site Plan of the Application and attached as 241  
 3 Composite Exhibit B to this Development Order. 188

5 8. Development-wide private scheduled transportation service available to all  
 6 Development residents will be provided within three (3) months of issuance of the Amended  
 7 Development Order. Development-wide private mass transit service provided by the  
 8 Developer shall include the provision of sheltered mass transit access facilities (e.g., bus stops)  
 9 throughout the Development unless the Developer provides demand responsive service with  
 10 front door pick-up. Sheltered mass transit facility locations shall include at a minimum, but  
 11 not be limited to the Development's Community Center, the Commercial Center and the  
 12 Northern Recreation Facility. Within six months of the establishment of public transit service  
 13 (currently provided in Marion County by SunTran) to the Development, additional sheltered  
 14 mass transit access facilities (e.g., bus stops) will be provided at the Development's primary  
 15 U.S. 27/441 entrance/exit and the Development's C. R. 25 entrance/exit as appropriate.  
 16 Location of the public sheltered mass transit facilities shall be coordinated with the Marion  
 17 County Mass Transit Program administered by the MPO.  
 18

19 9. The Developer shall provide pedestrian and non-automotive conveyance routes as  
 20 listed in the Application and described as follows:  
 21

- 22 a. The Developer shall provide a minimum four foot (4) wide pavement area  
 23 along each side of the Development's main boulevard roadway, the roadway  
 24 extending between U.S. 27/441 and C.R. 25, with this pavement area  
 25 separately striped, marked, and labeled for pedestrian, bicycle, and golf cart  
 26 use. The Developer may elect to provide an exclusive pedestrian travel route  
 27 (e.g., sidewalk) separate from, but corresponding to, the additional marked  
 28 pavement area, and the Developer may then delete the pedestrian route labels  
 29 from the additional pavement area with all other pavement label markings  
 30 remaining unchanged.  
 31  
 32 b. Design standards for local, non-boulevard residential streets shall be  
 33 determined in the plat approval process consistent with Marion County's Land  
 34 Development Code.  
 35  
 36 c. The Developer shall provide a pedestrian access along the south side of the  
 37 Development's commercial area as depicted on Map H-2, Commercial Area  
 38 Site Plan, which is attached in Composite Exhibit B. The Developer may  
 39 supplement this pedestrian access by providing a separate bicycle/golf cart  
 40 access route corresponding to the pedestrian access.  
 41  
 42 d. The pedestrian and non-automotive conveyance routes provided for the  
 43 Development shall be designed and constructed in conformance with the  
 guidelines and regulations of all jurisdictional agencies, including compliance  
 with the Americans With Disabilities Act (ADA).

e. The Developer will dedicate to Marion County a fifteen foot (15') wide bicycle/pedestrian path easement along the final ~~right-of-way~~ <sup>18'</sup> ~~of~~ <sup>24'</sup> the future development of a bikeway/sidewalk path consistent with the Ocala/Marion County bicycle/Pedestrian Master Plan. The bicycle/pedestrian easement shall be dedicated at the time the adjacent lands along C-25 right-of-way are developed/platted. The bicycle/pedestrian easement may be located within the one hundred foot (100') wide native vegetation preservation area along C-25, as it will provide an opportunity for passive and recreational use of the preservation area (e.g., pedestrian, etc.)

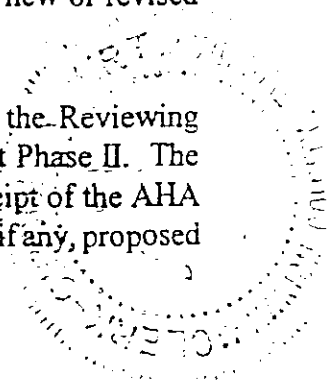
**O. Planning and Design Features**

1. The Developer is responsible for the development of the Del Webb's Spruce Creek Country Club in a manner consistent with the Primary Design Features and Secondary Design Features as are stated elsewhere in this Development Order and in the Application for Development Designation.

2. The entire Development shall be developed and maintained as an Adult Retirement Community providing housing for older persons as defined in Section 760.22, F.S., in compliance with all state and federal laws applicable to same, with no permanent resident under eighteen (18) years of age. Persons under 18 years shall be permitted to visit and reside in the Development as guests of Development residents pursuant to the Development's deed restrictions, and persons under 18 years residing or visiting in the Development shall not be enrolled in private or public schools within Marion County. Any change from this status as an Adult Retirement Community will require an amendment to the Application and this Development Order, and will be a substantial change subject to review pursuant to Rule 9J-28.024, F.A.C.;

3. a. Prior to the commencement of Development Phase 2, but not prior to the issuance of Certificate(s) of Occupancy for a minimum of 150,000 Gross Square Feet of commercial and/or office uses (not including the site support uses) in Development Phase I, the Developer shall complete an update of the Affordable Housing Analysis (AHA) provided in response to Application Question 24, as required by the East Central Florida Regional Planning Council methodology used in completing the AHA. The update shall be consistent with the East Central Florida Regional Planning Council AHA methodology, or the Developer may elect to utilize a new or revised methodology from the Reviewing Entities and the WRPC.

b. The Developer shall submit the complete updated AHA to the Reviewing Entities and the WRPC prior to the commencement of Development Phase II. The Reviewing Entities and the WRPC shall have 30 days following receipt of the AHA to review and comment on the submitted AHA and mitigation actions, if any, proposed by the Developer.



1 4. a. The Developer shall provide a monetary contribution of \$50.00 to the local  
2 non-profit Salvation Army Chapter for each residential unit to be established within  
3 the Project. This monetary contribution for each residential unit shall be completed  
4 prior to receiving Final Plat approval, as defined within Marion County's Land  
5 Development Code, for a residential lot which will accommodate a residential unit,  
6 with receipt documentation from the Salvation Army Chapter being provided as proof  
7 of the contribution.

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8  
9 b. Within the required Annual Report, the Developer shall cumulatively identify,  
10 on an annual and project wide basis, the number of residential units established, and  
11 the monetary contribution(s) completed, along with copies of receipt documentation  
12 from the Salvation Army Chapter.

13  
14 **P. Annual Reports**

15  
16 1. The Annual Report required by Subsection 380.06(18), Florida Statutes, and paragraph  
17 K of the General Provisions of this Development Order, shall be submitted to Marion County,  
18 the Withlacoochee Regional Planning Council and the Department of Community Affairs no  
19 later than February 15 each year until termination of development activity. Annual Reports  
20 shall cover the preceding calendar year beginning with the year 2000. The contents of the  
21 report shall include those items required by this Development Order and by state land planning  
22 agency rules.

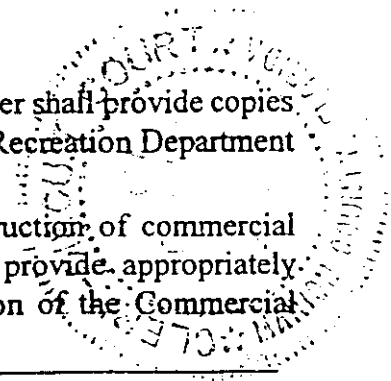
23  
24 **Q. Other Conditions/Commitments**

25 1. a. The Developer has previously entered into a binding commitment with Marion  
26 County under the Original Development Order of December 24, 1996 to provide a  
27 monetary fee-in-lieu payment of \$\$5.54 per dwelling unit to mitigate off-site recreation  
28 impacts as specified in Section IV. Q. of this Development Order. For the 1,000  
29 additional dwelling units to be added to the Development under this Amended  
30 Development Order, the Developer will provide a monetary fee-in-lieu payment of  
31 \$71.26 per dwelling unit.

32  
33 This monetary contribution for each residential unit shall be completed prior to  
34 receiving Final Plat approval, as defined within Marion County's Land Development  
35 Code, for a residential lot which will accommodate a residential unit, with receipt  
36 documentation from the Marion County Parks and Recreation Department being  
37 provided as proof of the contribution.

38  
39 b. Within the required FQD Annual Reports, the Developer shall provide copies  
40 of receipt documentation from the Marion County Parks and Recreation Department

41  
42  
43 2. Should soils that have significant limitations for the construction of commercial  
44 buildings be encountered, construction plans will be modified to provide appropriately  
engineered mitigation of such conditions. However, as the location of the Commercial





1 structures was a negotiated condition of the original DO so that the project could get the  
 2 Primary Design Points, any significant changes to the Commercial Area Master plan must be  
 3 accomplished through the NOPC process. PAGE 24 OF 241

4 3. Within six (6) months of issuance of this Restated Development Order, the Developer  
 5 shall pay the required golf course impact fees pursuant to Marion County's Impact Fee  
 6 Ordinance. The Developer may elect to complete an independent traffic impact fee study  
 7 pursuant to the Impact Fee Ordinance prior to providing payment of the required impact fees.  
 8  
 9

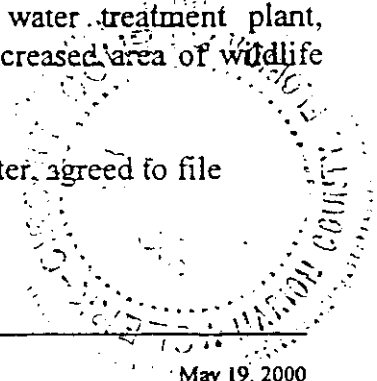
10 4. All commitments made by the Developer in the Application for Development  
 11 Designation that are not in conflict with the specific conditions for project approval outlined  
 12 above are incorporated and adopted herein by reference as conditions for approval. Those  
 13 commitments not specifically referenced in this Development Order are attached as Exhibit  
 14 C.  
 15

16 **V. Development Order Amendments**

17  
 18 This Part V. shall specify and contain any and all approved changes or amendments in this  
 19 Development Order from the original application and Development Order issued by the Department  
 20 on \_\_\_\_\_, and recorded in the Official Record Books of Marion County, Florida at OR  
 21 Book \_\_\_\_\_ and Page Number \_\_\_\_\_. It is the purpose and intent of the Reviewing Entities  
 22 that this Development Order shall continue in full force and effect all terms, general provisions and  
 23 conditions of the Development Order except as that Development Order has been specifically altered  
 24 by the changes and amendments identified in this Part V. Any future changes or amendments to the  
 25 original Development Order as approved and incorporated in this Development Order shall be  
 26 specified below sequentially and identified in this Part V. by the dates of their approval and  
 27 incorporation in new Development Orders issued by the Department. In addition to the requirements  
 28 for the proposed changes pursuant to 9J-28, F.A.C., changes as submitted shall be reviewed under,  
 29 and are subject to, requirements of the local government comprehensive plan and agency rules and  
 30 regulations in effect at the time the proposed changes are submitted.  
 31  
 32

33 **CHANGES TO THE DEVELOPMENT ORDER**

Date	Type	Change(s) Made to Development Plan
June 4, 1997	Amendment to D. O.	Revised location and size of DRA's, relocated wells and water treatment plant, realigned roadway, increased area of wildlife preserve.
May 26, 1998	Chapter 380 Agreement	Relocated Model Center, agreed to file NOPC



1 August 25, 1998 Chapter 380 Agreement

Removed Phase line from Map H, extended  
date to file ~~NO~~ ORGE by agreeing to file  
Substantial Deviation Application. 2411

2  
3  
4  
5 October 5, 1999 Chapter 380 Agreement

Realigned Star Pass Road

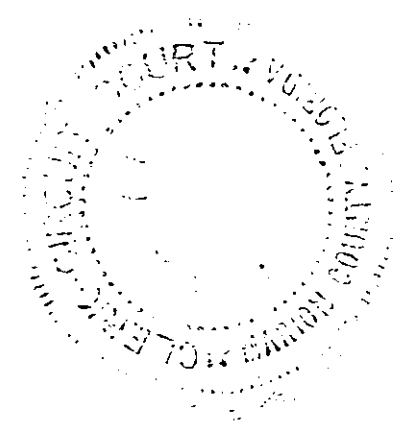
6  
7 NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE SUBJECT  
8 APPLICATION IS APPROVED, AND THE DEL WEBB'S SPRUCE CREEK COUNTRY CLUB  
9 DEVELOPMENT TO BE LOCATED WITHIN MARION COUNTY AND DEVELOPED BY DEL  
10 WEBB'S SPRUCE CREEK COMMUNITIES, INC. IS HEREBY DESIGNATED AS A FLORIDA  
11 QUALITY DEVELOPMENT, SUBJECT TO THE TERMS, GENERAL PROVISIONS AND  
12 CONDITIONS IN THIS DEVELOPMENT ORDER.

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17 DEPARTMENT OF COMMUNITY AFFAIRS

18  
19  
20 Date: \_\_\_\_\_

\_\_\_\_\_  
Steven Seibert, Secretary

21  
22 Effective Date of the  
Development Order: \_\_\_\_\_



LIST OF EXHIBITS

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EXHIBIT A      Legal Description

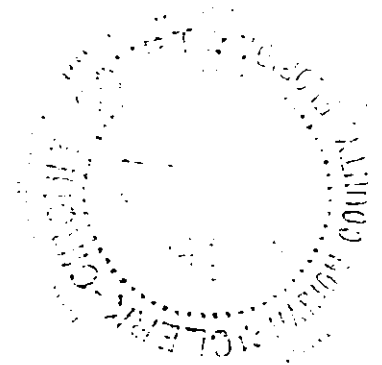
COMPOSITE  
EXHIBIT B

Master Development Plan - Map H  
Master Development Plan – H 2 Commercial Area Map  
Master Development Plan – Map H 4 Perimeter Buffer Details

EXHIBIT C      List of Commitments for Del Webb’s Spruce Creek Country Club  
Not Specifically Referenced in the Body of the Development Order

COMPOSITE  
EXHIBIT D

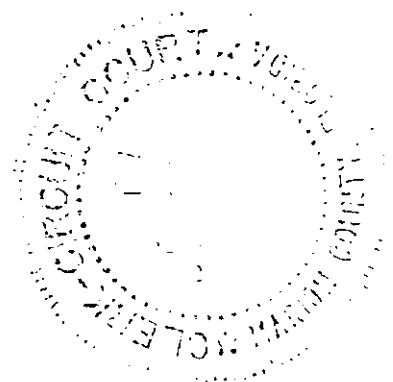
Fire Station Building “Before” Floor Plan  
Fire Station Building “After” Floor Plan



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2

EXHIBIT A

Legal Description



Current Del Webb's Spruce Creek Country Club Florida Quality Development PAGE: 195 OF 241

The S 1/2 of the NW 1/4 and the W 1/2 of the SW 1/4 of the NE 1/4 and the W 1/2 of the SE 1/4 of the NE 1/4 and the S 1/2 except the East 30 feet thereof, all in Section 3, Township 17 South, Range 23 East; and

Also the N 1/2 of Section 10, Township 17 South, Range 23 East, except the East 315 feet thereof, and except the NW 1/4 of the SW 1/4 of the NW 1/4 of said Section 10; and

Also the N 1/2 of the S 1/2 of said Section 10, except the East 315 feet thereof; and

Also the SW 1/4 of the SE 1/4 of said Section 10, except the South 40 feet thereof; and

Also the N 1/2 of the S 1/2 of the SW 1/4 and the SE 1/4 of the SW 1/4 of the SW 1/4 of said Section 10; and

Also, the East 1/2 of the NE 1/4 of the SE 1/4 of Section 9, Township 17 South, Range 23 East, except the N 1/2 thereof; and

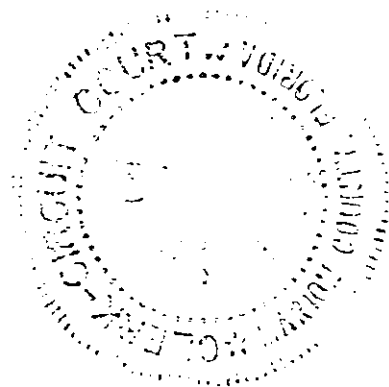
Also the West 3/4 of the N 1/2 of the SE 1/4 of said Section 9, except the North 893.54 feet thereof; and

Also the S 1/2 of the SE 1/4 of said Section 9, except the NW 1/4 of the SW 1/4 of the SE 1/4 of said Section 9; and

Also that part of the S 1/2 of the SE 1/4 of the SW 1/4 of said Section 9, lying East of U.S. Highways 441 and 27 (200 feet wide); and

Also that part of the N 1/2 of the N 1/2 of Section 16, Township 17, Range 23 East, lying East of said Highways 441 and 27.

All being in Marion County, Florida and containing 1170.27 acres more or less.



**EXHIBIT "A"**

Adding the following to the Del Webb's Spruce Creek Country Club Florida Quality Development:

PARCEL # 45156-000-00, Containing 20 acres, more or less

W 1/2 of NE 1/4 OF NW 1/4 OF SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST

PARCEL # 45458-000-00, containing 202 acres, more or less

THE NORTH 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA AND A PORTION OF THE WEST 3/4 OF THE NORTH 1/2 OF THE SE 1/4 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SW CORNER OF THE NE 1/4 OF SECTION 9 FOR THE POINT OF BEGINNING; THENCE N 89°56'22" E., ALONG THE SOUTH BOUNDARY OF THE NE 1/4 OF SAID SECTION 9 A DISTANCE OF 1994.91 FEET; THENCE S 00°00'31" W., A DISTANCE OF 893.54 FEET; THENCE 89°56'22" W., A DISTANCE OF 1994.73 FEET TO THE WEST BOUNDARY OF TH4E SE 1/4 OF SAID SECTION 9 THENCE N 00°00'10" W., ALONG SAID WEST BOUNDARY A DISTANCE OF 893.54 FEET TO THE POINT OF BEGINNING.

PARCEL # 45500-003-00, CONTAINING 10 ACRES, MORE OR LESS

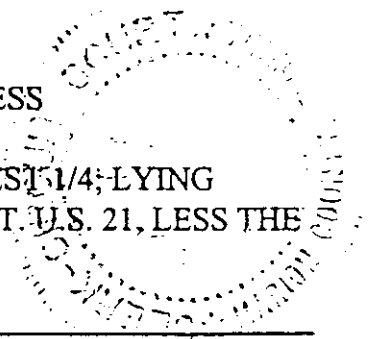
NE 1/4 OF NE 1/4 OF SE 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA.

PARCEL # 45506-000-00, CONTAINING 5 ACRES, MORE OR LESS

THE EAST 1/2 OF SW 1/4 OF SW 1/4 OF SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, TOGETHER WITH THAT PERPETUAL RIGHT OF WAY EASEMENT AS SET FORTH IN DEED DATED JUNE 15, 1972, FROM RUBEN MOORER AND HIS WIFE LUDIE MOORER TO HENRY MOORER AND HIS WIFE, BERNICE MOORER; DESCRIBED AS COMMENCING AT THE SW CORNER OF THE EAST 1/2 OF SW 1/4 OF SW 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, THENCE WEST 198.79 FEET, THENCE NORTH 25 FEET, THENCE EAST 198.79 FEET THENCE SOUTH 25 FEET TO THE POINT OF BEGINNING.

PARCEL # 39385-009-00, CONTAINING 16.36 ACRES, MORE OR LESS

THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4; LYING SOUTHERLY OF THE SOUTHERLY RIGHT OF WAY OF ALT. U.S. 21, LESS THE FOLLOWING DESCRIBED TRACT TO WIT:



COMMENCE AT THE NORTHWEST CORNER OF LOT 1, BLOCK E OF WOODBERRY FOREST, AS RECORDED IN PLAT BOOK W, PAGE 62 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF S.E. COUNTY HIGHWAY C-25 (100 FEET WIDE); THENCE N. 70°50'18" W., ALONG SAID RIGHT OF WAY LINE 351.39 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT OF WAY LINE S. 00°01'36" W., 240 FEET; THENCE N. 89°58'24" W., 135 FEET; THENCE N. 54°35'39" E., 40.74 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 47.62 FEET TO THE POINT OF TANGENCY, SAID POINT BEING ON THE AFORESAID SOUTH RIGHT OF WAY LINE; THENCE S. 70°50'18" E., ALONG SAID RIGHT OF WAY LINE, 107.76 FEET TO THE POINT OF BEGINNING.

PARCEL # 45509-000-01, CONTAINING 5.06 ACRES, MORE OR LESS

THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4, EXCEPT THE NORTH 329.43 FEET THEREOF OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

PARCEL # 39385-004-00, CONTAINING 74.25 ACRES, MORE OR LESS

THE EAST 3/4 OF THE NE 1/4 OF THE SE 1/4 LYING SOUTH OF U.S. HIGHWAY NO. 441; AND ALL OF THE SE 1/4 OF THE SE 1/4 OF SECTION 33, TOWNSHIP 16 SOUTH, RANGE 23 EAST, AND ALSO THE WEST 1/4 OF THE SW 1/4; LYING SOUTH OF U.S. HIGHWAY NO. 441 IN SECTION 34, TOWNSHIP 16 SOUTH, RANGE 23 EAST, AND THAT PART OF THE WEST 1/4 OF THE NE 1/4 OF THE SE 1/4; LYING SOUTH OF C-25 AND ALT. U.S. 441 IN SECTION 33, TOWNSHIP 16 SOUTH, RANGE 23 EAST, ALL LYING AND BEING IN MARION COUNTY, FLORIDA.

PARCEL # 45509-000-02, CONTAINING 5 ACRES, MORE OR LESS

A.

THE NORTH 263.50 FEET OF THE SE 1/4 OF SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23, EAST, TOGETHER WITH AN EXCLUSIVE EASEMENT FOR RIGHT OF WAY PURPOSES OVER AND ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY; THE EAST 20 FEET OF THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE NORTH 263.50 FEET THEREOF.

B.

THE NORTH 65.88 FEET OF THE SOUTH 199.57 FEET OF THE NORTH 463.07 OF THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, TOGETHER WITH AN EXCLUSIVE EASEMENT FOR RIGHT OF WAY PURPOSES OVER AND ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY; THE EAST 20 FEET OF THE SE 1/4 OF THE SE

1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, <sup>198</sup> PAGE           241           OF           241            
EXCEPT THE NORTH 263.50 FEET THEREOF.

PARCEL # 45500-002-00, CONTAINING 20 ACRES, MORE OR LESS

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE  
SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF  
THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, LYING AND BEING IN THE COUNTY OF MARION, STATE OF FLORIDA.

PARCEL # R45147-000-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE NORTHWEST 1/4 OF THE NORTHWEST OF THE NORTHWEST 1/4 OF  
SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY,  
FLORIDA.

PARCEL # 45164-000-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE  
NORTHWEST 1/4 OF SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23, MARION  
COUNTY, FLORIDA.

PARCEL # 45157-001-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF  
SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY,  
FLORIDA.

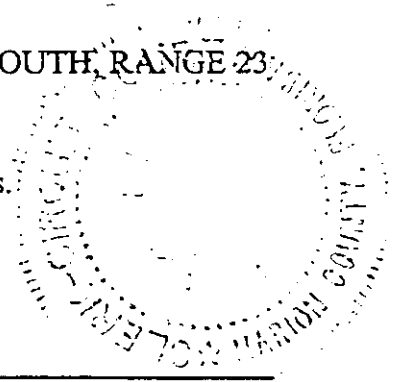
PARCEL # 45164-001-00, CONTAINING 10.37 ACRES, MORE OR LESS

THE EAST 1/4 OF THE NW 1/4 OF THE NW 1/4 OF SECTION 3, TOWNSHIP 17  
SOUTH, RANGE 23 EAST.

PARCEL # 45509-001-00, CONTAINING 10 ACRES, MORE OR LESS

NW 1/4 OF SW 1/4 OF NW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, MARION COUNTY, FLORIDA.

All being in Marion County, Florida and containing 409.09 acres more or less.





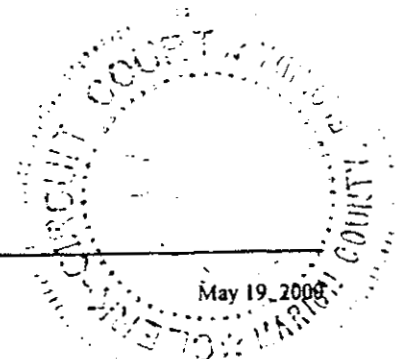
COMPOSITE EXHIBIT B

Master Development Plan - Map H

Master Development Plan – H 2 Commercial Area Map

Master Development Plan – Map H 4 Perimeter Buffer Details

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REVISED

MAY 12 2000



Scale: 1" = 1000'

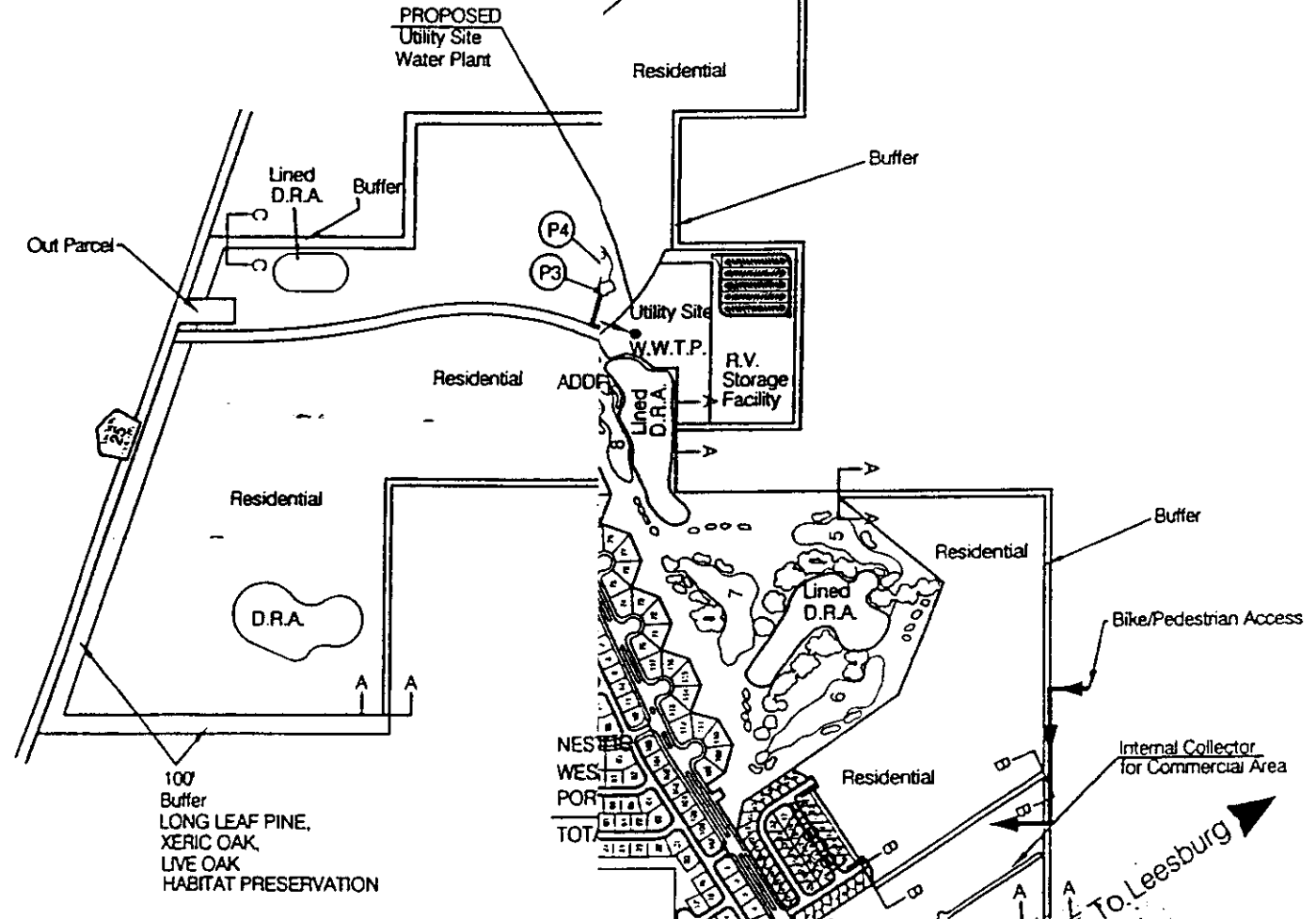


SCALE IN FEET

# Master Development Plan

May, 2000  
APPENDIX D-1

PAGE 200 OF 241



### PROJECT SUMMARY

Land-Use	Phase I		Phase II
	Acres	Units/SF	Acres
Units:			
Residential	428.19	1600.0	445.64
Commercial	20.0	200,000	13.04
Open Space:			
Golf Course	166.35		136.21
Recreation Facility	9.0		11.0
Wildlife Preserve	142.53		00.0
Lakes/Retention	50.0		50.0
Collector Road	28.00		9.41
RV Storage Facility	5.0		5.0
Fire Station*	0.00		1.54
Site Support*	10.0		(1.54)
Utilities	7.25		3.90
Buffer	16.88		21.95
Totals	883.20		696.15

\* At buildout, the fire station building and site will be transferred to the site support area to 8.46 acres.

▲ DENOTES BUFFER TYPE (SEE MAP H4 FOR DETAILS)

DEL WEBB'S  
Spruce Creek  
Country Club

"A Florida Quality Development"

MAP

H

# Commercial Area Conceptual Plan

May, 2000

APPENDIX D-1

PAGE 201 OF 241



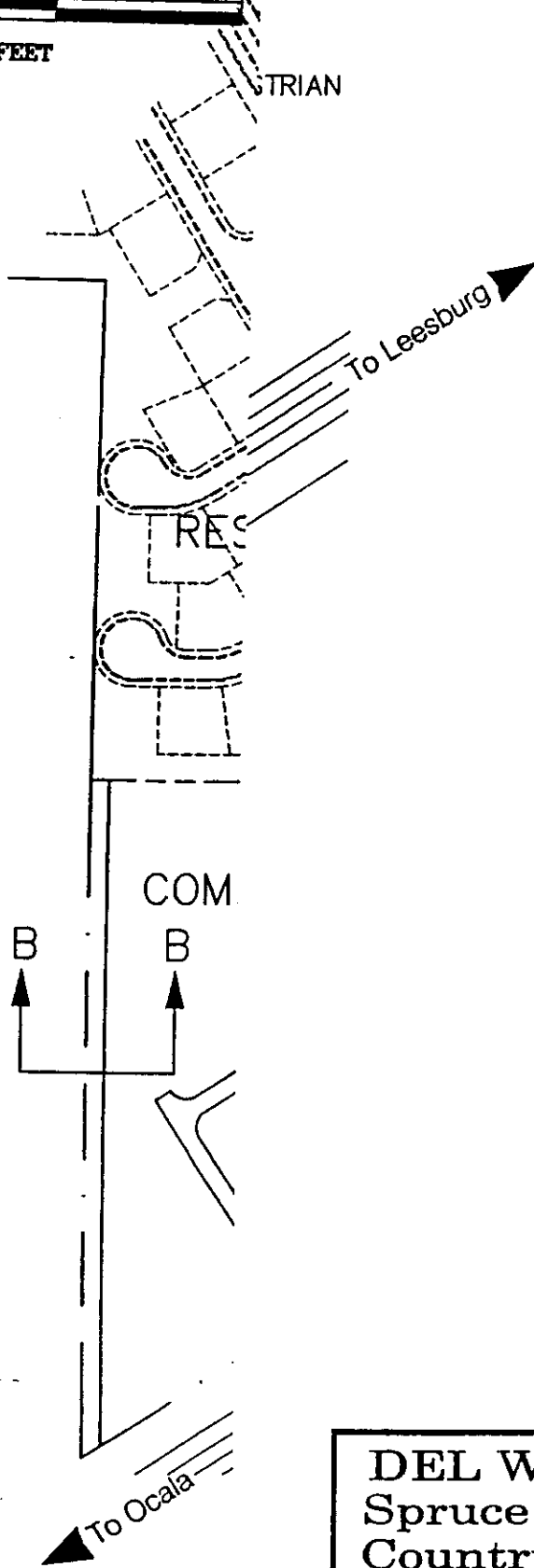
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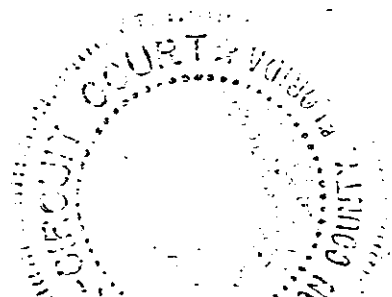
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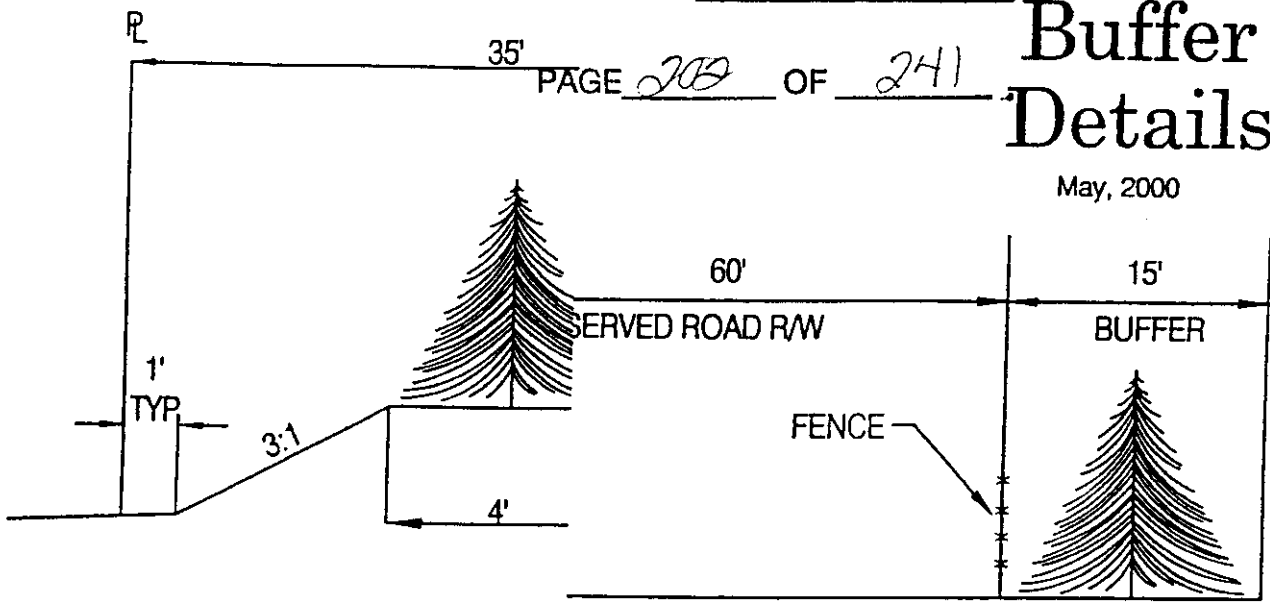
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MAY 12 2000  
MARION COUNTY  
PLANNING DEPT.



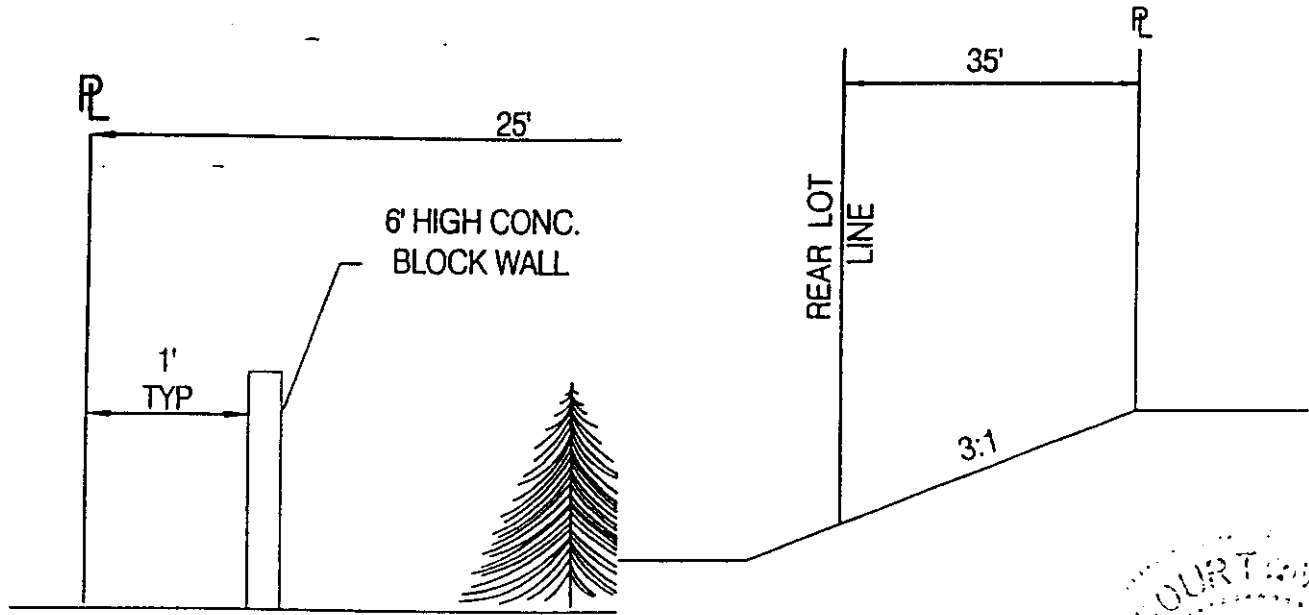
DEL WEBB'S Spruce Creek Country Club *A Florida Quality Development*	MAP H 2
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# Buffer Details

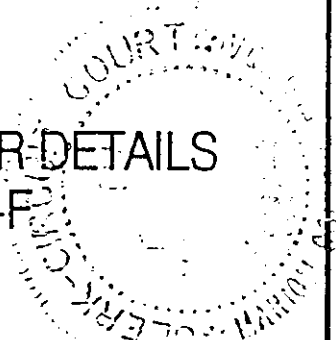
May, 2000



LANDSCAPE BUFFER DETAILS SECTION E-E



LANDSCAPE BUFFER DETAILS SECTION F-F



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MARION COUNTY  
PLANNING DEPT.

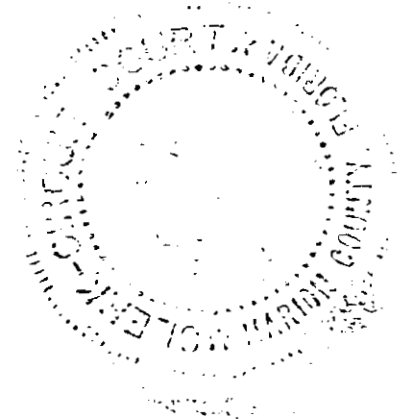
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DEL WEBB'S Spruce Creek Country Club "A Florida Quality Development"	MAP
	H4

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**EXHIBIT C**

**List of Commitments for Del Webb's Spruce Creek Country Club  
Not Specifically Referenced in the Body of the Development Order**



**List of Commitments for Del Webb's Spruce Creek Country Club  
Not Specifically Referenced in the Body of the Development Order**

**WATER ISSUES (Groundwater, Water Supply, Wastewater And Stormwater)**

**GROUNDWATER**

*FROM THE ADD -*

Stormwater runoff from impervious surfaces within the development will be retained on-site for the 25 year, 96-hour design storm event as well as the 100-year storm event. Retained stormwater from 5 large ponds will be used for irrigation of the golf course and common landscape areas. Off-site discharge of stormwater is not anticipated under normal and design hydrologic conditions. Stormwater retention basins constructed, as part of the development plan will adhere to the SJRWMD Guidelines for Karst Sensitive Areas to ensure treatment of retained stormwater prior to exfiltration to groundwater. Compliance with SJRWMD design requirements will be demonstrated during the MSSW Permit process.

Spruce Creek Country Club will operate and maintain the on-site stormwater management facilities throughout the life of the development, including drainage retention areas.

*FROM THE FIRST COMPLETENESS REVIEW*

(Marion County) All existing 4-inch wells will be properly plugged and abandoned. See revised Map H (Appendix A-1) for proper well identification and status.

**FLOODPLAINS**

*FROM THE ADD -*

The proposed stormwater management system will be designed to accommodate the 100-year/24-hour storm event for the receiving watershed. Therefore, there will be no construction within any 100-year floodplains within the project site. All stormwater will be maintained within the proposed water retention areas. All infrastructure and residential structures will be constructed above the 100-year flood stage of all water retention areas.

Stormwater runoff generated on the site will be completely retained on-site within the water retention areas. Each retention area will be designed to accommodate the runoff resulting from the 100 year/24 hour storm event. Therefore, no potential increases in off-site flood are anticipated as a result of development of the Spruce Creek Country Club site.

**WATER SUPPLY**

*FROM THE ADD -*



The utility operator, Spruce Creek South Utilities, Inc., is presently certificated by the Florida Public Service Commission to serve the original Spruce Creek Country Club FQD boundary. This utility will petition the Florida Public Service Commission to receive certification to service the recently acquired properties.

*FROM THE SECOND COMPLETENESS RESPONSE -*

(Marion County) Any commitment to supply additional water to offsite users would be contingent upon obtaining a revised consumptive use permit from the Water Management District; PSC authorization for a favorable rate structure (and expanded service area) along with assurance from the County that there will be adequate revenue to compensate for the expense of providing the extra capacity.

**WASTEWATER**

*FROM THE ADD -*

**LEVEL OF SERVICE AFTER PROJECT BUILDOUT:**

The level of service after project buildout is anticipated to be 92.1 GPD/Capita. The peak hourly flow is anticipated to be 3.5 times the annual average daily flow. Commercial flows will be 0.2 GPD/SF of gross leasable area.

No off-site treatment is anticipated for the proposed development.

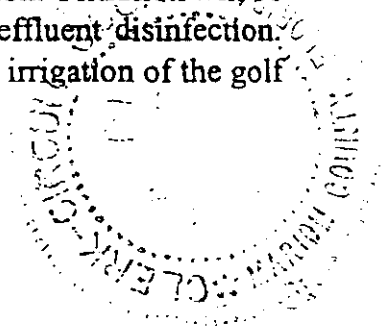
Application for expansion (of the wastewater service area boundary) will be made to the Florida Public Service Commission. This application will be made for expansion of the existing Spruce Creek South Utilities, Inc., certificated service area to include the new land acquisition for the Spruce Creek Country Club development. The Florida Public Service Commission has granted a certificate to Spruce Creek South Utilities, Inc., for the existing FQD area.

**RECLAIMED WATER STORAGE ON THE PRESERVATION AREA.**

Storage of reclaimed water in the preservation area is not proposed for this development.

**Treatment Facility**

The Spruce Creek Country Club WWTP will provide advanced treatment, denitrification, filtration, disinfection and provide Class I reliability. This treatment facility will use an activated sludge process for secondary treatment with anoxic basins for denitrification. Filtration will be provided for high levels of suspended solids removal and to enhance effluent disinfection. Chlorination provides the disinfection required for reuse in public-access irrigation of the golf course.



The proposed method of sludge management will consist of land application on pastureland. Sludge disposal will be contracted to a certified hauler, licensed by the State of Florida to haul and dispose of sludge.

### Effluent Disposal

The wastewater treatment facility will be designed to achieve public-access quality effluent after disinfection, containing not more than 20 mg/l BOD<sub>5</sub> and 5 mg/l TSS. When the temporary sprayfield is abandoned, the lined holding ponds will then be used for storage of any effluent that does not meet the required levels of treatment for irrigation of the golf course.

### STORMWATER

*FROM THE ADD -*

#### LEVEL OF SERVICE AFTER PROJECT BUILDOUT:

The level of service at buildout will be such that 100% of the stormwater runoff generated by the 100-year/24-hour storm event and the 25-year/96-hour storm event (whichever is more restrictive) will be retained on-site within a stormwater management system in each developed sub-basin, meeting or exceeding the requirements of Marion County and the SJRWMD.

No construction of stormwater facilities will occur in the wildlife preserve/management areas.

As a best management practice, the stormwater retention ponds will be constructed prior to any site clearing and construction and silt fences will be installed to ensure that the water quality is not affected by the proposed construction.

The proposed stormwater system will be maintained by the developer and/or assigns whose intent is to manage the golf course, the rights-of-way and the proposed infrastructure. The developer and/or assigns will retain ownership of all of the site's infrastructure including the stormwater management system. A maintenance fee will be assessed to each homeowner for the maintenance of the grounds and the infrastructure.

### DESIGN FEATURES

*FROM THE ADD -*

Landscape design that shades buildings parked cars and pedestrian areas from summer sun:

This item was not addressed in the original DO or ADD. However, wherever possible, any existing high quality trees will be incorporated into the detailed site design process for subdivision platting as well as in the final design of the golf courses. Trees will be incorporated in the landscape plans for the Commercial Area parking lots.



Promotion of cultural or educational activitiesPAGE 207 OF 241

All commitments to promotion of cultural and educational activities in the original ADD and Development Order remain in effect. In addition, since start of development, an activities director and a fitness director have been added to the Del Webb's Spruce Creek Country Club staff. Ten chartered clubs now exist in the community. Over 40 organized activities are scheduled on a regular basis and 18 special events are on the development's annual calendar.

Care for the elderly

All representations made in the original ADD remain valid and operational. A fitness director has been added to staff. This person oversees health-related activities and conducts workshops, etc. on exercise and diet. The fitness director also arranges Health Fairs periodically.

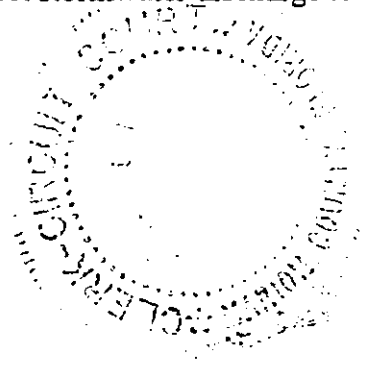
*FROM THE FIRST COMPLETENESS RESPONSE -*

(Marion County) **Map H (Exhibit A-1)** has been revised to specify the perimeter buffer types as requested. The typical cross section for each buffer type is indicated on **Exhibit A-3**. As agreed at the June 15, 1999 meeting (referenced in detail in Marion County Question Three), a 60 feet wide buffer will be provided that can be converted into a north/south roadway connecting the eastern ends of SE 131<sup>st</sup> Place, SE 132<sup>nd</sup> Lane and SE 135<sup>th</sup> Street. Should the County wish to provide a road in this location sometime in the future, the right-of-way will be available.

In the newly added northern property the buffer is proposed to be 100 feet wide along the western and northern (adjacent to CR 25) boundaries. This buffer is to consist largely of relatively undisturbed existing vegetation. Much of the proposed northern buffer area along CR 25 is in varying quality remnants of the longleaf pine/turkey oak association. This ecotype is fire maintained and will not remain as such without periodic burning. Given the proximity of the buffer to existing and future housing and CR 25, fire is not a valid management tool. The developer proposes, therefore, to provide a 100-foot buffer consisting of the existing vegetation along the western and northern edges of the new property to be added. This buffer will be generally undisturbed except for utility easements if required. The area directly adjacent to CR 25 may be subject to some type of noise control structure such as berms, a wall, etc.

(WRPC) The areas within the Marcell Tract that indicate 100% loss of circulation have been identified and included in the master plan of the Spruce Creek Development. The area of major concern will not include residential lots or streets. A stormwater retention pond has been located in this area and will be designed with a synthetic liner to eliminate any direct stormwater discharge to the groundwater, thereby reducing the potential for sinkhole activity.

## SOIL CONDITIONS ONSITE

*FROM THE ADD -*

Del Webb's Spruce Creek Country Club already has one golf course and proposes to construct another 10-hole golf course and numerous single family residences on the project site. The soils identified are ideal for golf course construction due to their low runoff potential and relatively high permeability. The nearly level to gently sloping Candler sands (CaB) account for over 85 percent of the surficial soils on the property. These soils have slight limitations for local roads due to their poor stability. With appropriate addition of relatively small amounts of a stabilizing material (limerock or soil cement), the limitations for streets and roads may be overcome.

The upper few feet of these soils may be relatively loose and require typical site preparation for shallow footings of dwellings or small commercial buildings. Embankments and excavations will be severely limited due to the poor stability, seepage and piping of the cohesionless and uniform sands. Very few embankments and excavations are proposed for this development, and these limitations will be overcome by moderate placement of a stabilizing material on the soil slopes as well as use of erosion control mechanisms such as early vegetative growth or geosynthetics.

Slopes with a vertical to horizontal ratio greater than 1 to 1 will not be used unless proper geotechnical design is used to compensate for the poor suitability of these soils.

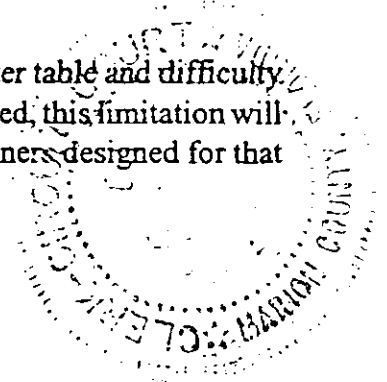
The steeply sloping Candler sands (CaC) are considered by the SCS to have moderate limitations for dwellings and local roads. The soils are limited for those construction activities due to their relatively steep slopes. Site plans have already accounted for the limiting conditions of the steep slopes of these soils. Only small portions of these soils are located in areas where dwellings or roads are proposed, and the land surface will be graded in those areas to overcome the surface slopes.

For dwellings, differential settlement could be considered a concern due to the bottom slope of the soil; however, the underlying soils are anticipated to consistently grade into clays at depths where vertical stresses would not be considered significant.

Embankments in Candler sand soil are considered severely limited due to seepage, piping and instability of the soils. This limitation will be overcome by designing slopes at 1 vertical to 3 horizontal, installation of clay cores in areas of potential seepage problems and stabilization of surface soils immediately after construction.

For dwellings, differential settlement could be considered a concern due to the bottom slope of the soil. After site design has developed further and more information is available relating to the depths and types of underlying soils in this area, it may be necessary to drill additional borings and develop specific geotechnical recommendations for site soil preparation to mitigate the potential differential settlement.

The severe limitations identified by the SCS for ponds, refers to the deep water table and difficulty in maintaining pond water levels. Where permanent water features are proposed, this limitation will be overcome by lining pond bottoms and side slopes with clay or synthetic liners designed for that purpose.



Severe limitations for embankments, relating to the non-cohesive nature of the on-site soils, will be overcome by proper design of retention pond side slopes and provision for appropriate erosion control measures, such as sodding the surface immediately after construction. Wet and dry retention basin side slopes will be designed with the least slope practical to prevent slumping and mass wasting. Slopes will be sodded with appropriate grass cover to prevent slope erosion and sedimentation in retention ponds.

The severe limitation for sewage lagoons is related to storage of untreated or primary treated domestic wastewater in unlined storage basins. Sewage lagoons are not proposed for the development. Wet-weather and emergency storage for reclaimed water from the on-site treatment plant will be provided in constructed basins with synthetic or clay liners. The drainage retention areas proposed as permanent water bodies and designed to accept stormwater and reclaimed water for distribution to the reuse system will also be lined to prevent exfiltration to groundwaters. Rapid-rate effluent disposal ponds are not proposed.

To minimize wind erosion problems, construction will be performed in phases such that large uncovered surfaces will not exist for significant periods of time. Sodding and dust control watering will be an integral part of erosion control measures during construction. This will eliminate the majority of potential wind erosion problems. If unexpected soil blowing and dust generation becomes evident during construction activities, a program of surface watering silt screen fencing will be implemented immediately to reduce the potential for soil transport.

Water soil erosion is not considered likely to be a problem due to the high infiltration capabilities of the soil. The Candler sands are included in the SCS Hydrologic Group A, considered to have the lowest runoff potential. Development features such as roads and parking lots could influence water soil erosion. This will be addressed by constructing stormwater drainage features in an integrated manner with features, which will diminish the likelihood for water erosion. If water/soil erosion becomes a problem during construction, appropriate methods, such as installation of silt/sand screens in drainageways, will be used to mitigate erosion potentials.

Other than localized grading of areas, the site will not be altered significantly. It is not intended to import any fill from off-site areas. The site development plan will strive for a complete cut-and-fill balance to reduce or eliminate the need for disposal of excess soils.

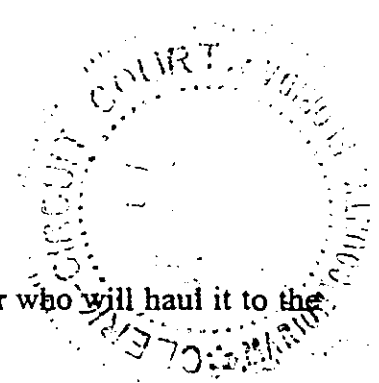
## SOLID AND HAZARDOUS WASTE

FROM THE ADD -

LEVEL OF SERVICE AFTER PROJECT BUILDOUT:

- 5.5 lbs/per person per day for residential
- 5.5 lbs/per 100 square feet for commercial

Solid Waste removal will be contracted to a private trash hauler who will haul it to the Marion County Landfill.



The calculations used to determine the quantities of solid waste that are anticipated to be generated by this project were based on the solid waste LOS referenced in the Marion County Comprehensive Plan. Although the Developer will implement a curbside recycling program for the collection of co-mingled plastic, paper and aluminum, there has been no offset in the Level of Service for Solid Waste taken.

*FROM THE FIRST COMPLETENESS RESPONSE -*

The developer will, through the solid waste hauler now under long term contract with the project, establish a semi-annual or quarterly program (depending on demand) that places a receptacle for household hazardous waste at a centrally located position for at least one week. This will be more convenient for residents than taking such waste to the landfill or a County recycling center.

**HURRICANE**

*FROM THE ADD -*

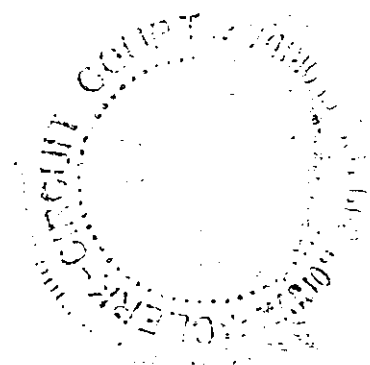
Spruce Creek South Utilities personnel will maintain emergency generators at its water and sewer facilities to insure that water and sewer service is maintained during emergency situations such as hurricanes.

**HOUSING**

*From The ADD -*

All of the lots in Del Webb's Spruce Creek Country Club will be sold with constructed dwelling units. All lots will be improved to include: streets, drainage, water, electric, natural gas, telephone lines and cable hook-up.

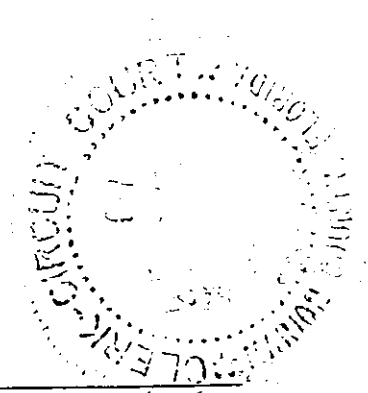
Del Webb's Spruce Creek Country Club marketing efforts will be directed toward retiree-aged individuals/couples. Most of the target market are 55 years of age or older who are looking for a quality site-built home in a secured community with on-site golf courses and other typical amenities associated with retirement living. There will be no active marketing of homes for sale as second, income, or vacation property.



COMPOSITE EXHIBIT D

Fire Station Building "Before" Floor Plan  
Fire Station Building "After" Floor Plan

1  
2



**Exhibit L - Description of Old Well Site 050815.00044  
Number of ERCS from October 1, 1999 through Closing  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.**

EXHIBIT L

Description of Old Well-Site

See attached.

Parcel 14:**Water Treatment Plant for Spruce Creek Golf and Country Club Water Treatment Plant:**

FROM THE NORTHWEST CORNER OF LOT 51, OF EAGLE RIDGE SUBDIVISION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 4, PAGES 192 AND 193, PUBLIC RECORDS OF MARION COUNTY, FLORIDA RUN N00°12'01"E A DISTANCE OF 170.08 FEET; THENCE RUN N89°51'17"W A DISTANCE OF 11.40 FEET; THENCE RUN N38°59'48"W A DISTANCE OF 139.44 FEET; THENCE RUN N00°00'37"W A DISTANCE OF 68.75 FEET; THENCE RUN N23°40'10"W A DISTANCE OF 154.16 FEET; THENCE RUN S89°57'21"W A DISTANCE OF 375.31 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF S.E. 140<sup>TH</sup> LANE ROAD; THENCE RUN N00°12'01"E ALONG SAID EASTERLY RIGHT-OF-WAY A DISTANCE OF 172.26 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE RUN N89°57'29"E A DISTANCE OF 277.73 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N89°57'29"E A DISTANCE OF 40.96 FEET; THENCE RUN S00°44'00"E A DISTANCE OF 13.14 FEET; THENCE RUN N89°30'40"E A DISTANCE OF 114.43 FEET; THENCE RUN N00°44'00"W A DISTANCE OF 118.46 FEET; THENCE RUN S89°30'40"W A DISTANCE OF 114.43 FEET; THENCE RUN S00°44'00"E A DISTANCE OF 80.32 FEET; THENCE RUN S89°57'29"W A DISTANCE OF 40.66 FEET; THENCE RUN S00°02'31"E A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING; ALL BEING IN SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

ORL1 #573799 v1



APPENDIX D-1

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Exhibit M - SWEC Property Description 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT M

**ZWICK Property Description**

The East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 10, Township 17 South, Range 23 East.

Exhibit N - Description of New Well-Site 050815.00041  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT N

Description of New Well-Site

See attached.

ORL1 #573637 v1



Schedule 1 - Utility Assets 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

Spruce Creek South Utilities, Inc.  
Schedule of Tool and Equipment  
June 30, 2000

<u>Asset Description</u>		<u>Plant Equipment</u>
Mics Tools		7,279.16
Caterpillar 3208 Diesel Electric Set		35,398.70
ISCO UniMag 6" Magmeter with 316SS Electrodes	2,247.00	
ISCO Uni-Directional Converter	1,492.65	
Honeywell Standard Pen Truline Recorder	2,470.36	
System Installation	<u>1,605.00</u>	7,815.01
Vacuum Regulator		1,643.00
Vacuum Regulator		<u>3,814.20</u>
Total		<u>55,950.07</u>
Plus: Itron handheld meter reading devices and cradles		

APPENDIX D-1

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Schedule 3(g) (i) – Real Property      050815.00044  
(owned by Seller and/or Developer own and conveyed  
to Buyer)  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.



**SCHEDULE 3(g)(i)**

**Real Property**

See attached.

**EXHIBIT 3(g)(i)****List of Real Property****Parcel 1:****Lift Station in Spruce Creek Golf Country Club Sawgrass:**

TRACT "E" ACCORDING TO THE PLAT OF SPRUCE CREEK GOLF AND COUNTRY CLUB SAWGRASS AS RECORDED IN PLAT BOOK 5, PAGES 75 - 77, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 3 AND 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 2:****Lift Station in Spruce Creek Golf Country Club Candlestone:**

TRACT "G" ACCORDING TO THE PLAT OF SPRUCE CREEK GOLF AND COUNTRY CLUB CANDLESTONE AS RECORDED IN PLAT BOOK 4, PAGES 45 - 46, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 9 AND 16, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 3:****Lift Station in Spruce Creek Golf Country Club Reston:**

TRACT "D" ACCORDING TO THE PLAT OF SPRUCE CREEK GOLF AND COUNTRY CLUB RESTON AS RECORDED IN PLAT BOOK 5, PAGES 1 - 2, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 4:****Lift Station in Spruce Creek South XII:**

TRACT "A" ACCORDING TO THE PLAT OF SPRUCE CREEK SOUTH XII AS RECORDED IN PLAT BOOK 2, PAGES 190 - 191, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 34 AND 35, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 5:****Lift Station in Spruce Creek South VIIB:**

TRACT "A" ACCORDING TO THE PLAT OF SPRUCE CREEK SOUTH VIIB AS RECORDED IN PLAT BOOK 2, PAGES 120 - 121, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 35 AND 36, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 6:****Lift Station in Spruce Creek South XIII:**

TRACT "A" ACCORDING TO THE PLAT OF SPRUCE CREEK SOUTH XIII AS RECORDED IN PLAT BOOK 3, PAGES 12 - 13, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 35, TOWNSHIP 17 SOUTH RANGE 23 EAST.

**Parcel 7:****Lift Station in Spruce Creek South VIIA:**

TRACT "C", ACCORDING TO THE PLAT OF SPRUCE CREEK SOUTH VIIA AS RECORDED IN PLAT BOOK 2, PAGES 90 - 91, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 35 AND 36, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 8:****Lift Station in Spruce Creek South IX:**

TRACT "A", ACCORDING TO THE PLAT OF SPRUCE CREEK SOUTH IX, AS RECORDED IN PLAT BOOK 2, PAGES 139 - 140, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 34, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 9:****Lift Station in Spruce Creek South X:**

TRACT "A" ACCORDING TO THE PLAT OF SPRUCE CREEK SOUTH X AS RECORDED IN PLAT BOOK 2, PAGES 155 - 156, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 34 AND 35, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 10:****Lift Station in Spruce Creek South XV:**

THAT PORTION OF TRACT "F" OF SPRUCE CREEK XV, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGES 97 - 98, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 34, TOWNSHIP 17 SOUTH, RANGE 23 EAST DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF ABOVE SAID TRACT "F" RUN S89°35'15"W ALONG THE NORTH LINE THEREOF A DISTANCE OF 240.00 FEET TO THE POINT OF BEGINNING, THENCE CONTINUE S89°35'15"W A DISTANCE OF 75.00 FEET, THENCE DEPARTING SAID NORTH LINE RUN S00°41'05"E A DISTANCE OF 70.00 FEET; THENCE RUN N 89°35'15"E A DISTANCE OF 75.00 FEET TO THE WEST LINE OF THE EAST 240.00 FEET OF SAID TRACT "F"; THENCE RUN N00°41'05"W ALONG SAID WEST LINE A DISTANCE OF 70.00 FEET TO THE POINT OF BEGINNING.

**Parcel 11:****Waste Water Treatment Plant:**

THAT PORTION OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA DESCRIBED AS FOLLOWS:

FROM THE NORTHWEST CORNER OF THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 10 RUN S00°12'48"W ALONG THE WEST LINE OF THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ A DISTANCE OF 128.57 FEET; THENCE RUN N89°55'49"E A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N89°55'49"E A DISTANCE OF 368.28 FEET; THENCE RUN N00°06'07"W A DISTANCE OF 127.15 FEET; THENCE RUN S89°52'31"E A DISTANCE OF 49.50 FEET; THENCE RUN N00°06'07"W A DISTANCE OF 182.64 FEET; THENCE RUN N89°53'01"E A DISTANCE OF 216.66 FEET; THENCE RUN S55°50'29"E A DISTANCE OF 210.84 FEET; THENCE RUN S00°03'03"E A DISTANCE OF 241.20 FEET; THENCE RUN S89°55'49"W A DISTANCE OF 548.14 FEET; THENCE RUN S00°12'39"W A DISTANCE OF 435.68 FEET TO A POINT ON A LINE THAT IS 50.00 FEET, NORTH OF, (BY PERPENDICULAR MEASURE), FROM THE SOUTH LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 10; THENCE ALONG SAID LINE RUN N89°53'54"W A DISTANCE OF 260.64 FEET TO A POINT ON A LINE THAT IS 50.00 FEET EAST OF, (BY PERPENDICULAR MEASURE), FROM THE WEST LINE OF THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼; THENCE RUN N00°12'48"E ALONG SAID LINE A DISTANCE OF 484.90 FEET TO THE POINT OF BEGINNING.

**Parcel 12:****Lift Station for Spruce Creek Preserve V:**

TRACT "G" OF SPRUCE CREEK PRESERVE V, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 4, PAGES 64 AND 65, PUBLIC RECORDS OF MARION COUNTY, FLORIDA; BEING IN SECTION 16, TOWNSHIP 17 SOUTH, RANGE 20 EAST.

Parcel 13:**Water Treatment Plant for Spruce Creek Preserve I:**

TRACT "B" OF SPRUCE CREEK PRESERVE I, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 4, PAGES 1 AND 2, PUBLIC RECORDS OF MARION COUNTY, FLORIDA; BEING IN SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST; TOGETHER WITH A 15.00 FOOT WIDE INGRESS AND EGRESS EASEMENT LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

FROM THE NORTHEAST CORNER OF ABOVE MENTIONED TRACT "B" RUN S89°59'39"W ALONG THE NORTH LINE THEREOF A DISTANCE OF 14.14 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID NORTH LINE RUN N01°09'50"W A DISTANCE OF 12.08 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 22.73 FEET, THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29°34'19" A DISTANCE OF 11.73 FEET TO THE POINT OF TANGENCY; THENCE RUN N30°44'09"W A DISTANCE OF 15.50 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 89.37 FEET, THENCE RUN NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 31°15'21" A DISTANCE OF 48.75 FEET TO THE POINT OF TANGENCY; THENCE RUN N00°31'12"E A DISTANCE OF 150.08 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 26.58 FEET, THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°34'04" A DISTANCE OF 42.01 FEET TO THE POINT OF TANGENCY; THENCE RUN S89°57'09"W A DISTANCE OF 38.03 FEET; THENCE RUN N00°02'51" W A DISTANCE OF 47.09 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF S.W. 136<sup>TH</sup> PLACE AND THE POINT OF TERMINUS.

**Lift Station for Spruce Creek Preserve I:**

TRACT "A" OF SPRUCE CREEK PRESERVE I, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 4, PAGES 1 AND 2, PUBLIC RECORDS OF MARION COUNTY, FLORIDA; BEING IN SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST.

Parcel 14:**Water Treatment Plant for Spruce Creek Golf and Country Club Water Treatment Plant:**

FROM THE NORTHWEST CORNER OF LOT 51, OF EAGLE RIDGE SUBDIVISION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 4, PAGES 192 AND 193, PUBLIC RECORDS OF MARION COUNTY, FLORIDA RUN N00°12'01"E A DISTANCE OF 170.08 FEET; THENCE RUN N89°51'17"W A DISTANCE OF 11.40 FEET; THENCE RUN N38°59'48"W A DISTANCE OF 139.44 FEET; THENCE RUN N00°00'37"W A DISTANCE OF 68.75 FEET; THENCE RUN N23°40'10"W A DISTANCE OF 154.16 FEET; THENCE RUN S89°57'21"W A DISTANCE OF 375.31 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF S.E. 140<sup>TH</sup> LANE ROAD; THENCE RUN N00°12'01"E ALONG SAID EASTERLY RIGHT-OF-WAY A DISTANCE OF 172.26 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE RUN N89°57'29"E A DISTANCE OF 277.73 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N89°57'29"E A DISTANCE OF 40.96 FEET; THENCE RUN S00°44'00"E A DISTANCE OF 13.14 FEET; THENCE RUN N89°30'40"E A DISTANCE OF 114.43 FEET; THENCE RUN N00°44'00"W A DISTANCE OF 118.46 FEET; THENCE RUN S89°30'40"W A DISTANCE OF 114.43 FEET; THENCE RUN S00°44'00"E A DISTANCE OF 80.32 FEET; THENCE RUN S89°57'29"W A DISTANCE OF 40.66 FEET; THENCE RUN S00°02'31"E A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING; ALL BEING IN SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

Parcel 15:

THAT PORTION OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 2, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA DESCRIBED AS FOLLOWS:

FROM THE NORTHWEST CORNER OF SAID SECTION 2, RUN N89°42'07"E ALONG THE NORTH LINE OF THE NORTHWEST ¼ OF SECTION 2, (SAID LINE ALSO BEING THE SOUTH LINE OF SPRUCE CREEK SOUTH IV, AS RECORDED IN PLAT BOOK 1, PAGES 178 - 179, PUBLIC RECORDS OF MARION COUNTY, FLORIDA), A DISTANCE OF 1325.15 FEET TO THE EAST LINE OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 2; THENCE RUN S00°06'31"E ALONG SAID LINE A DISTANCE OF

175.00 FEET; THENCE RUN S89°42'07"W A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S89°42'07"W A DISTANCE OF 50.00 FEET; THENCE RUN S00°06'31"E A DISTANCE OF 50.00 FEET; THENCE RUN N89°42'07"E A DISTANCE OF 50.00 FEET; THENCE RUN N00°06'31"W A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING.

**Parcel 16:****Water Treatment Plant for Spruce Creek South:**

THAT PORTION OF THE NORTHWEST ¼ OF SECTION 2, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA DESCRIBED AS FOLLOWS:

FROM THE SOUTHWEST CORNER OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 2, RUN N89°41'31"E ALONG THE SOUTH LINE OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ A DISTANCE OF 250.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N89°41'31"E A DISTANCE OF 5.00 FEET TO THE EAST LINE OF THE WEST 255.00 FEET OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼; THENCE RUN S00°06'31"E ALONG SAID EAST LINE A DISTANCE OF 540.00 FEET TO THE SOUTH LINE OF THE NORTH 540.00 FEET OF THE SOUTH ¼ OF THE NORTHWEST ¼; THENCE RUN S89°41'31"W ALONG SAID SOUTH LINE A DISTANCE OF 780.00 FEET TO THE WEST LINE OF THE EAST 525.00 FEET OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼; THENCE RUN N00°06'31"W ALONG SAID LINE A DISTANCE OF 443.00 FEET TO THE POINT ON A LINE THAT IS 97.00 FEET SOUTH OF (BY PERPENDICULAR MEASURE) THE NORTH LINE OF THE SOUTH ¼ OF THE NORTHWEST ¼; THENCE RUN N 89°41'31"E ALONG SAID LINE A DISTANCE OF 553.30 FEET; THENCE DEPARTING SAID LINE RUN N14°05'04"E A DISTANCE OF 241.58 FEET TO THE NORTH LINE OF THE SOUTH 137.00 FEET OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ THENCE RUN N89°41'31"E ALONG SAID LINE A DISTANCE OF 162.48 FEET TO THE EAST LINE OF THE WEST 250.00 FEET OF THE NORTHEAST ¼ OF THE NORTHWEST ¼; THENCE RUN S00°06'31"E A DISTANCE OF 137.00 FEET TO THE POINT OF BEGINNING.

**Parcel 17:****Lift Station:**

DELETED.

**Parcel 18:****Ingress & Egress Easement from Waste Water Treatment Plant:**

A 20.00 FOOT WIDE STRIP OF LAND LOCATED IN SECTION 34, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA, AND IN SECTIONS 2 AND 3, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, THE CENTERLINE OF WHICH BEING DESCRIBED AS FOLLOWS:

FROM THE SOUTH ¼ CORNER OF ABOVE SAID SECTION 34 RUN N89°40'26"E ALONG THE SOUTH LINE OF THE SOUTHEAST ¼ OF SECTION 34, SAID LINE ALSO BEING THE SOUTH LINE OF SPRUCE CREEK SOUTH IXA AS RECORDED IN PLAT BOOK 2, PAGES 147 - 148, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, A DISTANCE OF 60.00 FEET TO THE EAST LINE OF A PERIMETER ROAD EASEMENT AS SHOWN ON SAID PLAT; THENCE RUN N00°31'22"W ALONG SAID EAST LINE A DISTANCE OF 148.10 FEET TO THE POINT OF BEGINNING; THENCE RUN S38°47'31"E A DISTANCE OF 77.47 FEET; THENCE RUN S64°44'43"E A DISTANCE OF 91.51 FEET; THENCE RUN S74°57'22"E A DISTANCE OF 128.00 FEET; THENCE RUN S67°02'55"E A DISTANCE OF 480.54 FEET; THENCE RUN S51°08'38"E A DISTANCE OF 166.51 FEET; THENCE RUN S44°43'14"E A DISTANCE OF 455.91 FEET; THENCE RUN S51°59'25"E A DISTANCE OF 539.85 FEET; THENCE RUN S59°18'51"E A DISTANCE OF 152.53 FEET; THENCE RUN S72°25'00"E A DISTANCE OF 172.05 FEET; THENCE RUN S64°53'54" E A DISTANCE OF 129.66 FEET; THENCE RUN S46°18'29"E A DISTANCE OF 909.80 FEET; THENCE RUN S65°05'49"E A DISTANCE OF 263.62 FEET; THENCE RUN S86°14'19"E A DISTANCE OF 509.21 FEET; THENCE RUN N89°09'21"E A DISTANCE OF 807.91 FEET; THENCE RUN N00°48'43"E A DISTANCE OF 500.83 FEET; THENCE RUN S89°53'29"W A DISTANCE OF 26.47 FEET TO THE EAST LINE OF THE WEST 255.00 FEET OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF ABOVE MENTIONED SECTION 2, TOWNSHIP 18 SOUTH, RANGE 23 EAST AND THE POINT OF TERMINUS OF SAID CENTERLINE.

Parcel 19:**Waste Water Treatment Plant Site for Spruce Creek Preserve :**

THAT PORTION OF THE NORTHEAST ¼ OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA BEING FURTHER DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF SAID SECTION 9 RUN S89°47'24"W ALONG THE NORTH LINE OF THE NORTHEAST ¼ THEREOF A DISTANCE OF 50.00 FEET TO A POINT ON A LINE THAT IS 50.00 FEET WEST OF (BY PERPENDICULAR MEASUREMENT) THE EAST LINE OF THE NORTHEAST ¼ OF SECTION 9: THENCE RUN S00°05'47"E ALONG SAID LINE A DISTANCE OF 281.02 FEET TO THE POINT OF BEGINNING:

THENCE CONTINUE S00°05'47"E A DISTANCE OF 1238.98 FEET; THENCE RUN N89°47'24"E A DISTANCE OF 50.00 FEET TO THE ABOVE SAID EAST LINE OF THE NORTHEAST ¼ OF SECTION 9; THENCE ALONG SAID EAST LINE RUN S00°05'47"E A DISTANCE 83.86 FEET; THENCE DEPARTING SAID EAST LINE RUN S85°02'02" W A DISTANCE OF 222.87 FEET; THENCE RUN N22°21'20"W A DISTANCE OF 299.83 FEET; THENCE RUN N00°31'35"E A DISTANCE OF 1087.01 FEET; THENCE RUN N07°00'03"E A DISTANCE OF 214.95 FEET; THENCE RUN S78°42'09"E A DISTANCE OF 129.86 FEET; THENCE RUN S10°16'07"W A DISTANCE OF 44.14 FEET; THENCE RUN N89°54'13"E A DISTANCE OF 106.47 FEET; THENCE RUN S00°05'47"E A DISTANCE OF 97.02 FEET; THENCE RUN S89°54'13"W A DISTANCE OF 124.22 FEET; THENCE RUN S10°16'07"W A DISTANCE OF 71.17 FEET; THENCE RUN N89°54'13"E A DISTANCE OF 158.55 FEET TO THE POINT OF BEGINNING.

**Sanitary Sewer Easement and Access for Spruce Creek Preserve:**

A 30 FOOT WIDE STRIP OF LAND IN THAT PART OF SECTIONS 4 AND 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, LYING SOUTH AND EAST OF STATE ROAD NO. 200 (100 FEET WIDE) AND BEING DESCRIBED AS THOSE LANDS LYING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY RIGHT OF WAY LINE OF STATE ROAD NO. 200 (100 FEET WIDE) WITH A LINE PARALLEL AND 65.00 FEET WEST OF THE EAST BOUNDARY OF SECTION 4, TOWNSHIP 17 SOUTH, RANGE 20 EAST, PROCEED THENCE S00°09'31"E, ALONG SAID LINE 326.05 FEET TO A POINT ON THE NORTH BOUNDARY OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, SAID POINT BEING S89°47'24"W 65.00 FEET FROM THE NORTHEAST CORNER THEREOF; THENCE S00°05'47"E, PARALLEL TO THE EAST BOUNDARY OF SAID SECTION 9, A DISTANCE OF 1535.00 FEET; THENCE N89°47'24" E, 50.00 FEET; THENCE S00°05'47"E, ALONG A LINE PARALLEL TO AND 15.00 FEET WEST OF SAID EAST BOUNDARY 1123.54 FEET TO THE SOUTH BOUNDARY OF THE NORTHEAST ¼ OF SAID SECTION 9; THENCE S00°00'21"E, ALONG A LINE PARALLEL TO AND 15.00 FEET WEST OF THE EAST BOUNDARY OF THE SOUTHEAST ¼ OF SAID SECTION 9, A DISTANCE OF 447.79 FEET; THENCE S89°59'39"W 176.79 FEET; THENCE S54°00'50"W 85.96 FEET; THENCE S13°59'50"W 136.28 FEET; THENCE S15°33'27"E 90.14 FEET; THENCE S00°00'21"E 337.95 FEET; THENCE S89°59'39"W 238.13 FEET; THENCE S00°00'21"E 30.00 FEET; THENCE S89°59'39"W 835.37 FEET TO A POINT ON THE EAST BOUNDARY OF SPRUCE CREEK PRESERVE, PHASE 1 (PROPOSED), SAID POINT BEING 15.00 FEET SOUTH OF THE NORTH RIGHT OF WAY LINE OF A 100 FOOT WIDE STREET, AND BEING THE TERMINATION OF THIS CENTER LINE DESCRIPTION, ALL BEING IN MARION COUNTY, FLORIDA.

**Ingress and Egress Easement No. 1:**

A 15.00 FOOT WIDE INGRESS AND EGRESS EASEMENT IN THE SOUTHEAST ¼ OF SECTION 4 AND IN THE NORTHEAST ¼ OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

FROM THE SOUTHEAST CORNER OF ABOVE SAID SECTION 4 RUN N00°09'31"W ALONG THE EAST LINE OF THE SOUTHEAST ¼ OF SECTION 4, A DISTANCE OF 398.90 FEET TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF STATE ROAD 200; THENCE RUN S41°54'55"W ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 310.41 FEET TO THE POINT OF BEGINNING:

THENCE DEPARTING SAID RIGHT-OF-WAY LINE RUN S34°09'06"E A DISTANCE OF 86.58 FEET; THENCE RUN S00°04'46"E A DISTANCE OF 171.97 FEET; THENCE RUN S09°51'03"W A DISTANCE OF 39.24 FEET TO THE POINT OF TERMINUS OF SAID CENTERLINE.

**Ingress and Egress Easement No. 2:**

A 15.00 FOOT WIDE INGRESS AND EGRESS EASEMENT IN THE NORTHEAST ¼ OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

FROM THE NORTHEAST CORNER OF SAID SECTION 9 RUN S89°47'24"W ALONG THE NORTH LINE OF THE NORTHEAST ¼ THEREOF A DISTANCE OF 50.00 FEET TO A POINT ON A LINE THAT IS 50.00 FEET WEST OF, (BY PERPENDICULAR MEASUREMENT) THE EAST LINE OF THE NORTHEAST ¼ OF SECTION 9; THENCE RUN S00°05'47"E ALONG SAID LINE A DISTANCE OF 281.02 FEET THENCE DEPARTING SAID LINE RUN S89°54'13"W A DISTANCE OF 145.83 FEET TO THE POINT OF BEGINNING:

THENCE RUN N09°51'03"E A DISTANCE OF 71.08 FEET TO THE POINT OF TERMINUS OF SAID CENTERLINE.

**Parcel 20:**

**Easement No. 3:**

**Easement No. 4:**

DELETED

**Parcel 21:**

**Water Blowoff Valve for Spruce Creek South II:**

TRACT "T" ACCORDING TO THE PLAT OF SPRUCE CREEK SOUTH II AS RECORDED IN PLAT BOOK 1, PAGES 100 - 101, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 35, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

**Parcel 22:**

**Lift Station:**

THAT PORTION OF THE SOUTHEAST ¼ OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA DESCRIBED AS FOLLOWS:

FROM THE SOUTHEAST CORNER OF SECTION 4, TOWNSHIP 17 SOUTH, RANGE 20 EAST, RUN N00°09'31"W ALONG THE EASTERLY LINE OF SECTION 4 A DISTANCE OF 399.07 FEET TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 200; THENCE RUN S41°54'55"W ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 3699.89 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE RUN SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00" A DISTANCE OF 39.27 FEET TO THE POINT OF TANGENCY THEREOF; THENCE RUN S48°05'05"E A DISTANCE OF 66.50 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 330.99 FEET; THENCE RUN SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 48°05'05" A DISTANCE OF 277.78 FEET TO THE POINT OF TANGENCY THEREOF; THENCE RUN S00°00'00"W A DISTANCE OF 228.53 FEET; THENCE RUN S90°00'00"E A DISTANCE OF 125.97 FEET; THENCE RUN S63°18'22"E A DISTANCE OF 206.05 FEET; THENCE RUN S00°00'00"W A DISTANCE OF 224.33 FEET; THENCE RUN S26°41'38"W A DISTANCE OF 58.06 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE S26°41'38"W A DISTANCE OF 20.27 FEET; THENCE RUN S72°40'01"E A DISTANCE OF 19.88 FEET; THENCE RUN N17°19'59"E A DISTANCE OF 20.00 FEET; THENCE RUN N72°40'01"W A DISTANCE OF 16.58 FEET TO THE POINT OF BEGINNING.

**Access Easement for Lift Station:**

THOSE PARTS OF THE NORTHWEST ¼ THE NORTHEAST ¼ AND THE SOUTHEAST ¼ OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 4; THENCE NORTH 00°09'31" WEST ALONG THE EASTERLY LINE OF SAID SECTION 4 FOR 399.07 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD NUMBER 200 (100.00 FOOT WIDE RIGHT-OF-WAY); THENCE SOUTH 41°54'55" WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE FOR 3699.89 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 41°54'55" WEST FOR 100.00 FEET TO THE POINT OF CUSP WITH A CIRCULAR CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE FROM A RADIAL BEARING OF NORTH 48°05'05" WEST, EASTERLY ALONG THE ARC OF SAID CURVE HAVING A CENTRAL ANGLE OF 90°00'00" FOR A DISTANCE OF 39.27 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 48°05'05" EAST FOR 66.50 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE SOUTHWESTERLY THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 280.99 FEET AND A CENTRAL ANGLE OF 48°05'05" FOR A DISTANCE OF 235.82 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 00°00'00" EAST FOR 228.53 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE WESTERLY; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 475.00 FEET AND A CENTRAL ANGLE OF 26°41'38" FOR A DISTANCE OF 221.30 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 26°41'38" WEST FOR 467.43 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE EASTERLY; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 205.00 FEET AND A CENTRAL ANGLE OF 26°41'59" FOR A DISTANCE OF 95.53 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 00°00'21" EAST FOR 91.56 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'00" FOR A DISTANCE OF 39.27 FEET TO A POINT; THENCE FROM A RADIAL BEARING OF SOUTH 00°00'21" EAST, RUN NORTH 80°59'39" EAST FOR 100.00 FEET TO THE POINT OF CUSP WITH A CIRCULAR CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE FROM A RADIAL BEARING OF SOUTH 00°00'21" EAST, NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A CENTRAL ANGLE OF 90°00'00" FOR A DISTANCE OF 39.27 FEET TO THE POINT OF TANGENCY; THENCE NORTH 00°00'21" WEST FOR 91.56 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 155.00 FEET AND A CENTRAL ANGLE OF 26°41'59" FOR A DISTANCE OF 72.23 FEET TO THE POINT OF TANGENCY; THENCE NORTH 26°41'38" EAST FOR 336.00 FEET; THENCE SOUTH 63°18'22" EAST FOR 78.80 FEET; THENCE NORTH 78°21'49" EAST FOR 81.78 FEET; THENCE SOUTH 63°18'22" EAST FOR 220.46 FEET; THENCE NORTH 26°41'38" EAST FOR 172.72 FEET; THENCE NORTH 00°00'00" EAST FOR 224.33 FEET; THENCE NORTH 63°18'22" WEST FOR 206.05 FEET; THENCE NORTH 90°00'00" WEST FOR 125.97 FEET; THENCE NORTH 00°00'00" EAST FOR 228.53 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 330.99 FEET AND A CENTRAL ANGLE OF 48°05'05" FOR A DISTANCE OF 277.78 FEET TO THE POINT OF TANGENCY; THENCE NORTH 48°05'05" WEST FOR 66.50 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'00" FOR A DISTANCE OF 39.27 FEET TO THE POINT OF BEGINNING.

**Parcel 23:****Lift Station for Spruce Creek Golf and Country Club Tammeron:**

TRACT "H" ACCORDING TO THE PLAT OF SPRUCE CREEK GOLF AND COUNTRY CLUB TAMMERON AS RECORDED IN PLAT BOOK 5, PAGES 135 - 136, PUBLIC RECORDS OF MARION COUNTY, FLORIDA, IN SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST.



**Parcel 24:**

**Spruce Creek South Water Plant Site and Wells:**

COMMENCE AT THE NORTHWEST CORNER OF THE SOUTHWEST ¼ OF SECTION 35, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA; THENCE N89°41'44"E ALONG THE NORTH LINE OF SAID SOUTHWEST ¼, 1253.40 FEET; THENCE S00°18'36"E A DISTANCE OF 590.14 FEET; THENCE N89°41'24"E A DISTANCE OF 175.00 FEET TO THE POINT OF BEGINNING;

THENCE N89°41'24"E A DISTANCE OF 150.00 FEET; THENCE S00°18'36"E A DISTANCE OF 123.00 FEET; THENCE S89°41'24"W A DISTANCE OF 150.00 FEET; THENCE N00°18'36"W A DISTANCE OF 123.00 FEET TO THE POINT OF BEGINNING.

**Ingress and Egress Easement for Spruce Creek South Water Plant Site and Wells:**

FROM U.S. HIGHWAY 441/27 PROCEED WESTERLY ON S.E. 176<sup>TH</sup> STREET THROUGH SPRUCE CREEK SOUTH I, II, AND III, AS RECORDED IN PLAT BOOK 1, PAGES 62 AND 63, 100 AND 101, AND 144 THRU 146 RESPECTIVELY, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA TO THE INTERSECTION OF S.E. 102<sup>ND</sup> AVENUE; THENCE NORTHERLY ON S.E. 102<sup>ND</sup> AVENUE, ALSO BEING IN SAID SPRUCE CREEK SOUTH III, FOR 240.00 FEET TO A POINT, SAID POINT BEING ON THE CENTERLINE OF SAID S.E. 102<sup>ND</sup> AVENUE AND THE INTERSECTION OF A 20.00 FOOT WIDE PAVED ASPHALTIC CONCRETE EASEMENT; THENCE N89°41'24"E ALONG SAID CENTERLINE FOR 220.00 FEET TO A POINT, SAID POINT BEING THE CENTERLINE OF A 20.00 FOOT WIDE EASEMENT, THENCE N00°18'36"W FOR 55.50 FEET TO THE ABOVE DESCRIBED PROPERTY.

Schedule 3(g)(i)(A) - Liens 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc.  
and Del Webb's Spruce Creek Communities, Inc.

**As to Parcel 15:**

13. Easement granted in favor of Spruce Creek South Utilities filed March 13, 1996 in Official Records Book 584, Page 549; re-recorded March 20, 1996 in Official Records Book 585, Page 372, Public Records of Sumter County, Florida.
14. Deed of Conservation Easement in favor of Florida Game and Fresh Water Fish Commission filed September 22, 1995 in Official Records Book 493, Page 497, Public Records of Sumter County, Florida.

**As to Parcel 16:**

15. Easement granted in favor of Spruce Creek South Utilities filed March 13, 1996 in Official Records Book 584, Page 549; re-recorded March 20, 1996 in Official Records Book 585, Page 372, Public Records of Sumter County, Florida.
16. Deed of Conservation Easement in favor of Florida Game and Fresh Water Fish Commission filed September 22, 1995 in Official Records Book 493, Page 497, Public Records of Sumter County, Florida.
17. Distribution Easement in favor of Florida Power Corporation filed September 9, 1991 in Official Records Book 437, Page 473, Public Records of Sumter County, Florida.

**As to Parcel 17:**

18. Matters as reflected on the Plat of Oakland Hills.

**As to Parcel 18:**

19. Easement granted in favor of Spruce Creek South Utilities filed March 13, 1996 in Official Records Book 584, Page 549; re-recorded March 20, 1996 in Official Records Book 585, Page 372, Public Records of Sumter County, Florida.
20. Deed of Conservation Easement in favor of Florida Game and Fresh Water Fish Commission filed September 22, 1995 in Official Records Book 493, Page 497, Public Records of Sumter County, Florida.
21. Deed of Conservation Easement filed September 22, 1993 in Official Records Book 1960, Page 1983, Public Records of Marion County, Florida.
22. Drainage Easement Executed by Spruce Creek Development Company of Ocala, Inc. filed December 29, 1997 in Official Records Book 471, Page 466, Public Records of Sumter County, Florida.

**As to Parcel 19:**

23. Easement filed May 10, 1996 in Official Records Book 2247, Page 124, Public Records of Marion County, Florida.

**As to Parcel 20:**

24. Easement filed May 10, 1996 in Official Records Book 2247, Page 124, Public Records of Marion County, Florida.

Schedule 3(g)(ii) – Leased Property      050815.00044  
(property leased or subleased to Seller)  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

**List of Real Property Leased or Subleased to Seller**

- Lease Agreement dated July 8, 1996 between Spruce Creek Golf & Country Club, Inc. and Spruce Creek South Utilities, Inc. recorded at OR Book/Page: 2265/662 in Marion County, Florida. – to be terminated.
- Lease Agreement dated July 9, 1996 between Spruce Creek Golf & Country Club, Inc. and Spruce Creek South Utilities, Inc. recorded at OR Book/Page: 2266/739 in Marion County, Florida. – to be terminated.

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Schedule 3(h) - Written Contracts and 050815.00044  
Other Written Materials  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

<u>Description</u>	<u>Amount</u>
Earl's Well Drilling - \$12,870 Misc. Materials and Equipment – Work Order	\$12,870.00
Farner Barley - \$21,000 Spruce Creek South WTP Upgrades Engineering Profession Services Agreement	\$21,000.00
Farner Barley - \$87,670 Spruce Creek Country Club WTP Engineering Profession Services Agreement	\$42,466.00 remaining
Andreyev Engineering - \$4,800 Spruce Creek Country Club Consumptive Use Permit Review	\$ 4,800.00
Andreyev Engineering - \$4,210 Spruce Creek Country Club – WTP Geotechnical Investigation	\$ 4,210.00
Andreyev Engineering Spruce Creek South and Preserve Quarterly Monitoring	\$ 860.00 per site
WPC Industrial Contractors, LTD - \$755,446 Spruce Creek South WWTF Expansion	\$102,037.78 remaining
McMahan Construction Company, Inc. - \$134,800 Spruce Creek Country Club Reuse facilities	\$134,800.00
Farner Barley - \$45,600 Spruce Creek South WWTP Expansion Engineering Profession Services Agreement	\$ 31,038.00 remaining
Farner Barley - \$26,100 Spruce Creek Country Club WWTP Expansion Engineering Profession Services Agreement	\$15,990.00 remaining
Farner Barley - \$4,000 Spruce Creek Country Club Work Order Water Supply Wells	\$ 2,200.00
H <sup>2</sup> O Utility Services, Inc. Environmental Sampling and Testing Services	Monthly
H <sup>2</sup> O Utility Services, Inc. Operational Services Agreement	Monthly

Special Agreement for Villa Irrigation Water  
between Spruce Creek Preserve Homeowners'  
Association, Inc. and Spruce Creek South  
Utilities, Inc.

APPENDIX D-1

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Special Agreement for Villa Irrigation Water  
between Spruce Creek Golf & Country Club  
Homeowners' Association, Inc. and Spruce  
Creek South Utilities, Inc.

ORL1 #573612 v2



Schedule 3(i) - List of any injunction, 050815.00044  
judgment, order, etc., to which Seller was a party  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

SCHEDULE 3(i)

List of Instances where Seller was Subject to Injunctions, Judgments,  
Orders, Decrees, Rulings, etc.

None.

SCHEDULE 1

List of Equipment Included in the Definition of Utility Assets

See attached.

## Exhibit E

**A Statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.**

Except as may be set forth in the Agreement For Purchase and Sale ("Exhibit D"), pursuant to Section 367.071(2), Florida Statutes, Spruce Creek South Utilities, Inc. will remain liable for outstanding fees, fines or refunds subject to Commission regulation.

## Exhibit F

### **A statement describing the financing of the purchase.**

Florida Water has paid cash for the purchase of this utility, through funds provided by operations. As such, the Company has not relied on any entity to provide funding for the purchase.

## Exhibit G

A list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.

As mentioned in Exhibit F, Florida Water paid cash for the purchase of Spruce Creek South Utilities, Inc., so there are no entities we relied on to provide funding for the purchase. Information regarding Florida Water's general sources of funds can be provided upon request.

## Exhibit H

The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. Identify all adjustments made to update this rate base (or net book value) to the date of the proposed transfer.

The Commission has not previously established historic rate base or net book value for the Spruce Creek water or wastewater operations. Joint Applicants proposed net book values are \$1,603,358 for water and \$1,698.881 for wastewater. See Appendix H-1.

**SPRUCE CREEK**

Acct #

Description

Plant In Service

Water 4,436,068

Wastewater 4,267,004

Total 8,703,072

Reserve for Depreciation (1,122,992)

**Net Plant** 7,580,080

Contributions in Aid of Construction

Water (2,969,555)

Wastewater (2,581,000)

Total (5,550,555)

Amortization of CIAC 463,833

**Net CIAC** (5,086,722)

Miscellaneous Deferred Debits

Water 461,062

Wastewater 347,819

**Total Misc Deferred Debit** 808,881

**Total Net Book Value** 3,302,239



**SPRUCE CREEK - WATER**

<u>Acct #</u>	<u>Description</u>	<u>Bal 06/29/00</u>	
302	Franchises	14,339	
303	Land & Land Rights	114,327	
304	Structures & Improvements	245,650	
305	Coll + Imp Reservoirs	22,432	
307	Wells + Springs	145,924	
310	Power Generation Equip	45,399	
311	Pumping Equip	223,277	
320	Water Tmnt Equip	656,760	
331	Supply Mains	569,616	
331	T + D Mains	1,912,827	[1]
334	Meters + Installs	247,726	
335	Hydrants	132,125	
340	Office Equipment	9,415	
343	Tools & Shop	80,103	
344	Lab Equipment	10,873	
348	Miscellaneous Equipment	5,275	
	Total Water Plant In Svc	<u>4,436,068</u>	
108	Reserve for Depreciation	<u>(632,247)</u>	
	<b>Net Water Plant</b>	<u>3,803,821</u>	
271	Contributions in Aid of Construction	(2,969,555)	
272	Amortization of CIAC	308,030	[1]
	<b>Net Water CIAC</b>	<u>(2,661,525)</u>	
186	Miscellaneous Deferred Debits	<u>461,062</u>	
	<b>Total Net Book Value - Water</b>	<u><u>1,603,358</u></u>	

Note [1]: Additions for 2000 were allocated between water and wastewater lines lacking specific detail at time of filing.

**SPRUCE CREEK - WASTEWATER**PAGE 3 OF 3  
Bal 06/29/00

<u>Acct #</u>	<u>Description</u>		
353	Land & Land Rights	7,600	
354	Structures & Improvements	370,784	
360	Coll Sewers - Force	131,779	
361	Coll Sewers - Gravity	2,504,468	
362	Special Collection Structure	411,003	
362	Special Collection Structure	-	
364	Flow Measuring Device	981	
371	Pumping Equipment	57,932	
381	Plant Sewers	720,708	[1]
382	Outfall Sewer Lines	8,896	
389	Other Plt + Misc Equip	51,588	
390	Office Equipment	1,265	
	Total Wastewater Plant In Svc	<u>4,267,004</u>	
108	Reserve for Depreciation	<u>(490,745)</u>	
	<b>Net Wastewater Plant</b>	<u>3,776,259</u>	
271	Contributions in Aid of Construction	(2,581,000)	
272	Amortization of CIAC	<u>155,803</u>	[1]
	<b>Net Wastewater CIAC</b>	<u>(2,425,197)</u>	
186	Miscellaneous Deferred Debits	<u>347,819</u>	
	<b>Total Net Book Value - Wastewater</b>	<u><u>1,698,881</u></u>	

Note [1]: Additions for 2000 were allocated between water and wastewater lines lacking specific detail at time of filing.

## Exhibit I

A statement setting forth the reasons for the inclusion of an acquisition adjustment, if one is requested. (An acquisition adjustment results when the purchase price of the utility differs from the original cost calculations.

No acquisition adjustment is requested to be approved in the transfer docket.

## Exhibit J

If the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and books and records for inspection by the Commission and detailing the steps taken to obtain the books and records.

The PSC will have access to the books and records. Contact John Regan, Del Webb's Spruce Creek Communities, 8501 S. E. 140<sup>th</sup> Lane Road, Summerfield, FL 34491. Mr. Regan's phone number is (352) 347-0038.

## Exhibit K

A statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

Florida Water has reviewed the seller's tax returns, and seller has stated that copies of said returns are available for review and copying.

## Exhibit L

A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection (DEP).

Based on Florida Water Services review, the overall condition of the water treatment and wastewater treatment plants and effluent disposal facilities were found to be satisfactory, but in need of some maintenance. The system at this time, is in compliance with DEP and SJRWMD.

## Exhibit M

An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:

- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;
- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Director of Records and Reporting;
- (7) the appropriate regional office of the Department of Environmental Protection; and
- (8) the appropriate water management district.

THIS MAY BE A LATE-FILED EXHIBIT.

## Exhibit N

An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit.

THIS MAY BE A LATE-FILED EXHIBIT.



## Exhibit O

Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

## Exhibit P

Evidence that the utility owns the land where the utility treatment facilities are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.

Please see Appendix P-1. The documentation for the Spruce Creek South Water Plant will be filed late.

19.50  
246.40

DAVID R. ELLSPERMANN, CLERK OF CIRCUIT COURT  
FILE: 2000-061033  
DATE: 06/30/00 12:30  
OR BOOK/PAGE: 2811 / 1460  
MARION COUNTY

PAGE 1 OF 23  
APPENDIX 4-1

This instrument prepared by and after recording return to:

Robert E. McFadden, Esq.  
Holland & Knight LLP  
200 South Orange Avenue  
Suite 2600  
Orlando, Florida 32801

Deed Doc Stamps 246.40 PAID  
06/30/00 MARION COUNTY - *McFadden*

-----[SPACE ABOVE THIS LINE FOR RECORDING DATA]-----

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the 29th day of June A.D. 2000 by DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC., an Arizona corporation whose address is 8501 S. E. 140<sup>th</sup> Lane Road, Summerfield, Florida 34491, hereinafter called the grantor, to FLORIDA WATER SERVICES CORPORATION, a Florida corporation whose post office address is 1000 Color Place, Apopka, Florida 32703, hereinafter called the grantee:

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

WITNESSETH:

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

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

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

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under the said grantor; subject to taxes accruing subsequent to December 31, 2000, and easements, restrictions, reservations and encumbrances of public record; provided, however, reference thereto shall not serve to reimpose same.

IN WITNESS WHEREOF, the said grantor has hereunto set \_\_\_\_ hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

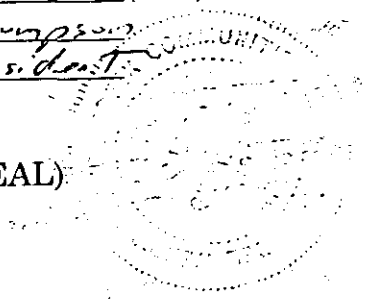
DELL WEBB'S SPRUCE CREEK COMMUNITIES, INC., an Arizona corporation

Angela Sparacello  
Signature  
Print Name: Angela Sparacello

By: [Signature] (L.S.)  
Name: Jay A. Thompson  
Title: Sr. Vice President

[Signature]  
Signature  
Print Name: John R. Raga

(CORPORATE SEAL)



FILE: 2000-061033  
OR BOOK/PAGE: 2811/1461

## Exhibit "A"

Parcel 14:

## Water Treatment Plant for Spruce Creek Golf and Country Club Water Treatment Plant:

FROM THE NORTHWEST CORNER OF LOT 51, OF EAGLE RIDGE SUBDIVISION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 4, PAGES 192 AND 193, PUBLIC RECORDS OF MARION COUNTY, FLORIDA RUN N00°12'01"E A DISTANCE OF 170.08 FEET; THENCE RUN N89°51'17"W A DISTANCE OF 11.40 FEET; THENCE RUN N38°59'48"W A DISTANCE OF 139.44 FEET; THENCE RUN N00°00'37"W A DISTANCE OF 68.75 FEET; THENCE RUN N23°40'10"W A DISTANCE OF 154.16 FEET; THENCE RUN S89°57'21"W A DISTANCE OF 375.31 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF S.E. 140<sup>TH</sup> LANE ROAD; THENCE RUN N00°12'01"E ALONG SAID EASTERLY RIGHT-OF-WAY A DISTANCE OF 172.26 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE RUN N89°57'29"E A DISTANCE OF 277.73 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N89°57'29"E A DISTANCE OF 40.96 FEET; THENCE RUN S00°44'00"E A DISTANCE OF 13.14 FEET; THENCE RUN N89°30'40"E A DISTANCE OF 114.43 FEET; THENCE RUN N00°44'00"W A DISTANCE OF 118.46 FEET; THENCE RUN S89°30'40"W A DISTANCE OF 114.43 FEET; THENCE RUN S00°44'00"E A DISTANCE OF 80.32 FEET; THENCE RUN S89°57'29"W A DISTANCE OF 40.66 FEET; THENCE RUN S00°02'31"E A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING; ALL BEING IN SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

FILE: 2000-061033  
OR BOOK/PAGE: 2811/1462

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF Marion )

The foregoing instrument was acknowledged before me this 30 day of June, 2000, by Jay A. Thompson, the Sr. Vice President of DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC., an Arizona corporation, on behalf of the corporation. He/She who  is personally known to me or  has produced \_\_\_\_\_ as identification.

Angela M. White  
Signature of Notary Public  
Print Name: \_\_\_\_\_  
Notary Public - State of Florida  
My Commission Expires: \_\_\_\_\_  
Commission No: \_\_\_\_\_

(NOTARY SEAL)



PROPERTY APPRAISER'S  
PARCEL I.D. NO. 6100-000-000

TAX IDENTIFICATION NO. OF  
GRANTEE 59-0948672

ORL1 #573474 v1

FILE: **2000-061033**  
OR BOOK/PAGE: **2811/1463**

50  
11.40

DAVID R. ELLSPERHANN, CLERK OF CIRCUIT COURT  
FILE: 2000-061036  
DATE: 06/30/00 12:30  
OR BOOK/PAGE: 2811/1473  
MARION COUNTY

APPENDIX 1  
PAGE 5 OF 23

This instrument prepared by and after recording return to:

Robert E. McFadden, Esq.  
Holland & Knight LLP  
200 South Orange Avenue  
Suite 2600  
Orlando, Florida 32801



Deed Doc Stamps 246.40 PAID  
06/30/00 MARION COUNTY - *McFadden*

-----[SPACE ABOVE THIS LINE FOR RECORDING DATA]-----

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the 29th day of June A.D. 2000 by SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation whose address is 8501 S. E. 140<sup>th</sup> Lane Road, Summerfield, Florida 34491, hereinafter called the grantor, to FLORIDA WATER SERVICES CORPORATION, a Florida corporation whose post office address is 1000 Color Place, Apopka, Florida 32703, hereinafter called the grantee:

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

WITNESSETH:

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

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

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

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under the said grantor; subject to taxes accruing subsequent to December 31, 2000, and easements, restrictions, reservations and encumbrances of public record; provided, however, reference thereto shall not serve to reimpose same.

IN WITNESS WHEREOF, the said grantor has hereunto set \_\_\_\_ hand and seal the day and year first above written.

Signed, sealed and delivered  
in our presence:

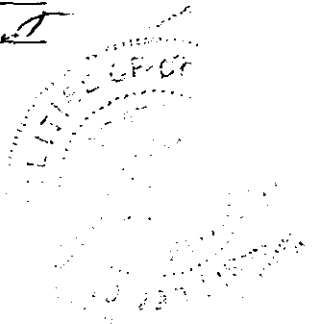
SPRUCE CREEK SOUTH UTILITIES, INC.,  
a Florida corporation

Angela Sparacello  
Signature  
Print Name: Angela Sparacello

By: [Signature] (L.S.)  
Name: Jay A. Thompson  
Title: Sr. Vice President

John R. Rags  
Signature  
Print Name: John R. Rags

(CORPORATE SEAL)



FILE: 2000-061036  
OR BOOK/PAGE: 2811/1474



STATE OF FLORIDA )  
 ) SS:  
COUNTY OF Marion )

The foregoing instrument was acknowledged before me this 30 day of June, 2000, by Jay A. Thompson, the V. Vice President of SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation, on behalf of the corporation. He/She who  is personally known to me or  has produced \_\_\_\_\_ as identification.

Angela M. White  
Signature of Notary Public

(NOTARY SEAL)

Print Name:  
Notary Public - State of Florida  
My Commission Expires:  
Commission No:



PROPERTY APPRAISER'S  
PARCEL I.D. NO. 45506-000-00

TAX IDENTIFICATION NO. OF  
GRANTEE 59-0948672

ORL1 #573476 v1

FILE: 2000-061036  
OR BOOK/PAGE: 2811/1475

**Parcel 11:****Waste Water Treatment Plant:**

THAT PORTION OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA DESCRIBED AS FOLLOWS:

FROM THE NORTHWEST CORNER OF THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 10 RUN S00°12'48"W ALONG THE WEST LINE OF THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ A DISTANCE OF 128.57 FEET; THENCE RUN N89°55'49"E A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N89°55'49"E A DISTANCE OF 368.28 FEET; THENCE RUN N00°06'07"W A DISTANCE OF 127.15 FEET; THENCE RUN S89°52'31"E A DISTANCE OF 49.50 FEET; THENCE RUN N00°06'07"W A DISTANCE OF 182.64 FEET; THENCE RUN N89°53'01"E A DISTANCE OF 216.66 FEET; THENCE RUN S55°50'29"E A DISTANCE OF 210.84 FEET; THENCE RUN S00°03'03"E A DISTANCE OF 241.20 FEET; THENCE RUN S89°55'49"W A DISTANCE OF 548.14 FEET; THENCE RUN S00°12'39"W A DISTANCE OF 435.68 FEET TO A POINT ON A LINE THAT IS 50.00 FEET, NORTH OF, (BY PERPENDICULAR MEASURE), FROM THE SOUTH LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 10; THENCE ALONG SAID LINE RUN N89°53'54"W A DISTANCE OF 260.64 FEET TO A POINT ON A LINE THAT IS 50.00 FEET EAST OF, (BY PERPENDICULAR MEASURE), FROM THE WEST LINE OF THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼; THENCE RUN N00°12'48"E ALONG SAID LINE A DISTANCE OF 484.90 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING PROPERTY LOCATED IN MARION COUNTY, FLORIDA:

THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

ORL1 #573793 v1

FILE: 2000-061036  
OR BOOK/PAGE: 2811/1476

DAVID R. ELLSPERMANN, CLERK OF CIRCUIT COURT  
FILE: 2000-061035  
DATE: 06/30/00 12:30  
OR BOOK/PAGE: 2811/1469  
MARION COUNTY

PAGE 9 OF 23  
APPENDIX 1-1

50

This instrument prepared by and after recording return to:

Robert E. McFadden, Esq.  
Holland & Knight LLP  
200 South Orange Avenue  
Suite 2600  
Orlando, Florida 32801



Deed Doc Stamps 246.40 PAID

06/30/00 MARION COUNTY -

-----[SPACE ABOVE THIS LINE FOR RECORDING DATA]-----

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the 29th day of June A.D. 2000 by SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation whose address is 8501 S. E. 140th Lane Road, Summerfield, Florida 34491, hereinafter called the grantor, to FLORIDA WATER SERVICES CORPORATION, a Florida corporation whose post office address is 1000 Color Place, Apopka, Florida 32703, hereinafter called the grantee:

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

WITNESSETH:

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

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

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

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under the said grantor; subject to taxes accruing subsequent to December 31, 2000, and easements, restrictions, reservations and encumbrances of public record; provided, however, reference thereto shall not serve to reimpose same.

IN WITNESS WHEREOF, the said grantor has hereunto set \_\_\_\_ hand and seal the day and year first above written.

Signed, sealed and delivered  
in our presence:

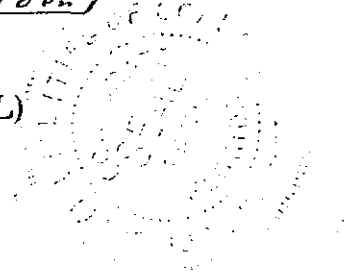
SPRUCE CREEK SOUTH UTILITIES, INC.,  
a Florida corporation

Angela Sparacello  
Signature  
Print Name: Angela Sparacello

By: [Signature] (L.S.)  
Name: Jay A. Thompson  
Title: Sr. Vice President

J. R. Regan  
Signature  
Print Name: John R. Regan

(CORPORATE SEAL)



FILE: 2000-061035  
OR BOOK/PAGE: 2811/1470



## Exhibit "A"

Parcel 13:**Water Treatment Plant for Spruce Creek Preserve I:**

TRACT "B" OF SPRUCE CREEK PRESERVE I, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 4, PAGES 1 AND 2, PUBLIC RECORDS OF MARION COUNTY, FLORIDA; BEING IN SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST; TOGETHER WITH A 15.00 FOOT WIDE INGRESS AND EGRESS EASEMENT LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

FROM THE NORTHEAST CORNER OF ABOVE MENTIONED TRACT "B" RUN S89°59'39"W ALONG THE NORTH LINE THEREOF A DISTANCE OF 14.14 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID NORTH LINE RUN N01°09'50"W A DISTANCE OF 12.08 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 22.73 FEET, THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29°34'19" A DISTANCE OF 11.73 FEET TO THE POINT OF TANGENCY; THENCE RUN N30°44'09"W A DISTANCE OF 15.50 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 89.37 FEET, THENCE RUN NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 31°15'21" A DISTANCE OF 48.75 FEET TO THE POINT OF TANGENCY; THENCE RUN N00°31'12"E A DISTANCE OF 150.08 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 26.58 FEET, THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°34'04" A DISTANCE OF 42.01 FEET TO THE POINT OF TANGENCY; THENCE RUN S89°57'09"W A DISTANCE OF 38.03 FEET; THENCE RUN N00°02'51" W A DISTANCE OF 47.09 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF S.W. 136<sup>TH</sup> PLACE AND THE POINT OF TERMINUS.

**Lift Station for Spruce Creek Preserve I:**

TRACT "A" OF SPRUCE CREEK PRESERVE I, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 4, PAGES 1 AND 2, PUBLIC RECORDS OF MARION COUNTY, FLORIDA; BEING IN SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST.

ORL1 #573796 v1

FILE: 2000-061035  
OR BOOK/PAGE: 2811/1472

4.00  
16.40

DAVID R. ELLSPERHANN, CLERK OF CIRCUIT COURT  
FILE: 2000-061034  
DATE: 06/30/00 12:30  
OR BOOK/PAGE: 2811/1464  
MARION COUNTY

PAGE 13 OF 23  
APPENDIX 13-1

This instrument prepared by and after recording return to:

Robert E. McFadden, Esq.  
Holland & Knight LLP  
200 South Orange Avenue  
Suite 2600  
Orlando, Florida 32801



Deed Doc Stamps 246.40 PAID  
06/30/00 MARION COUNTY - *McFadden*

-----[SPACE ABOVE THIS LINE FOR RECORDING DATA]-----

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the 29th day of June A.D. 2000 by SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation whose address is 8501 S. E. 140<sup>th</sup> Lane Road, Summerfield, Florida 34491, hereinafter called the grantor, to FLORIDA WATER SERVICES CORPORATION, a Florida corporation whose post office address is 1000 Color Place, Apopka, Florida 32703, hereinafter called the grantee:

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

WITNESSETH:

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

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

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

RESERVING, HOWEVER, unto grantor, its successors and/or assigns, the easements set forth in Exhibit "B" attached hereto and by this reference made a part hereof. Grantee, by acceptance of this Warranty Deed and the recordation of same in the Public Records of Marion County, Florida, agrees to be bound by the easement set forth in Exhibit "B".

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under the said grantor; subject to taxes accruing subsequent to December 31, 2000, and easements, restrictions, reservations and encumbrances of public record; provided, however, reference thereto shall not serve to reimpose same.

IN WITNESS WHEREOF, the said grantor has hereunto set \_\_\_\_\_ hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

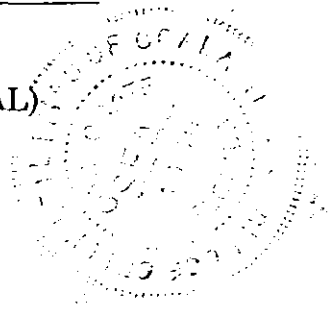
SPRUCE CREEK SOUTH UTILITES, INC., a Florida corporation

Angela Sparacello  
Signature  
Print Name: Angela Sparacello

By: [Signature] (L.S.)  
Name: Jay A. Thompson  
Title: Sec. Vice President

John R. Ryan  
Signature  
Print Name: John R Ryan

(CORPORATE SEAL)



FILE: 2000-061034  
OR BOOK/PAGE: 2811/1465



This instrument was Prepared by and should be returned to:

Easement Corp to Corp

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

THOMAS P. KLINKER, CLERK OF CIRCUIT COURT  
FILE: 96034307  
05/10/96 11:12  
OR BOOK/PAGE: 2247/124  
MARION COUNTY - *S. J. Doe* DC.

PAGE 15 OF 23

Property Appraisers Parcel I.D. (Folio) #'s:  
002-011

Deed Doc Stamps 0.70 PAID

05/10/96 MARION COUNTY - *Thompson* CLERK

Grantee(s) S.S.#(s):  
40744-001-00

EASEMENT

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

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

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

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

IN WITNESS WHEREOF, the said GRANTOR has hereunto affixed its hands and seals this 29 day of April, 1996.

Signed, sealed and delivered in the presence of:

SPRUCE CREEK GOLF & COUNTRY CLUB, INC.  
17585 S.E. 102nd Ave.  
Summerfield, FL 34491

*Cleon A. Monng*  
Witness Cleon A. Monng

By: *Jay A. Thompson*  
Jay A. Thompson, Vice President

Witness

STATE OF FLORIDA  
COUNTY OF MARION

The foregoing Easement was acknowledged before me this 29<sup>th</sup> day of April, 1996, by Jay A. Thompson, Vice President of Spruce Creek Golf & Country Club, Inc., a Florida corporation, on behalf of the corporation, who is personally known to me and who did not take an oath.

*Elaine J. Jarosz*  
Notary Public

Printed Name ELAINE J. JAROSZ  
MY COMMISSION # C006314 EXPIRES June 11, 1999  
BONDED THRU TROY FAH INSURANCE, INC.

LOUISIANA ST. PIERRE, DEVELOPMENT REVIEW COMMUNITY  
MARION COUNTY ENGINEERING  
412 S.E. 25th Ave.  
OCALA, FL 34471-2687

APPENDIX P-1  
PAGE 10 OF 20

EXHIBIT A

2 of 2

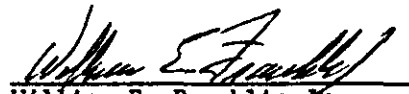
SANITARY SEWER EASEMENT  
AND  
ACCESS  
FOR  
SPRUCE CREEK PRESERVE

DESCRIPTION:

A 30 foot wide strip of land in that part of Sections 4 and 9, Township 17 South, Range 20 East, lying South and East of State Road No. 200 (100 feet wide) and being described as those lands lying 15 feet on each side of the following described centerline.

Beginning at the intersection of the Southeasterly Right of Way line of State Road No. 200 (100 feet wide) with a line parallel to and 65.00 feet West of the East boundary of Section 4, Township 17 South, Range 20 East, proceed thence S.00°09'31"E., along said line 326.05 feet to a point on the North boundary of Section 9, Township 17 South, Range 20 East, said point being S89°47'24"W. 65.00 feet from the Northeast corner thereof; thence S.00°05'47"E., parallel to the East boundary of said Section 9, a distance of 1535.00 feet; thence N.89°47'24"E., 50.00 feet; thence S.00°05'47"E., along a line parallel to and 15.00 feet West of said East boundary, 1123.54 feet to the South boundary of the Northeast  $\frac{1}{2}$  of said Section 9; thence S.00°00'21"E., along a line parallel to and 15.00 feet West of the East boundary of the Southeast  $\frac{1}{2}$  of said Section 9, a distance of 447.79 feet; thence S.89°59'39"W. 176.79 feet; thence S.54°00'50"W. 85.96 feet; thence S.13°59'50"W. 156.28 feet; thence S.15°33'27"E. 90.14 feet; thence S.00°00'21"E. 337.95 feet; thence S89°59'39"W. 238.13 feet; thence S.00°00'21"E, 30.00 feet; thence S.89°59'39"W. 835.37 feet to a point on the East boundary of Spruce Creek Preserve, Phase 1 (Proposed), said point being 15.00 feet South of the North Right of Way line of a 100 foot wide Street, and being the termination of this centerline description.

All being in Marion County, Florida.

  
William E. Franklin Jr.  
Professional Surveyor and Mapper  
Florida Certificate No. 1536

4/26/96  
wef

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF Marion )

The foregoing instrument was acknowledged before me this 29th day of June, 2000, by Jay A. Thompson, the Sr. Vice President of SPRUCE CREEK UTILITIES SOUTH, INC., a Florida corporation, on behalf of the corporation. He/She  is personally known to me or  has produced \_\_\_\_\_ as identification.

Angela M. White  
\_\_\_\_\_  
Signature of Notary Public

(NOTARY SEAL)

Print Name: \_\_\_\_\_

Notary Public - State of Florida

My Commission Expires: \_\_\_\_\_

Commission No: \_\_\_\_\_



PROPERTY APPRAISER'S  
PARCEL I.D. NO. 4076-000-008

TAX IDENTIFICATION NO. OF  
GRANTEE 59-0948672

ORL1 #573761 v1

FILE: **2000-061034**  
OR BOOK/PAGE: **2811/1466**

Exhibit "A"

P-6 A WWTTP

Parcel 19:

Waste Water Treatment Plant Site for Spruce Creek Preserve :

THAT PORTION OF THE NORTHEAST ¼ OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA BEING FURTHER DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF SAID SECTION 9 RUN S89°47'24"W ALONG THE NORTH LINE OF THE NORTHEAST ¼ THEREOF A DISTANCE OF 50.00 FEET TO A POINT ON A LINE THAT IS 50.00 FEET WEST OF (BY PERPENDICULAR MEASUREMENT) THE EAST LINE OF THE NORTHEAST ¼ OF SECTION 9: THENCE RUN S00°05'47"E ALONG SAID LINE A DISTANCE OF 281.02 FEET TO THE POINT OF BEGINNING:

THENCE CONTINUE S00°05'47"E A DISTANCE OF 1238.98 FEET; THENCE RUN N89°47'24"E A DISTANCE OF 50.00 FEET TO THE ABOVE SAID EAST LINE OF THE NORTHEAST ¼ OF SECTION 9; THENCE ALONG SAID EAST LINE RUN S00°05'47"E A DISTANCE 83.86 FEET; THENCE DEPARTING SAID EAST LINE RUN S85°02'02" W A DISTANCE OF 222.87 FEET; THENCE RUN N22°21'20"W A DISTANCE OF 299.83 FEET; THENCE RUN N00°31'35"E A DISTANCE OF 1087.01 FEET; THENCE RUN N07°00'03"E A DISTANCE OF 214.95 FEET; THENCE RUN S78°42'09"E A DISTANCE OF 129.86 FEET; THENCE RUN S10°16'07"W A DISTANCE OF 44.14 FEET; THENCE RUN N89°54'13"E A DISTANCE OF 106.47 FEET; THENCE RUN S00°05'47"E A DISTANCE OF 97.02 FEET; THENCE RUN S89°54'13"W A DISTANCE OF 124.22 FEET; THENCE RUN S10°16'07"W A DISTANCE OF 71.17 FEET; THENCE RUN N89°54'13"E A DISTANCE OF 158.55 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

**Recorded Easement.**

That certain Easement recorded at Official Records Book 2247, Page 124, Public Records of Marion County, Florida.

P-6 A E

## EXHIBIT "B"

1. Grantor hereby reserves for itself and its successors and/or assigns a perpetual non-exclusive easement for ingress and egress (both pedestrian and vehicular) on, over and across the following described properties:

**Ingress and Egress Easement No. 1:**

A 15.00 FOOT WIDE INGRESS AND EGRESS EASEMENT IN THE NORTHEAST ¼ OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

FROM THE NORTHEAST CORNER OF SAID SECTION 9 RUN S89°47'24"W ALONG THE NORTH LINE OF THE NORTHEAST ¼ THEREOF A DISTANCE OF 50.00 FEET TO A POINT ON A LINE THAT IS 50.00 FEET WEST OF, (BY PERPENDICULAR MEASUREMENT) THE EAST LINE OF THE NORTHEAST ¼ OF SECTION 9; THENCE RUN S00°05'47"E ALONG SAID LINE A DISTANCE OF 281.02 FEET THENCE DEPARTING SAID LINE RUN S89°54'13"W A DISTANCE OF 145.83 FEET TO THE POINT OF BEGINNING:

THENCE ALONG SAID CENTERLINE RUN S09°51'03"W A DISTANCE OF 15.55 FEET; THENCE RUN S37°17'02"E A DISTANCE OF 126.42 FEET; THENCE RUN S03°10'18"E A DISTANCE OF 223.76 FEET; THENCE RUN S04°15'08"W A DISTANCE OF 298.44 FEET; THENCE RUN S04°48'08"E A DISTANCE OF 549.47 FEET; THENCE RUN S12°40'59"E A DISTANCE OF 146.34 FEET; TO THE POINT OF TERMINUS OF SAID CENTERLINE.

P-6 B #1

AND

**Ingress and Egress Easement No. 2:**

A 15.00 FOOT WIDE INGRESS AND EGRESS EASEMENT IN THE NORTHEAST ¼ OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

FROM THE NORTHEAST CORNER OF SAID SECTION 9 RUN S89°47'24"W ALONG THE NORTH LINE OF THE NORTHEAST ¼ THEREOF A DISTANCE OF 50.00 FEET TO A POINT ON A LINE THAT IS 50.00 FEET WEST OF, (BY PERPENDICULAR MEASUREMENT) THE EAST LINE OF THE NORTHEAST ¼ OF SECTION 9; THENCE RUN S00°05'47"E ALONG SAID LINE A DISTANCE OF 281.02 FEET THENCE DEPARTING SAID LINE RUN S89°54'13"W A DISTANCE OF 145.83 FEET; THENCE RUN N09°51'03"E A DISTANCE OF 71.08 FEET TO THE POINT OF BEGINNING:

THENCE CONTINUE N09°51'03"E A DISTANCE OF 98.50 FEET TO THE POINT OF TERMINUS OF SAID CENTERLINE.

P-6 B #2

FILE: 2000-061034  
OR BOOK/PAGE: 2811/1468

Documentary Stamps \$ 246.40  
Intangible Tax  
Paid 30 Day of JULY 19 2000  
GLORIA R. HAYWARD, CLERK  
CIRCUIT COURT SUMTER COUNTY, FL.  
BY [Signature] D.C.  
Mitchell

200  
30  
7.10  
5.90

This instrument prepared by and after recording return to:

Robert E. McFadden, Esq.  
Holland & Knight LLP  
200 South Orange Avenue  
Suite 2600 P.O. Box 1526  
Orlando, Florida 32801  
2

-----[SPACE ABOVE THIS LINE FOR RECORDING DATA]-----

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the 29th day of June A.D. 2000 by SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation whose address is 8501 S. E. 140<sup>th</sup> Lane Road, Summerfield, Florida 34491, hereinafter called the grantor, to FLORIDA WATER SERVICES CORPORATION, a Florida corporation whose post office address is 1000 Color Place, Apopka, Florida 32703, hereinafter called the grantee:

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

WITNESSETH:

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

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

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

TO HAVE AND TO HOLD, the same in fee simple forever.

FILE DATE: 06/30/2000 FILE TIME: 11:26 OR BOOK: 813 PAGE: 266  
SUMTER CO, FL, GLORIA HAYWARD - CLERK CIRCUIT COURT INST#: 2000 10146  
\*\*

AND the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under the said grantor; subject to taxes accruing subsequent to December 31, 2000, and easements, restrictions, reservations and encumbrances of public record; provided, however, reference thereto shall not serve to reimpose same.

IN WITNESS WHEREOF, the said grantor has hereunto set \_\_\_\_\_ hand and seal the day and year first above written.

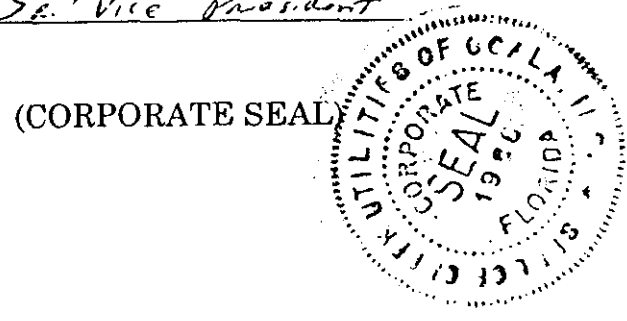
Signed, sealed and delivered  
in our presence:

SPRUCE CREEK SOUTH UTILITIES, INC.,  
a Florida corporation

Angela Sparacello  
Signature  
Print Name: Angela Sparacello

By: [Signature] (L.S.)  
Name: Jay A. Thompson  
Title: Sr. Vice President

John R. Ragan  
Signature  
Print Name: John R. Ragan

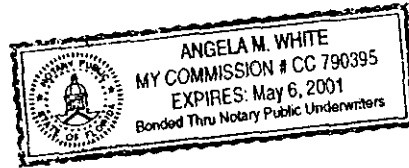


STATE OF FLORIDA )  
 ) SS:  
COUNTY OF Marion )

The foregoing instrument was acknowledged before me this 30 day of \_\_\_\_\_, 2000, by Jay A. Thompson, the Sr. Vice President of SPRUCE CREEK SOUTH UTILITIES, INC., a Florida corporation, on behalf of the corporation. He/She who  is personally known to me or  has produced \_\_\_\_\_ as identification.

Angela M. White  
Signature of Notary Public  
Print Name: Angela M. White  
Notary Public - State of Florida  
My Commission Expires: 5/06/01  
Commission No: CC 790395

(NOTARY SEAL)



PROPERTY APPRAISER'S  
PARCEL I.D. NO. D02-008

TAX IDENTIFICATION NO. OF  
GRANTEE 59-094-8672

FILE DATE: 06/30/2000 FILE TIME: 11:26  
SUMTER CO, FL, GLORIA HAYWARD - CLERK CIRCUIT COURT INST#: 2000 10146  
OR BOOK: 813 PAGE: 268



Exhibit "A"

Parcel 16:

Waste Water Treatment Plant for Spruce Creek South:

THAT PORTION OF THE NORTHWEST ¼ OF SECTION 2, TOWNSHIP 18 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA DESCRIBED AS FOLLOWS:

FROM THE SOUTHWEST CORNER OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 2, RUN N89°41'31"E ALONG THE SOUTH LINE OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ A DISTANCE OF 250.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N89°41'31"E A DISTANCE OF 5.00 FEET TO THE EAST LINE OF THE WEST 255.00 FEET OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼; THENCE RUN S00°06'31"E ALONG SAID EAST LINE A DISTANCE OF 540.00 FEET TO THE SOUTH LINE OF THE NORTH 540.00 FEET OF THE SOUTH ½ OF THE NORTHWEST ¼; THENCE RUN S89°41'31"W ALONG SAID SOUTH LINE A DISTANCE OF 780.00 FEET TO THE WEST LINE OF THE EAST 525.00 FEET OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼; THENCE RUN N00°06'31"W ALONG SAID LINE A DISTANCE OF 443.00 FEET TO THE POINT ON A LINE THAT IS 97.00 FEET SOUTH OF (BY PERPENDICULAR MEASURE) THE NORTH LINE OF THE SOUTH ½ OF THE NORTHWEST ¼; THENCE RUN N 89°41'31"E ALONG SAID LINE A DISTANCE OF 553.30 FEET; THENCE DEPARTING SAID LINE RUN N14°05'04"E A DISTANCE OF 241.58 FEET TO THE NORTH LINE OF THE SOUTH 137.00 FEET OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ THENCE RUN N89°41'31"E ALONG SAID LINE A DISTANCE OF 162.48 FEET TO THE EAST LINE OF THE WEST 250.00 FEET OF THE NORTHEAST ¼ OF THE NORTHWEST ¼; THENCE RUN S00°06'31"E A DISTANCE OF 137.00 FEET TO THE POINT OF BEGINNING.

ORL1 #573801 v1

FILE DATE: 06/30/2000 FILE TIME: 11:26  
SUMTER CO, FL, GLORIA HAYWARD - CLERK CIRCUIT COURT INST#: 2000 10146  
OR BOOK: 813 PAGE: 269

## Exhibit Q

The original and two copies of sample tariff sheets reflecting the new name of the utility, the existing rates and charges and territorial description of the water and/or wastewater systems. Sample tariff(s) are attached.

An original and two separate copies of the revised tariff sheets will be filed late.

## Exhibit R

The utility's current certificate(s) or, if not available, an explanation of the steps the applicant took to obtain the certificate(s).

Please see attached copy of Florida Water's Marion County certificate marked Appendix R-1. The original Florida Water Marion County certificate is enclosed with the original transfer application.

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

373 - W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

FLORIDA WATER SERVICES CORPORATION

Whose principal address is:

1000 Color Place  
Apopka, FL 32703 (Marion County)

to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

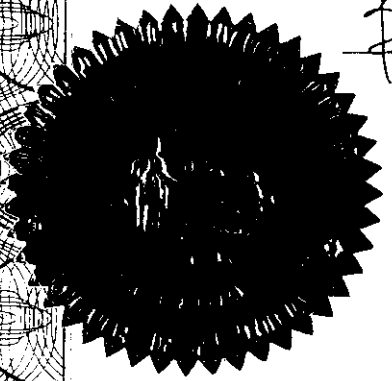
This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	16108	DOCKET	850976-WS
ORDER	22968	DOCKET	891318-WU
ORDER	25575	DOCKET	910662-WS
ORDER	PSC-93-1314-FOF-WS	DOCKET	930412-WS
ORDER	PSC-97-0427-FOF-WS	DOCKET	970028-WS
ORDER	PSC-99-1915-FOF-WS	DOCKET	980467-WS
ORDER	PSC-99-2191-FOF-WS	DOCKET	980467-WS

FLORIDA PUBLIC SERVICE COMMISSION

*Doreen L. Sayo*

Director  
Division of Records and Reporting



FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

322 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

FLORIDA WATER SERVICES CORPORATION

Whose principal address is:

1000 Color Place  
Apopka, FL 32703 (Marion County)

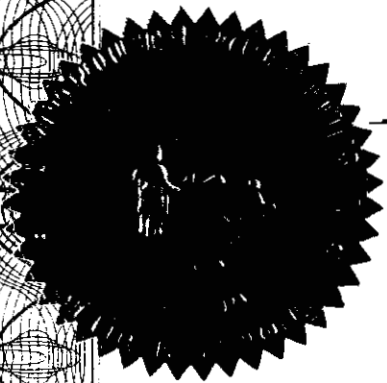
to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	16108	DOCKET	850976-WS
ORDER	25575	DOCKET	910662-WS
ORDER	PSC-93-1314-FOF-WS	DOCKET	930412-WS
ORDER	PSC-97-0186-FOF-SU	DOCKET	961183-SU
ORDER	PSC-97-0427-FOF-WS	DOCKET	970028-WS
ORDER	PSC-99-1915-FOF-WS	DOCKET	980467-WS
ORDER	PSC-99-2191-FOF-WS	DOCKET	980467-WS

FLORIDA PUBLIC SERVICE COMMISSION

*Blanca L. Davis*  
Director  
Division of Records and Reporting



Applied Nutrition Est. 2

**SPECIAL AGREEMENT FOR VILLA IRRIGATION WATER**

THIS SPECIAL AGREEMENT FOR VILLA IRRIGATION WATER ("Agreement") is made and entered into this 29 day of June, 2000 by and between Spruce Creek Golf & Country Club Homeowners' Association, Inc. (the "Homeowners' Association") and Spruce Creek South Utilities, Inc. (hereinafter "Utility").

**WITNESSETH:**

WHEREAS, the Utility currently provides domestic water and irrigation service to single family homes known as villas located within the Spruce Creek Golf & Country Club development in Central Florida, as more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter the "Villa Property"); and

WHEREAS, each single family home within the Villa Property has a meter for domestic water used other than for irrigation purposes, payment for which is the responsibility of the owner of the villa; and

WHEREAS, each single family home within the Villa Property also has a separate meter for water service used for irrigation purposes, payment for which is the responsibility of the Homeowners' Association; and

WHEREAS, pursuant to Utility's water tariff currently on file with the Florida Public Service Commission ("FPSC"), the Homeowners' Association must pay a monthly base facility charge of \$10.16 for each irrigation meter within the Villa Property; and

WHEREAS, the Homeowners' Association's primary source of revenue is the dues that it receives from its members; and

WHEREAS, it is in the best interests of the Utility and the Homeowners' Association that the Homeowners' Association's dues be kept at a minimum to encourage the sale of villas within the Villa Property.

**NOW, THEREFORE**, in consideration of the mutual undertakings and agreements herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the Homeowners' Association and Utility hereby covenant and agree as follows:

1. **Base Facilities Charge.** Notwithstanding Utility's water tariff, Utility agrees, beginning July 1, 2000 that the base facilities charge that it will collect for each irrigation meter within the Villa Property from the Homeowners' Association will be as follows:

July 1, 2000 through June 30, 2001	\$0.00
July 1, 2001 through June 30, 2002	\$2.00
July 1, 2002 through June 30, 20003	\$4.00
July 1, 2003 through June 30, 2004	\$6.00
July 1, 2004 through June 30, 2005	\$8.00

Utility, however, will continue to record as revenues the base facilities charge that would have been collected pursuant to Utility's tariff in the absence of this agreement.

2. **Regulatory Assessment Fees.** Utility will pay regulatory assessment fees to the FPSC as if the base facilities charge for the irrigation meters had been collected from the Homeowners' Association in accordance with Utility's water tariff. The Homeowners' Association, however, shall reimburse Utility for that portion of the regulatory assessment fees attributed to the revenues that would have been generated from the base facilities charge for the irrigation meters within the Villa Property had such base facilities charge been collected in accordance with Utility's water tariff. The Utility shall provide the Homeowners' Association with a statement on or before March 10<sup>th</sup> of each year indicating the amount of the reimbursement owed. Such reimbursement shall be made to the Utility by the Homeowners' Association on or before April 10<sup>th</sup> of each year for the regulatory assessment fees due to the FPSC for the preceding calendar year. This section shall survive the expiration of this Agreement only to the extent that on or before April 10, 2006, the Homeowners' Association shall reimburse Utility, in accordance with this Section, for regulatory assessment fees accrued from January 1, 2005 through June 30, 2005.

3. **Gallonage Charge.** The Homeowners' Association shall continue to be responsible for payment of the applicable gallonage charge for each irrigation meter within the Villa Property.

4. **Term.** The term of this Agreement shall begin on July 1, 2000 and shall expire on June 30, 2005. Upon expiration of this Agreement, the provision of Utility's tariff shall control.

5. **Miscellaneous.**  
(a) **No Waiver.** No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.



(b) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida notwithstanding another jurisdiction.

(c) Headings. All article headings, section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(d) Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provisions; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

(e) Entire Agreement. This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date above-stated, and it supersedes any and all prior negotiation, agreements, and understandings with respect to the subject matter hereof.

(f) Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver, or modification shall be sought.

(g) Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorney's fees and costs of the party prevailing in such litigation shall be paid by the other Party.

(h) Assignment. This agreement may be assigned by Utility to an entity that purchases the Utility without the consent of the Homeowner's Association. Otherwise, no party may assign its obligations under this Agreement except with the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld.

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

The Parties have executed this Agreement as of the day and year first written above.

SPRUCE CREEK GOLF & COUNTRY CLUB HOMEOWNERS' ASSOCIATION, INC.

Dated: June 29, 2000

By: John R. Ryan  
As Its: Asst. Secretary

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2000, by JOHN R. RYAN, who is personally known to me or has produced FLA DR LICENSE as identification and who did/did not take an oath.

Patricia H. Copley  
Notary Public

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H. COPLEY  
COMMISSION # CC768789  
EXPIRES 8/19/2002  
BONDED THRU ASA 1-888-NOTARY1

Name of Notary Printed: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

My Commission Number Is: \_\_\_\_\_ Notary Seal

SPRUCE CREEK SOUTH UTILITIES, INC.

Dated: June 29, 2000

By: John R. Ryan  
As Its: Asst. Secretary

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2000, by JOHN R. RAGAN, who is personally known to me or has produced FLA DR LICENSE as identification and who did/did not take an oath.

Patricia H. Copley  
Notary Public

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H. COPLEY  
COMMISSION # CC768789  
EXPIRES 6/19/2002  
BONDED THRU ASA 1-888-NOTARY1

Name of Notary Printed: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

My Commission Number Is: \_\_\_\_\_ Notary Seal

Exhibit A

DESCRIPTION OF PROPERTY

Include legal description of Villa Property within the Spruce Creek Golf & Country Club.

TAL1 #217610 v2

SPECIAL AGREEMENT FOR VILLA IRRIGATION WATER

THIS SPECIAL AGREEMENT FOR VILLA IRRIGATION WATER ("Agreement") is made and entered into this 29<sup>th</sup> day of June, 2000 by and between Spruce Creek Preserve Homeowners' Association, Inc. (the "Homeowners' Association") and Spruce Creek South Utilities, Inc. (hereinafter "Utility").

WITNESSETH:

WHEREAS, the Utility currently provides domestic water and irrigation service to single family homes known as villas located within the Spruce Creek Preserve development in Central Florida, as more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter the "Villa Property"); and

WHEREAS, each single family home within the Villa Property has a meter for domestic water used other than for irrigation purposes, payment for which is the responsibility of the owner of the villa; and

WHEREAS, each single family home within the Villa Property also has a separate meter for water service used for irrigation purposes, payment for which is the responsibility of the Homeowners' Association; and

WHEREAS, pursuant to Utility's water tariff currently on file with the Florida Public Service Commission ("FPSC"), the Homeowners' Association must pay a monthly base facility charge of \$10.16 for each irrigation meter within the Villa Property; and

WHEREAS, the Homeowners' Association's primary source of revenue is the dues that it receives from its members; and

WHEREAS, it is in the best interests of the Utility and the Homeowners' Association that the Homeowners' Association's dues be kept at a minimum to encourage the sale of villas within the Villa Property.

**NOW, THEREFORE,** in consideration of the mutual undertakings and agreements herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the Homeowners' Association and Utility hereby covenant and agree as follows:

1. **Base Facilities Charge.** Notwithstanding Utility's water tariff, Utility agrees, beginning July 1, 2000 that the base facilities charge that it will collect for each irrigation meter within the Villa Property from the Homeowners' Association will be as follows:

July 1, 2000 through June 30, 2001	\$0.00
July 1, 2001 through June 30, 2002	\$2.00
July 1, 2002 through June 30, 2003	\$4.00
July 1, 2003 through June 30, 2004	\$6.00
July 1, 2004 through June 30, 2005	\$8.00

Utility, however, will continue to record as revenues the base facilities charge that would have been collected pursuant to Utility's tariff in the absence of this agreement.

2. **Regulatory Assessment Fees.** Utility will pay regulatory assessment fees to the FPSC as if the base facilities charge for the irrigation meters had been collected from the Homeowners' Association in accordance with Utility's water tariff. The Homeowners' Association, however, shall reimburse Utility for that portion of the regulatory assessment fees attributed to the revenues that would have been generated from the base facilities charge for the irrigation meters within the Villa Property had such base facilities charge been collected in accordance with Utility's water tariff. The Utility shall provide the Homeowners' Association with a statement on or before March 10<sup>th</sup> of each year indicating the amount of the reimbursement owed. Such reimbursement shall be made to the Utility by the Homeowners' Association on or before April 10<sup>th</sup> of each year for the regulatory assessment fees due to the FPSC for the preceding calendar year. This section shall survive the expiration of this Agreement only to the extent that on or before April 10, 2006, the Homeowners' Association shall reimburse Utility, in accordance with this Section, for regulatory assessment fees accrued from January 1, 2005 through June 30, 2005.

3. **Gallonage Charge.** The Homeowners' Association shall continue to be responsible for payment of the applicable gallonage charge for each irrigation meter within the Villa Property.

4. **Term.** The term of this Agreement shall begin on July 1, 2000 and shall expire on June 30, 2005. Upon expiration of this Agreement, the provision of Utility's tariff shall control.

5. **Miscellaneous.**

(a) **No Waiver.** No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.

(b) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida notwithstanding another jurisdiction.

(c) Headings. All article headings, section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(d) Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provisions; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

(e) Entire Agreement. This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date above-stated, and it supersedes any and all prior negotiation, agreements, and understandings with respect to the subject matter hereof.

(f) Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver, or modification shall be sought.

(g) Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorney's fees and costs of the party prevailing in such litigation shall be paid by the other Party.

(h) Assignment. This agreement may be assigned by Utility to an entity that purchases the Utility without the consent of the Homeowner's Association. Otherwise, no party may assign its obligations under this Agreement except with the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld.

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

The Parties have executed this Agreement as of the day and year first written above.

SPRUCE CREEK PRESERVE  
HOMEOWNERS' ASSOCIATION, INC.

Dated: June 29, 2000

By: John R. Ryan

As Its: Asst. Secretary

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2000, by JOHN R. RYAN, who is personally known to me or has produced FLA DR. LICENSE as identification and who did/did not take an oath.

Patricia H. Copley  
Notary Public

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H. COPLEY  
COMMISSION # CC768789  
EXPIRES 8/19/2002  
BONDED THRU ASA 1-888-NOTARY1

Name of Notary Printed:

My Commission Expires:

\_\_\_\_\_

My Commission Number Is:

Notary Seal

SPRUCE CREEK SOUTH UTILITIES, INC.

Dated: June 29, 2000

By: John R. Ryan

As Its: Asst. Secretary

STATE OF FLORIDA  
COUNTY OF ORANGE



## RECLAIMED WATER AGREEMENT

THIS Reclaimed Water AGREEMENT ("Agreement") is entered into this 29<sup>th</sup> day of June, 2000, by and between FLORIDA WATER SERVICES CORPORATION, Florida corporation (hereinafter "Utility") and DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC., a n Arizona Corporation (hereinafter "Developer").

## WITNESSETH:

WHEREAS, Utility is a wastewater utility as defined in Section 367.021(12), Florida Statutes; and

WHEREAS, on even date herewith, Utility has acquired the water and wastewater system ("System") serving the Spruce Creek Country Club Community in Marion County which was previously owned by Spruce Creek South Utilities, Inc. (hereinafter "Spruce Creek") pursuant to the terms of an asset purchase agreement dated June 29, 2000 (the "Asset Purchase Agreement"); and

WHEREAS, Developer owns certain real property within the SPRUCE CREEK COUNTRY CLUB Community including golf course property and landscaped common areas which is more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter the "Property"); and

WHEREAS, in the future the Developer may develop an additional golf course within the Spruce Creek Country Club Community as indicated on Exhibit "A". The existing and future golf courses shown on Exhibit "A" are referred to hereinafter as the "Golf Course Property"); and

WHEREAS, Utility intends to make certain improvements to the wastewater system so that Utility can provide Reclaimed Water to Developer for irrigation of the Property; and

WHEREAS, Utility is willing to provide, and Developer is willing to accept, Reclaimed Water for irrigation use on the Property subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Definitions.** Unless otherwise defined herein, the following capitalized terms shall have the meanings set forth below:

"DEP" - shall mean the Florida Department of Environmental Protection, or any successor agency.

"Developer's Affiliates" - shall mean any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, parent, subsidiary or other affiliate of Developer.

"FPSC" - shall mean the Florida Public Service Commission, or any successor agency.

"GPD" - shall mean gallons per day.

"Irrigation Facilities" - shall mean all tangible property located on the Property that is necessary for the irrigation of the Property from the Points of Delivery, including, but not limited to, the Storage Ponds, pipelines, pumps, valves, spray head assemblies and any improvements or modifications thereto.

"Points of Delivery" - shall mean the points at which the Reclaimed Water leaves the meters located at the two Storage Ponds as shown on Exhibit "A."

"Reclaimed Water" - shall mean Wastewater treated to public access standards as promulgated by DEP in Part III of Chapter 62-610, Florida Administrative Code, ("F.A.C.")

"Reclaimed Water Transmission Lines" - shall mean the pipelines, valves, pumps, and other appurtenances necessary for delivery of Reclaimed Water from the Treatment Plant to the Point of Delivery.

"Storage Ponds" - shall mean those permanent bodies of water used as receptacles and storage areas for Reclaimed Water as shown on Exhibit "A".

"Tariff" - shall mean Utility's tariff on file with the FPSC.

"Treatment Plant" - shall mean the Wastewater treatment plant owned and operated by the Utility that provides service to the Spruce Creek Country Club community as of the date this Agreement is executed and upgrades up to a total capacity of one million gpd capacity.

"Wastewater" - shall mean the combination of the liquid and water-carried pollutants from a residence, commercial building, industrial plant, or institution, together with any groundwater, surface runoff, or leachate that may be present.

"Water Management District" - shall mean the St. Johns River Water Management District or any successor agency.

2. Upgrade of Wastewater Treatment Plant. Utility will use its best efforts to undertake the necessary improvements to the Wastewater Treatment Plant to provide Reclaimed Water to Developer as soon as practicable following the date hereof.

3. **Quantity.** Upon completion of the Treatment Plant upgrades, Utility shall provide Reclaimed Water generated by the Treatment Plant to Developer, subject to the requirements of any government agency with applicable regulatory authority. Subject to the terms of this Agreement, Utility shall provide and Developer shall accept all Reclaimed Water generated by the Treatment Plant. In the event excess Reclaimed Water beyond what is needed by the Developer for irrigation of the Property is generated by Utility, then Utility may provide such excess reclaimed water to one or more other customers.

4. **Use of Reclaimed Water.** Reclaimed Water shall be used for irrigation in any manner determined by Developer that is consistent with, and fully in compliance with, all applicable federal, state and local laws, regulations, and permits. Developer shall not be obligated to accept water that fails to meet quality standards for reuse as promulgated by DEP.

5. **Other Irrigation Wells.** Subject to Paragraphs 3 and 10(v) hereof, Developer may maintain and construct irrigation wells it needs to supplement the supply of Reclaimed Water provided by the Utility. Such actions shall not be deemed to cause Seller to violate any of the terms of this Agreement or the Asset Purchase Agreement.

6. **Points of Delivery.** Utility shall deliver Reclaimed Water to the Points of Delivery for use by Developer in irrigating the Property. Utility shall be deemed to be in possession and control of the Reclaimed Water until the Reclaimed Water is delivered to Developer at the Points of Delivery. After such delivery, Developer shall be deemed to be in possession and control of the Reclaimed Water. The Reclaimed Water delivered by Utility to Developer shall at all times conform to the standards specified by DEP.

7. **Charges.** Subject to approval of this Agreement by the FPSC or other applicable regulatory authority, Developer shall pay for reclaimed water service at the initial rate of five cents (\$0.05) per 1,000 gallons. Developer shall not apply to the FPSC, or other applicable regulatory authority to increase this rate during the term of this Agreement except that this rate may be amended from time to time based on the index factor annually approved by the FPSC pursuant to s. 367.081(4), Florida Statutes, and may otherwise be amended in accordance with the rules, regulations and requirements of the FPSC, or other applicable regulatory authority. In the event that any governmental authority requires the Utility to increase the rate above the index, or the index increases the rates to \$.07 or more per 1,000 gallons, Developer, at its sole option, may terminate this Agreement upon two (2) years written notice to the Utility; provided, however, in the event Utility, after using its best efforts to develop an alternative disposal source for the effluent is unable to do so, then this Agreement shall remain in effect for such additional period as may be necessary to develop such alternative disposal source. In such case, the Developer shall not be required to pay the increase for such two (2) year period, as may be extended.

8. **Meters.** Utility shall install, own and maintain a meter assembly including a backflow prevention device at each Point of Delivery as shown on Exhibit "A," for the purpose of measuring the quantity of Reclaimed Water provided to the Developer.

9. **Meter Calibration** Error! Bookmark not defined.. Utility shall examine and test the meters annually to determine whether they are correctly registering the volume of Reclaimed Water being delivered. Developer shall have the right to read and test the meters at any time, at its expense. Either party shall have the right to be present during any calibration of testing of the meter and shall have the right to receive a copy of the test or calibration results. If, at any time, a test of any meter discloses a deviation of more than two percent (2%) of the annual average daily volume delivered, Utility shall adjust its charges up or down using the percentage of error as determined by the test and Utility shall repair and correct the meter. If the approximate date the meter inaccuracy began can be determined, the charges shall be adjusted from that date, which shall not exceed three months from the date the error is reported. If the approximate date of the meter error cannot be determined, the charges shall be adjusted for the previous three months.

10. **Permits and Regulations.**

a. Utility shall obtain and maintain, at its expense, all governmental permits, consents, and approvals as required by law for performance of its obligations herein.

b. Each party shall fully cooperate with and assist the other in obtaining and complying with all necessary permits, consents, and approvals as required by law for each party's performance under this Agreement. Each party's cooperation with the other shall include, but not be limited to, the execution and consent to the filing of any necessary documents and applications with governmental agencies to accomplish the purposes of the Agreement.

c. Both parties shall comply with all applicable government regulations and requirements including but not limited to Chapter 62-610, F.A.C and all permits issued and rules adopted by the DEP, the Water Management District, and any other governmental agency with applicable legal authority as such regulations and permits may be amended from time to time. In addition to all other government requirements, Developer shall be responsible for compliance with the following:

(i) Irrigation Facilities shall be operated so as to prevent any flooding or ponding of reclaimed water.

(ii) All reclaimed water hose bibbs, hand-operated connections and outlets shall be contained in underground service vaults and shall be appropriately tagged or labeled to warn the public and employees that the water is not intended for drinking. All Reclaimed Water piping, pipelines, valves and outlets shall be color coded, or otherwise marked, to differentiate Reclaimed Water from potable or other water.

(iii) Vaults for Reclaimed Water, hose bibbs and outlets shall be locked or require a special tool for operation of hose bibbs and outlets.

(iv) Signs shall be posted in the vicinity of the Irrigation Facilities advising the public that reuse is practiced.

(v) In all events, Developer shall comply with the priorities for source of irrigation water as set forth in the Consumptive Use Permit issued by the Water Management District.

11. **Compliance with Utility Tariffs and Rules.** Developer shall comply with all of Utility's Policies, Tariffs, Rules and Regulations as amended from time to time.

12. **Construction and Maintenance.** Utility shall, at its sole cost and expense, be responsible for the installation, construction, repair, replacement and maintenance of the Reclaimed Water Transmission Lines. Developer shall, at its sole cost and expense, be responsible for the installation, construction, repair, replacement and maintenance of the Irrigation Facilities. Each party shall maintain such lines and facilities for which they are responsible under this paragraph in good and operable condition and good state of repair. All such installation, construction, repair, replacement and/or maintenance required of Utility and Developer under this paragraph shall be in accordance with all laws, rules and regulations of DEP, or any other governmental agency having jurisdiction over the Irrigation Facilities, Reclaimed Water Transmission Lines and/or Treatment Plant. Notwithstanding anything to the contrary contained herein, any expenses to upgrade the Treatment Plant or Reclaimed Water Transmission Lines and any additional treatment costs due to changes required by DEP shall be the sole responsibility of Utility.

13. **Easement; Right of Access**

a. Prior to the Utility's installation of the Reclaimed Water Transmission Lines required to be installed by Utility under this Agreement, Developer will execute and deliver to Utility at no cost to Utility an instrument of conveyance in recordable form granting Utility easement and right-of-way rights for the Reclaimed Water Transmission Lines over, through and across a strip of land 20' wide lying equally on either side of the center line of the Reclaimed Water Transmission Lines running from the Treatment Plant over all private lands owned by Developer or to which developer has easement rights to the respective Points of Delivery generally located as shown on Exhibit "A." To the extent that the Reclaimed Water Transmission Lines are designed to be located within any publicly dedicated right-of-way, Developer shall use its best efforts to assist Utility in obtaining from Marion County all necessary right-of-way utilization permits for the installation and maintenance of such Reclaimed Water Transmission Lines in dedicated rights-of-way and absent receipt of such approval, Developer shall redesign the location of the Reclaimed Water Transmission Lines on abutting private lands (over which easements as otherwise contemplated above shall be granted).

b. The exact location of the easements and rights-of-way will be as indicated by a survey prepared by Utility and furnished to Developer and the rights afforded to Utility pursuant to the instrument of conveyance will be free of any prior encumbrances of

any nature and shall be perpetual in term. The easement and right-of-way agreement will provide that the easement is for the following purposes:

The perpetual right to enter at any time and from time to time to install, construct, maintain, inspect, repair, replace, rebuild, operate, maintain or test the Reclaimed Water Transmission Lines, monitor wells or devices and any other facilities incident to the provision of Reclaimed Water service and to remove any brush, trees or other installations which interfere with its use and rights under such easement.

c. In the future, if Utility in its sole discretion deems it necessary to obtain additional easement(s) for any purpose related to the provision of Reclaimed Water service, Developer shall convey such easement(s) to Utility at no cost. The location of such easements shall be determined by agreement of Utility and Developer.

d. Notwithstanding any grant of easement pursuant to this Agreement, Utility shall not take any actions that would unreasonably interfere with the use of any portion of the Golf Course Property as a golf course. Utility shall use its best efforts to conduct its activities on the Golf Course Property at the time, and during seasons, when the golf courses are least busy and otherwise avoid causing a disruption in the normal use of the Golf Course Property as golf courses.

14. **Access to Premises.** Developer shall provide Utility representatives with access to Developer's Property at all reasonable hours for the purpose of installing, maintaining, testing, inspecting or removing Utility property, reading meter(s) installing and maintaining monitor wells and other purposes incident to provision or termination of Reclaimed Water service.

15. **Default.** In the event of a default by either party of its duties and/or obligations hereunder, the non-defaulting party shall provide written notice to the defaulting party specifying the nature of the default. The defaulting party shall have thirty (30) days to cure any default of a monetary nature and sixty (60) days to cure any other default. If the default has not been cured within the applicable period (time being of the essence), the non-defaulting party, at its sole option, may terminate this Agreement, such termination to be effective upon written notice to the defaulting party. The non-defaulting party may also exercise all remedies available at law or in equity, including but not limited to, the right to damages, injunctive relief and specific performance.

16. Excuse From Performance.

a. Force Majeure. If either party is prevented from, or delayed in, performing any act required to be performed hereunder, and such prevention or delay is caused by strikes, labor disputes, inability to obtain labor, materials or equipment, storms, earthquakes, electric power failures, land subsidence, acts of God, acts of the public enemy, wars, blockades, riots, acts of armed forces, delays by carriers, inability to obtain rights-of-way, acts of public authority, regulatory agencies, or courts, or any other cause, whether the same kind is enumerated herein, not within the control of such party (a "Force Majeure

Event"), the performance of such act shall be excused for a period equal to the period of prevention or delay.

b. Governmental Acts. If for any reason during the term of this Agreement any federal, state, or local authorities or agencies fail to issue necessary permits, grant necessary approvals or require any change in the operation of the Treatment Plant, Reclaimed Water Lines, or Irrigation Facilities or the application and use of Reclaimed Water as provided herein ("Governmental Acts"), then, to the extent that such Governmental Acts shall affect the ability of any party to perform any of the terms of this Agreement, in whole or in part, the affected party shall be excused from the performance thereof and a new agreement or amendment hereto shall be negotiated, if possible, by the parties in conformity with such permits, approvals or requirements.

17. FPSC Approvals. Developer and Utility recognize that the Asset Purchase Agreement between Utility and Spruce Creek, although effective, is contingent upon FPSC approval. This Agreement will be attached as an exhibit to the Asset Purchase Agreement. To the extent that FPSC approval of this Agreement is required, Utility represents that it will seek FPSC approval of this Agreement as part of its application to the FPSC for approval of the Asset Purchase Agreement. In the Event there is no Non-Appealable Order approving the transfer of the System as contemplated by the terms of the Asset Purchase Agreement, including the approval of this Agreement, within thirty (30) months of the date of execution of this Agreement, this Agreement shall be deemed null and void.

18. Term. Unless deemed null and void or otherwise terminated pursuant to the terms of this Agreement, this Agreement shall continue in full force and effect for a term of twenty (20) years from the date hereof. The term shall be automatically renewed for an additional period of twenty (20) years, unless either party notifies the other of its intent not to renew at least one (1) year prior to the expiration of the initial term.

19. Indemnification. Utility shall indemnify and defend Developer and Developer's Affiliates and hold Developer and Developer's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses, including, without limitation, attorney's fees and costs, suffered or incurred by Developer or any of Developer's Affiliates and arising out of or in connection with Utility's operation of the Reclaimed Water Transmission Lines or Utility's activities within the

Easement granted by Developer. Developer shall indemnify and defend Utility and Utility's Affiliates and hold Utility and Utility's Affiliates harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses, including, without limitation, attorney's fees and costs, suffered or incurred by Utility or any of Utility's Affiliates and arising out of or in connection with Developer's operation of the Irrigation Facilities or Developer's activities on or about the Property; provided, however, that Developer shall not be liable for any claims, demands, causes of action, losses, damages, liabilities, costs and expenses arising from the fact that the Reclaimed Water failed to meet standards specified by DEP at the Point of Delivery. The provisions of this Section shall survive the termination of this Agreement. Developer's duty to indemnify shall include indemnification from and against any fine, penalty, liability, or cost arising out of Developer's violation of any law, ordinance, or governmental regulation applicable to the use of reclaimed water.

20. **Insurance.** Utility shall maintain or cause to be maintained during the entire term of this Agreement, and any extension thereof, a policy of commercial general liability insurance with a broad form contractual liability endorsement covering Utility's indemnification obligations contained in Section 12 of this Agreement, and with a combined single limit of not less than \$1,000,000 general liability, insuring Developer, and Developer's Affiliates, as additional insureds, against any injuries, or damages to person or property that may result from or are related to Utility's operation of the Reclaimed Water Transmission Lines and Utility's activities on or about the Property.

21. **Miscellaneous Provisions.**

a. **No Waiver.** No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.

b. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida notwithstanding another jurisdiction.

c. **Headings.** All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

d. **Severability.** If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provisions; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

e. **Entire Agreement.** This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of the date above-stated,



and it supersedes any and all prior negotiation, agreements, and understandings with respect to the subject matter hereof.

f. Amendments. Neither this Agreement, nor any of the terms hereof, may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver, or modification shall be sought.

g. Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other Party.

h. Assignment. Utility and Developer agree that neither party may assign its obligations under this Agreement except with the prior written consent of the other party, which consent shall not be unreasonably withheld. Without limiting or restricting the generality of the foregoing, it shall not be unreasonable for a Party to deny its consent where, in its opinion, acting reasonably, the proposed assignee, purchaser or transferee lacks the capacity or resources necessary to ensure the proper conduct and completion of its obligations under this Agreement over the remaining portion of the term of the Agreement. No assignment shall operate to release the assigning party from its obligations hereunder unless such party is expressly released from its obligations by the other Party.

i. Successors and Assigns. This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto.

j. Other Documents and Assurances. Each of the parties to this Agreement agrees that any time after the execution hereof, it will, on request of the other party, execute and deliver such other documents and further assurances as may reasonably be required by such other party in order to carry out the intent of this Agreement.

k. No Third Party Beneficiaries. This Agreement shall not be deemed to confer in favor of any third parties any rights whatsoever as third-party beneficiaries, the parties hereto intending this Agreement to confer no such benefits or status.

l. Counterparts. This Agreement may be executed in one or more counterparts, each of which so executed and delivered shall be deemed an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary for the same counterpart of this Agreement to be executed by all of the parties hereto.

m. Notice. Any notice or document required or permitted to be delivered under this Agreement or the Easement(s) to be granted hereunder shall be in writing and shall be deemed delivered at the earlier of (i) the date received, or (ii) three (3) business days after the date deposited in an United States Postal Service depository, postage prepaid, registered or certified mail, return receipt requested, addressed to Florida Water or Customer as the case may be, at the addresses set forth opposite their names below:

**FLORIDA WATER:**

Florida Water Services Corporation  
P.O. Box 609520  
Orlando, Florida 32860  
Attn: Eric Teittinen, Senior Vice-President  
Operations & Engineering

With a copy to:  
Florida Water Services Corporation  
P.O. Box 609520  
Orlando, Florida 32860  
Attn: General Counsel

**DEVELOPER:**

Del Webb Corporation  
6001 North 24<sup>th</sup> Street  
Phoenix, Arizona 85016  
Attn: Philip H. Darrow, Esq.  
Facsimile No.: 615/808-8015

With a copy to:  
Holland & Knight LLP  
200 South Orange Avenue, Suite 2600  
Orlando, FL 32801  
Attn: Glenn A. Adams, Esq.  
Facsimile No.: 407/244-5288

n. Recordation. Utility may record this Agreement or a memorandum of this Agreement in the Public Records of Marion County, Florida.

The Parties have executed this Agreement as of the day and year first written above. FLORIDA WATER SERVICES CORPORATION

Dated: June 29, 2000

By: [Signature]

As Its: JOHN CIRIELLO

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2000, by JOHN CIRIELLO, who is personally known to me or has produced FLA DR. LLC. as identification and who did/did not take an oath.

[Signature]  
Notary Public

Name of Notary Printed:

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H. COPLEY  
COMMISSION # CC768789  
EXPIRES 8/19/2002  
BONDED THRU ASA 1-888-NOTARY1

My Commission Expires:

My Commission Number Is:

Notary Seal

DEL WEBB'S SPRUCE CREEK  
COMMUNITIES, INC.

Dated: June 29, 2000

By: [Signature]

As Its: Asst. Secretary V.P.

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2000, by JOHN R. RAGAN, who is personally known to me or has produced FLA DR. LLC. as identification and who did/did not take an oath.

[Signature]  
Notary Public

Name of Notary Printed:

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H. COPLEY  
COMMISSION # CC768789  
EXPIRES 8/19/2002  
BONDED THRU ASA 1-888-NOTARY1

My Commission Expires:

My Commission Number Is:

Notary Seal

Ex. A to Exhibit F - 050815.00044  
Description of Real Property  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc.  
and Del Webb's Spruce Creek Communities, Inc.

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EXHIBIT A

**Description of Real Property Owned by Developer**

See attached:

- 4 page description- Del Webb's Spruce Creek Country Club Florida Quality Development.
- Affidavit dated June 29, 2000.
- Master Sewer Plan.

**Current Del Webb's Spruce Creek Country Club Florida Quality Development:**

The S 1/2 of the NW 1/4 and the W 1/2 of the SW 1/4 of the NE 1/4 and the W 1/2 of the SE 1/4 of the NE 1/4 and the S 1/2 except the East 30 feet thereof, all in Section 3, Township 17 South, Range 23 East; and

Also the N 1/2 of Section 10, Township 17 South, Range 23 East, except the East 315 feet thereof, and except the NW 1/4 of the SW 1/4 of the NW 1/4 of said Section 10; and

Also the N 1/2 of the S 1/2 of said Section 10, except the East 315 feet thereof; and

Also the SW 1/4 of the SE 1/4 of said Section 10, except the South 40 feet thereof; and

Also the N 1/2 of the S 1/2 of the SW 1/4 and the SE 1/4 of the SW 1/4 of the SW 1/4 of said Section 10; and

Also, the East 1/2 of the NE 1/4 of the SE 1/4 of Section 9, Township 17 South, Range 23 East, except the N 1/2 thereof; and

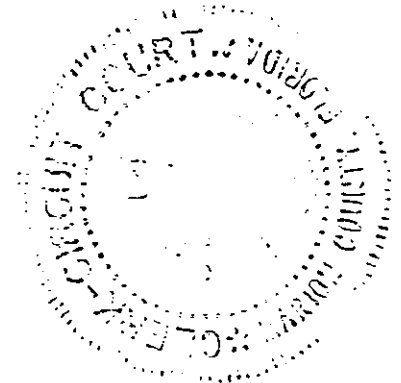
Also the West 3/4 of the N 1/2 of the SE 1/4 of said Section 9, except the North 893.54 feet thereof; and

Also the S 1/2 of the SE 1/4 of said Section 9, except the NW 1/4 of the SW 1/4 of the SE 1/4 of said Section 9; and

Also that part of the S 1/2 of the SE 1/4 of the SW 1/4 of said Section 9, lying East of U.S. Highways 441 and 27 (200 feet wide); and

Also that part of the N 1/2 of the N 1/2 of Section 16, Township 17, Range 23 East, lying East of said Highways 441 and 27.

All being in Marion County, Florida and containing 1170.27 acres more or less.



**Adding the following to the Del Webb's Spruce Creek Country Club Florida Quality Development:**

PARCEL # 45156-000-00, Containing 20 acres, more or less

W 1/2 of NE 1/4 OF NW 1/4 OF SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST

PARCEL # 45458-000-00, containing 202 acres, more or less

THE NORTH 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA AND A PORTION OF THE WEST 3/4 OF THE NORTH 1/2 OF THE SE 1/4 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SW CORNER OF THE NE 1/4 OF SECTION 9 FOR THE POINT OF BEGINNING; THENCE N 89°56'22" E., ALONG THE SOUTH BOUNDARY OF THE NE 1/4 OF SAID SECTION 9 A DISTANCE OF 1994.91 FEET; THENCE S 00°00'31" W., A DISTANCE OF 893.54 FEET; THENCE 89°56'22" W., A DISTANCE OF 1994.73 FEET TO THE WEST BOUNDARY OF TH4E SE 1/4 OF SAID SECTION 9 THENCE N 00°00'10" W., ALONG SAID WEST BOUNDARY A DISTANCE OF 893.54 FEET TO THE POINT OF BEGINNING.

PARCEL # 45500-003-00, CONTAINING 10 ACRES, MORE OR LESS

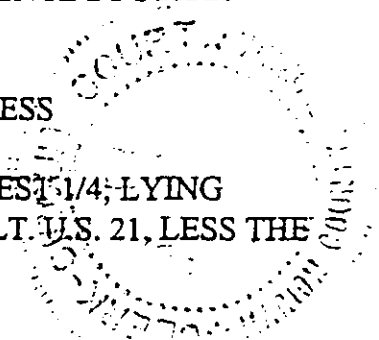
NE 1/4 OF NE 1/4 OF SE 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA.

PARCEL # 45506-000-00, CONTAINING 5 ACRES, MORE OR LESS

THE EAST 1/2 OF SW 1/4 OF SW 1/4 OF SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, TOGETHER WITH THAT PERPETUAL RIGHT OF WAY EASEMENT AS SET FORTH IN DEED DATED JUNE 15, 1972, FROM RUBEN MOORER AND HIS WIFE LUDIE MOORER TO HENRY MOORER AND HIS WIFE, BERNICE MOORER; DESCRIBED AS COMMENCING AT THE SW CORNER OF THE EAST 1/2 OF SW 1/4 OF SW 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, THENCE WEST 198.79 FEET, THENCE NORTH 25 FEET, THENCE EAST 198.79 FEET THENCE SOUTH 25 FEET TO THE POINT OF BEGINNING.

PARCEL # 39385-009-00, CONTAINING 16.36 ACRES, MORE OR LESS

THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4, LYING SOUTHERLY OF THE SOUTHERLY RIGHT OF WAY OF ALT. U.S. 21, LESS THE FOLLOWING DESCRIBED TRACT TO WIT:



COMMENCE AT THE NORTHWEST CORNER OF LOT 1, BLOCK E OF WOODBERRY FOREST, AS RECORDED IN PLAT BOOK W, PAGE 62 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF S.E. COUNTY HIGHWAY C-25 (100 FEET WIDE); THENCE N. 70°50'18" W., ALONG SAID RIGHT OF WAY LINE 351.39 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT OF WAY LINE S. 00°01'36" W., 240 FEET; THENCE N. 89°58'24" W., 135 FEET; THENCE N. 54°35'39" E., 40.74 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 47.62 FEET TO THE POINT OF TANGENCY, SAID POINT BEING ON THE AFORESAID SOUTH RIGHT OF WAY LINE; THENCE S. 70°50'18" E., ALONG SAID RIGHT OF WAY LINE, 107.76 FEET TO THE POINT OF BEGINNING.

PARCEL # 45509-000-01, CONTAINING 5.06 ACRES, MORE OR LESS

THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4, EXCEPT THE NORTH 329.43 FEET THEREOF OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

PARCEL # 39385-004-00, CONTAINING 74.25 ACRES, MORE OR LESS

THE EAST 3/4 OF THE NE 1/4 OF THE SE 1/4 LYING SOUTH OF U.S. HIGHWAY NO. 441; AND ALL OF THE SE 1/4 OF THE SE 1/4 OF SECTION 33, TOWNSHIP 16 SOUTH, RANGE 23 EAST, AND ALSO THE WEST 1/4 OF THE SW 1/4; LYING SOUTH OF U.S. HIGHWAY NO. 441 IN SECTION 34, TOWNSHIP 16 SOUTH, RANGE 23 EAST, AND THAT PART OF THE WEST 1/4 OF THE NE 1/4 OF THE SE 1/4; LYING SOUTH OF C-25 AND ALT. U.S. 441 IN SECTION 33, TOWNSHIP 16 SOUTH, RANGE 23 EAST, ALL LYING AND BEING IN MARION COUNTY, FLORIDA.

PARCEL # 45509-000-02, CONTAINING 5 ACRES, MORE OR LESS

A.

THE NORTH 263.50 FEET OF THE SE 1/4 OF SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23, EAST, TOGETHER WITH AN EXCLUSIVE EASEMENT FOR RIGHT OF WAY PURPOSES OVER AND ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY; THE EAST 20 FEET OF THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE NORTH 263.50 FEET THEREOF.

B.

THE NORTH 65.88 FEET OF THE SOUTH 199.57 FEET OF THE NORTH 463.07 OF THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, TOGETHER WITH AN EXCLUSIVE EASEMENT FOR RIGHT OF WAY PURPOSES OVER AND ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY; THE EAST 20 FEET OF THE SE 1/4 OF THE SE



1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST,  
EXCEPT THE NORTH 263.50 FEET THEREOF.

PARCEL # 45500-002-00, CONTAINING 20 ACRES, MORE OR LESS

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE  
SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF  
THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, LYING AND BEING IN THE COUNTY OF MARION, STATE OF FLORIDA.

PARCEL # R45147-000-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE NORTHWEST 1/4 OF THE NORTHWEST OF THE NORTHWEST 1/4 OF  
SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY,  
FLORIDA.

PARCEL # 45164-000-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE  
NORTHWEST 1/4 OF SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23, MARION  
COUNTY, FLORIDA.

PARCEL # 45157-001-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF  
SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY,  
FLORIDA.

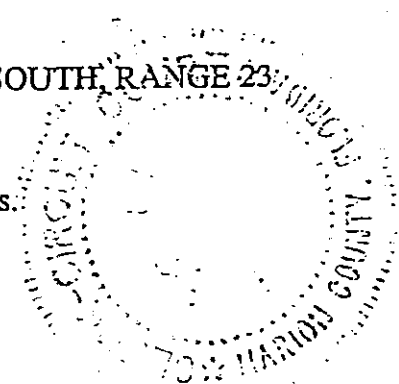
PARCEL # 45164-001-00, CONTAINING 10.37 ACRES, MORE OR LESS

THE EAST 1/4 OF THE NW 1/4 OF THE NW 1/4 OF SECTION 3, TOWNSHIP 17  
SOUTH, RANGE 23 EAST.

PARCEL # 45509-001-00, CONTAINING 10 ACRES, MORE OR LESS

NW 1/4 OF SW 1/4 OF NW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, MARION COUNTY, FLORIDA.

All being in Marion County, Florida and containing 409.09 acres more or less.



**AFFIDAVIT**

STATE OF FLORIDA  
COUNTY OF LAKE

BEFORE ME, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Duane K. Booth of Farmer, Barley & Associates, Inc., who after being duly sworn, did depose on oath and say that the legal description included in the Development Order intended to portray the boundaries of the Spruce Creek Golf & Country Club as depicted on Map H of the ADD, however, 2 errors have been discovered and the legal descriptions should read as follows:

PARCEL #45458-000-00, CONTAINING 202 ACRES, MORE OR LESS

THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA AND A PORTION OF THE WEST 1/4 OF THE NORTH 1/2 OF THE SE 1/4 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SW CORNER OF THE NE 1/4 OF SECTION 9 FROM THE POINT OF BEGINNING, THENCE N 89°58'22"E., ALONG THE SOUTH BOUNDARY OF THE NE 1/4 OF SAID SECTION 9 A DISTANCE OF 1994.91 FEET; THENCE S 00°00'31"W., A DISTANCE OF 893.54 FEET; THENCE 89°58'22"W., A DISTANCE OF 1994.73 FEET TO THE WEST BOUNDARY OF THE SE 1/4 OF SAID SECTION 9 THENCE N 00°00'10" W., ALONG SAID WEST BOUNDARY A DISTANCE OF 893.54 FEET TO THE POINT OF BEGINNING.

PARCEL #39385-009-00, CONTAINING 16.36 ACRES, MORE OR LESS

THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 34, TOWNSHIP 16 SOUTH, RANGE 23 EAST, LYING SOUTHERLY OF THE SOUTHERLY RIGHT OF WAY OF ALT. U.S. 21, LESS THE FOLLOWING DESCRIBED TRACT TO WIT:

COMMENCE AT THE NORTHWEST CORNER OF LOT 1, BLOCK E OF WOODBERRY FOREST, AS RECORDED IN PLAT BOOK W. PAGE 82 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF S.E. COUNTY HIGHWAY C-25 (100 FEET WIDE); THENCE N. 70°50'18" W., ALONG SAID RIGHT OF WAY LINE 351.39 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT OF WAY LINE S. 00°01'38" W., 240 FEET; THENCE N. 89°58'24"W., 135 FEET; THENCE N. 54°35'39" E., 40.74 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 47.62 FEET TO THE POINT OF TANGENCY, SAID POINT BEING ON THE AFORESAID SOUTH RIGHT OF WAY LINE; THENCE S. 70°50'18" E., ALONG SAID RIGHT OF WAY LINE, 107.76 FEET TO THE POINT OF BEGINNING.

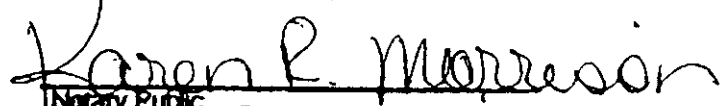
FURTHER AFFIANT SAYETH NOT.



Duane K. Booth, P.E.

STATE OF FLORIDA  
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of June, 2000, by Duane K. Booth who is personally known to me or who has produced as identification.



Norany Public  
KAREN R. MORRISON  
Typed or printed name



Karen R. Morrison  
MY COMMISSION # 00588511 EXPIRES  
September 26, 2000  
BONDED THRU TROY FARM INSURANCE CO.

## FUTURES AGREEMENT

THIS FUTURES AGREEMENT ("Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2000 by and between Del Webb's Spruce Creek Communities, Inc. (hereinafter "Developer") and Florida Water Services Corporation (hereinafter "Utility").

### WITNESSETH:

WHEREAS, Developer owns or will acquire certain real property in Central Florida known as the Spruce Creek Country Club and the Spruce Creek Preserve, which is more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter the "Property"); and

WHEREAS, prior to the date of execution of this Futures Agreement, Spruce Creek South Utilities, Inc. ("Spruce Creek") has provided water and wastewater service to the Property; and

WHEREAS, Utility is a provider of water and wastewater service; and

WHEREAS, on even date herewith, Utility has acquired the water and wastewater system (the "System") previously owned by Spruce Creek pursuant to the terms of an asset purchase agreement (the "Asset Purchase Agreement"); and

WHEREAS, as a result of the Asset Purchase Agreement, Utility will provide water and wastewater service to the Property; and

WHEREAS, Developer will continue to expand its Property for sale for residential and commercial purposes; and

WHEREAS, the persons or entities that purchase Developer's Property will be customers of the Utility; and

WHEREAS, Utility will need to extend the System in order to provide service to the Property.

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

1. Extension of System. The parties acknowledge that the Utility is required to construct the facilities necessary to extend the System under the terms of tariffs applicable to the Property on file with the Florida Public Service Commission ("FPSC"). Utility hereby agrees that, pursuant to the Developer's Agreement by and between Utility and Developer executed contemporaneously

herewith, Developer has the exclusive right to construct, on behalf of the Utility, the necessary facilities within the Property described in Exhibit "A", including transmission and distribution lines and all other infrastructure (excluding water well sites and wastewater treatment plants) necessary for the extension of Utility's System to serve such Property.

2. Future Payments. In exchange for Developer constructing the facilities within the Property necessary to extend the Utility's System to serve the Property, Utility agrees to make monthly periodic futures payments and one lump-sum payment to Developer as follows:

(a) Periodic Futures Payments. Utility agrees to make monthly futures payments to Developer. Utility shall pay Developer the following amounts for each equivalent residential connection ("ERC") made to the System on or after October 1, 1999 through June 30, 2005:

<u>Period</u>	<u>Payment Per ERC</u>
October 1, 1999 through June 30, 2002	\$1,000
July 1, 2002 through June 30, 2003	\$1,500
July 1, 2003 through June 30, 2005	\$2,500

Notwithstanding Rule 25-30.515, Florida Administrative Code, for purposes of this paragraph, "ERC" includes connections to the System located on the Property. Further, for purposes of this paragraph, an "ERC" means each connection to a single-family residence. For a commercial user, "ERC" means the equivalent of a single-family residential connection which the parties acknowledge on average approximates 350 gallons of water per day. For a commercial user, ERCs shall be calculated by dividing the total daily flow of the commercial user by 350 gallons per day for water. For purposes of this paragraph, an ERC shall be deemed to be made when a connection is made to the System. On the Closing Date (as defined in the Asset Purchase Agreement), Utility agrees to make all futures payments owed to Developer for ERCs made from October 1, 1999 through the Closing Date, by wire transfer or delivery of other immediately available funds as reflected on Exhibit B attached hereto. After the Closing Date, Utility will pay Developer on the twentieth day of each month all periodic futures payments owed for ERCs made during the preceding month.

(b) Lump-Sum Payment. In addition to the periodic futures payments made by Utility to Developer under paragraph 2(a) hereof, Utility agrees to pay to Developer the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) by wire transfer or other immediately available funds within fifteen (15) days of the date that three thousand three hundred (3,300) residential connections have been made to the System at the Spruce Creek Country Club and the Spruce Creek Preserve. For purposes of determining when the payment is due hereunder, the parties acknowledge that the three thousand three hundred (3,300)

residential connections contemplated by the prior sentence includes all residential units connected to the System at the Spruce Creek Country Club and the Spruce Creek Preserve including connections made prior to the date hereof. The Parties acknowledge that the obligation to make a payment hereunder shall continue until such time that the payment is made regardless of the date that three thousand three hundred (3,300) residential connections have been made to the System as contemplated hereunder.

3. Condemnation. In the event that a governmental unit condemns the System, the obligation of the Utility to make the payments contemplated hereunder shall continue, and the date upon which such payments shall be due shall be the same date that such payments would have been due assuming that the Utility continued to operate the System rather than such governmental unit.

4. Additional Payments. In the event that Utility does not make the payments due hereunder on a timely basis, an event of default shall be deemed to have occurred hereunder, and the Utility shall pay to Developer an additional amount equal to one and one-half percent (1-1/2%) per month (or the maximum amount permitted by law whichever is less) of the aggregate amount owed to Developer for each month that any amount remains unpaid.

5. Miscellaneous.

(a) No Waiver. No waiver by either party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults of the like or a different character.

(b) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida notwithstanding another jurisdiction.

(c) Headings. All article headings, section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(d) Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provisions; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

(e) Entire Agreement. This Agreement, including the exhibits attached hereto, sets forth the full and complete understanding of the parties as of

the date above-stated, and it supersedes any and all prior negotiation, agreements, and understandings with respect to the subject matter hereof.

(f) Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver, or modification shall be sought.

(g) Legal Fees. In the event of litigation between the parties hereto arising out of or in connection with this Agreement, then the reasonable attorneys' fees and costs of the party prevailing in such litigation shall be paid by the other Party.

(h) Assignment. The Utility may not assign its obligations under this Agreement except with the prior written consent of the Developer, which consent shall not be unreasonably withheld. Without limiting or restricting the generality of the foregoing, it shall not be unreasonable for Developer to deny its consent where, in its opinion, acting reasonably, the proposed assignee, purchaser or transferee lacks the capacity or resources necessary to ensure the proper conduct and completion of its obligations under this Agreement over the remaining portion of the term of the Agreement. No assignment shall operate to release the Utility from its obligations hereunder unless the Utility is expressly released from its obligations by the Developer. Developer may assign its rights under this Agreement to an Affiliate as such term is defined in the Asset Purchase Agreement.

(i) Inurement. This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto. It is understood that the Developer may assign its rights hereunder to successor/owners of the Developer's parcels of real property included in the Property.

[INTENTIONALLY LEFT BLANK]

The Parties have executed this Agreement as of the day and year first written above.

DEL WEBB'S SPRUCE CREEK  
COMMUNITIES, INC.

Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public

Name of Notary Printed:  
\_\_\_\_\_

My Commission Expires:

My Commission Number Is:

\_\_\_\_\_  
Notary Seal

FLORIDA WATER SERVICES  
CORPORATION

Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_

As Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2000, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and who did/did not take an oath.

\_\_\_\_\_  
Notary Public

Name of Notary Printed:  
\_\_\_\_\_

My Commission Expires:

My Commission Number Is:

\_\_\_\_\_  
Notary Seal



Exhibit A

DESCRIPTION OF PROPERTY

Include legal description of Spruce Creek Preserve

Include legal description of Spruce Creek Country Club **(including additions contemplated by amended FQD)**

Exhibit B

ERCs 10-1-99 through Closing

ORL1 #516855 v10

**DEVELOPER'S AGREEMENT**

**By and Between**

**Florida Water Services Corporation**

**and**

**Del Webb's Spruce Creek Communities, Inc.**

This AGREEMENT is made this 29<sup>th</sup> day of June 2000, by and between Florida Water Services Corporation, a Florida corporation (hereafter "Utility"), and Del Webb's Spruce Creek Communities, Inc., an Arizona corporation (hereafter "Developer").

### RECITALS

1. Developer owns certain properties located in Marion County, Florida, known as the Spruce Creek Country Club and Spruce Creek Preserve more particularly described in Exhibit "A", attached to and incorporated in this Agreement and hereinafter referred to as the "Developer's Property".

2. Prior to the date of execution of this Developer's Agreement, Spruce Creek South Utilities, Inc. ("Spruce Creek") has provided water and wastewater service to the Developer's Property.

3. On even date herewith, Utility has acquired the water and wastewater system previously owned by Spruce Creek pursuant to the terms of an asset purchase agreement (the "Asset Purchase Agreement").

4. Developer intends to further construct improvements to 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 Water and Wastewater Service Capacity.

5. Developer has completed and executed an Application for Service Extension, a true copy of which is attached to and incorporated in this Agreement as Exhibit "C".

6. Water and Wastewater Service Capacity for the Improvements shall be provided in the manner described below and subject to the terms and conditions provided herein.

7. Utility is willing to provide Water and Wastewater Service Capacity to 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 mutual undertakings and agreements herein contained and assumed, and other good and valuable consideration received by each party from the other, the receipt and sufficiency of which are hereby acknowledged, the parties 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 Developer's Agreement by and between Utility and Developer, as it may be amended from time to time.

2.2 "Asset Purchase Agreement" has the meaning set forth in the Recitals of this Agreement.

2.3 "Customer Installation" means for Water service, all pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature which are located on the customer's side of the Point of Delivery and used in connection with or forming a part of the installation necessary for rendering Water services to the customer's premises regardless of whether such installation is owned by the customer or used by the consumer under lease or other agreement. For Wastewater service, "Customer Installation" means all pipes, shut-offs, valves, fixtures, and appliances or apparatus of every kind and nature which are located on the customer's side of the Point of Collection and used in connection with or forming a part of the installation necessary for disposing of Wastewater collected from the customer's premises regardless of whether such installation is owned by the customer or used by the consumer under lease or other agreement.

2.4 "Developer" (or "Applicant" in Exhibit "C") means Del Webb's Spruce Creek Communities, Inc., an Arizona corporation, its successors and assigns.

2.5 "Developer's Property" means that land described in Exhibit "A" hereto plus additional parcels of land acquired by Developer in the future which adjoin the land described on Exhibit "A".

2.6 "Development Plan" means the document describing the proposed Improvements to be constructed on the Developer's Property as set forth in Exhibit "B" attached to and incorporated in this Agreement, as amended from time to time.

2.7 "ERC" has the meaning assigned to the term in the Asset Purchase Agreement.

2.8 "FDEP" means the Florida Department of Environmental Protection, 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 (including roads, drainage, grading, lot layout, water supply facilities, maintenance, and service lines to the Point of Delivery) which will be constructed and developed by Developer on the Developer's Property.

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

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

2.14 "Off-Site Facilities" means the portion of the Water and Wastewater Facilities that are not located wholly within the Developer's Property the purpose of which are either to provide Water service to properties within the Utility's service territory or to collect Wastewater received from properties within the territory.

2.15 "On-Site Facilities" means the portion of the Water and Wastewater Facilities that has been or will be located wholly within the Developer's Property. For purposes hereof, On-Site Facilities do not include water well and water treatment plants or any wastewater treatment plant facilities.

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

2.17 "Plans and Specifications" means those documents and drawings prepared by Developer's Engineer (as defined in Section 3.1 hereof) for the design and construction of certain Water and Wastewater Facilities and approved by Utility, as described in Subsection 2.28 hereof.

2.18 "Plant Capacity Charge" means a charge made by Utility for the purpose of covering all or part of Utility's capital costs in construction or expansion of the Water and Wastewater Facilities.

2.19 "Point of Collection" means the point at which the Utility's piping, fittings and valves for Wastewater service connect with the customer's piping, fittings and valves.

2.20 "Point of Delivery" means the outlet connection of the meter for metered Water service or the point at which the Utility's piping, fittings and valves connect with the customer's piping, fittings and valves for non-metered Water service, to be located on or about the property line of the customer's Lot or Tract.

2.21 "Service Availability Charges" means those charges described in Subsection 5.2 herein.

2.22 "Service Availability Policies" means the sections of the Utility's Tariffs which set forth the methods of determining the Service Availability Charges to be

paid and conditions to be met by applicants in order to obtain Water and Wastewater service from Utility. The Service Availability Policies applicable to this Agreement are attached hereto as Exhibit "D".

2.23 "Tariffs" means the Water and Wastewater Tariffs of Spruce Creek South Utilities, Inc. on file with the FPSC, or as amended from time to time.

2.24 "Utility" means Florida Water Services Corporation, a water and wastewater utility as defined in Chapter 367, Florida Statutes, its successors or assigns.

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

2.26 "Wastewater" means the combination of the liquid and water-carried pollutants from a residence, commercial building, industrial plant, or institution, together with any groundwater, surface runoff, or leachate that may be present.

2.27 "Water" means water satisfactory for drinking, cooking and domestic purposes in accordance with all government standards meeting the quality standards of the FDEP.

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

2.29 "Water and Wastewater Service Capacity" means the readiness and ability of Utility to furnish Water and Wastewater service to each Lot or Tract in accordance with applicable governmental requirements and regulations. Water and Wastewater Service Capacity is typically expressed as a rate of Water flow measured in GPD.

**SECTION 3 - DESIGN, CONSTRUCTION, AND OPERATION OF ON-SITE FACILITIES.** The parties acknowledge that responsibility for construction of On-Site Facilities under the terms of the Tariffs applicable to Developer's Property lies with Utility. In order to install the On-Site Facilities in an orderly and economic fashion, Developer and Utility have determined that Developer shall construct the On-Site Facilities in conjunction with its development and engineering of the Lots and Tracts. Accordingly, Utility hereby designates

Developer as its exclusive contractor to construct the On-Site Facilities on behalf of the Utility pursuant to the terms hereof as follows:

3.1 Design of On-Site Facilities. Developer shall, at its expense, cause its own Florida registered professional engineer ("Engineer") to design and produce and submit to Utility for its review and approval or rejection prior to construction, graphic Plans and Specifications, which are based upon Utility's standard specifications to design utility facilities, for the construction of the On-Site Facilities needed in the future. The Plans and Specifications may be limited to one Phase only, and subsequent Phases may be furnished from time to time. However, each such Phase shall conform to the Development Plan for the Developer's Property attached hereto or, if not so attached, such Development Plan shall be submitted to Utility concurrent with or prior to submission of the Plans and Specifications for the first Phase contemplated hereunder. Developer shall cause its Engineer to submit to Utility Plans and Specifications governing the materials to be used by Developer and the method and manner of installation for each such Phase.

3.2 Approval of Plans and Specifications for On-Site Facilities. Utility shall review, and reject or approve, any such Plans and Specifications submitted pursuant to Subsection 3.1 hereof within thirty (30) days after its receipt of the Plans and Specifications; provided, however, that approval shall not be unreasonably withheld. Developer's Engineer shall make corrections or modifications at Developer's expense to any portion of the Plans and Specifications which are unacceptable to Utility and shall resubmit the corrected or modified Plans and Specifications to Utility for further review until Utility shall have approved the Plans and Specifications. Utility shall have, in each case, fifteen (15) days within which to approve or reject any such revision to said Plans and Specifications. Any such submitted Plans and Specifications which are not approved or rejected within the time period provided shall be deemed approved.

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

3.4 Construction of On-Site Facilities. After Utility's approval of the Plans and Specifications for any Phase or portion of the On-Site Facilities, Developer shall, at its expense, construct and install that Phase or portion of the On-Site Facilities as the same are depicted in Utility approved Plans and Specifications therefor. Developer shall construct the On-Site Facilities 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. 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 Record Drawings showing specification locations, depth, and other appropriate details of all Water and Wastewater Facilities as located by a licensed surveyor along with three (3) prints of the Record Drawings which have been sealed by the surveyor. Prior to acceptance by Utility, Developer shall provide Utility with a certification by Developer's Engineer that the facilities described in such Record Drawings were constructed, pressure tested, and bacteriologically cleared in accordance with approved plans and specifications, and applicable regulatory requirements. In addition, Developer will provide Utility with one (1) set 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, Utility shall have the continuing right to inspect such installations to determine compliance with the Plans and Specifications. Utility shall be entitled to perform standard tests, and shall be given no less than forty-eight (48) hours advance notice of any Developer tests, for pressure, exfiltration, infiltration, line and grade, and all other normal engineering tests to determine that the On-Site Facilities have been installed in accordance with the Plans and Specifications and good engineering practices, but it shall remain the responsibility of Developer's Engineer to certify that such construction by Developer (i) complies with approved Plans and Specifications and applicable regulatory requirements and (ii) is approved by FDEP. If not completed in accordance with the Plans and Specifications or approved by FDEP, a notice of non-compliance will be issued. Developer will correct the non-compliance within a reasonable period of time and will notify the Utility for reinspection.

3.6 Characterization and Surrender of On-Site Facilities. Developer shall transfer any On-Site Facilities constructed by Developer pursuant to this Agreement to Utility upon completion of construction as contemplated above. Developer shall surrender control of such On-Site Facilities and execute and deliver to Utility all documents or instruments necessary for that purpose, including but not limited to a Bill of Sale and a Waiver and Release of Lien, both in a form acceptable to Utility. If Developer shall fail or refuse to do so, then Utility shall be entitled to specifically enforce the provisions of this Subsection 3.6 against Developer.

3.7 WARRANTY. DEVELOPER HEREBY WARRANTS THAT THE ON-SITE FACILITIES TO BE CONSTRUCTED BY DEVELOPER SUBSEQUENT TO THE DATE HEREOF SHALL BE FREE FROM MATERIAL DEFECTS IN MATERIAL OR WORKMANSHIP UNDER NORMAL AND REASONABLE USE FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF TRANSFER UNDER PARAGRAPH 3.6. DEVELOPER'S WARRANTY HEREUNDER IS LIMITED TO REPLACEMENT OR REPAIR OF THE DEFECT AND DOES NOT APPLY TO DEFECTS, MALFUNCTION OR DAMAGE CAUSED BY MISUSE, NEGLIGENCE, ACCIDENT, FAULTY HOOK-UP, ABUSE OR ANY DAMAGE CAUSED BY ANY

REPAIR OR ATTEMPTED REPAIR NOT AUTHORIZED BY DEVELOPER. DEVELOPER AGREES TO PROVIDE TO UTILITY A COPY OF THE CONSTRUCTION CONTRACTOR'S WARRANTY, IF ANY, AND APPLICABLE EQUIPMENT WARRANTIES AND TO THE EXTENT POSSIBLE SHALL ASSIGN SUCH WARRANTIES TO UTILITY. IF, UPON WRITTEN NOTICE TO DEVELOPER OF A WARRANTY CLAIM, SUCH WARRANTY WORK IS NOT COMPLETED WITHIN A REASONABLE PERIOD OF TIME WHICH SHALL BE AT LEAST FORTY-FIVE (45) DAYS, UTILITY SHALL HAVE THE RIGHT TO COMPLETE THE WORK AND BILL DEVELOPER FOR ITS REASONABLE COSTS.

3.8 Assurance of Title to Property. Within a period of forty-five (45) days after the execution of this Agreement, at the expense of Developer, Developer shall deliver to Utility an opinion of title from a qualified attorney-at-law, or a title report by a title company operating in Florida reasonably acceptable to Utility, with respect to the Developer's Property then-owned by Developer, which opinion or report 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. Utility acknowledges that certain property included within the definition of the term "Developer's Property" is currently subject to an option to be acquired by Developer and, therefore, will not be included on any title reports or opinions delivered hereunder. Nevertheless, upon acquisition by Developer of such additional property and prior to its development into Lots and Tracts, Developer shall submit to Utility the opinions or reports otherwise required herein as to such additional property.

3.9 Effect of Reviews, Inspections, Approvals, and Acceptances. The reviews, inspections, approvals and acceptances by Utility of the Plans and Specifications and construction shall not constitute a waiver of Developer's warranty provided by Section 3.7 nor as a waiver by Utility of any tort claims.

3.10 Operation and Maintenance of On-Site Facilities. Subject to Developer's compliance with Sections 3 and 5 hereof, Utility or its successors shall in writing accept ownership and assume responsibility for the operation and maintenance of those On-Site Facilities transferred to Utility pursuant to Subsection 3.6, excluding the Customer Installations; provided, however, nothing herein shall prohibit Utility from assuming responsibility for the operation of the On-Site Facilities prior to the transfer of ownership upon its consent. Upon acceptance of ownership and assumption of the responsibility for the operation and maintenance of any such On-Site Facilities by Utility as contemplated in this Agreement, all customers of those On-Site Facilities shall be deemed customers of the Utility's System, and Utility shall set and collect all Water and Wastewater

rates, fees, charges and deposits for those On-Site Facilities, without exception, in accordance with its Tariffs.

#### SECTION 4 - EASEMENTS.

4.1 Conveyance or Dedication of Facilities and Easements. Prior to acceptance of any phase or portion of the On-Site Facilities for ownership by Utility, Developer shall, with respect to such phase or portion constructed or otherwise provided by Developer, (a) convey, grant or dedicate to Utility free and clear of all liens and encumbrances, such non-exclusive easements as are reasonably necessary for Utility to own, operate, maintain, repair, expand, and replace the On-Site Facilities accepted by 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 Utility to operate and maintain the applicable phase or portion of those On-Site Facilities and provide Water and Wastewater Service Capacity to the Improvements, and notify all governmental agencies of such transfer and conveyance as may be required by law. Utility shall review and approve or reject within thirty (30) days after receipt thereof all documents submitted by Developer pursuant to this Subsection 4.1.

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

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

4.4 Use of Easement Grants. Utility agrees that all easement grants will be utilized in accordance with the established and generally accepted practices of the Water and Wastewater utility industry with respect to the installation of all

such On-Site 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 and Wastewater service.

**SECTION 5 - RATES, FEES, AND CHARGES.**

5.1 As a condition to the provision of Water and Wastewater Service Capacity, Developer agrees to comply with Utility's Service Availability Policies attached hereto as Exhibit "D".

5.2 Developer shall be required to pay Utility's applicable Service Availability Charges as contained in Utility's Service Availability Policies including main extension charges, meter installation fees and Plant Capacity Charges for Water service and Plant Capacity Charges, line extension charges and connection fees for Wastewater service. In no event shall Utility seek an amendment to the Tariffs in which the Service Availability Charges exceed \$1,010.00 per ERC for Water service and \$1,100.00 per ERC for Wastewater service.

**5.3 General Rate Provisions.**

(1) Payment of the sums set forth in this Section 5 does not and will not result in Utility waiving any of its other applicable rates, fees, charges, rate schedules, or rules and regulations.

(2) In the event Utility fails to provide Water and Wastewater Service Capacity as provided for above after Developer has complied with all requirements and obligations applicable to Developer, then Developer shall be entitled to a refund of all monies paid hereunder, with interest, related to any of Developer's Property requested to be served and not provided with such service. In the event Developer requests such reimbursement and Utility pays such reimbursement in full, then the parties shall be released from any and all liability or obligation to the other arising hereunder as to such portion of Developer's Property or, in lieu thereof, Developer shall have the right to pursue any other remedies, if any, available to it.

**SECTION 6 - ALLOCATION AND PROVISION OF WATER AND SEWER SERVICE CAPACITY.**

6.1 Availability of Potable Water. Utility will supply Water and Wastewater Service Capacity required to serve the entire Developer's Property throughout the term of this Agreement and any amendments thereto as provided in Subsection 11.1 hereof; provided however that, with respect to Phases of Developer's Property not yet developed, Utility's obligations hereunder do not arise

until such time as Utility assumes responsibility for the operation of the On-Site Facilities under Section 3.10. The parties acknowledge that Spruce Creek Country Club consists of approximately 1,170 acres and 2,200 units are proposed to be built thereon. The parties further acknowledge that Developer is seeking to expand the Spruce Creek Country Club by 400 acres and 1,000 additional units. The parties acknowledge that Spruce Creek Preserve consists of approximately 416 acres and 667 units are proposed to be built thereon. The parties acknowledge that the definition of the term "Developer's Property" includes additional parcels of land which Developer may acquire which adjoin the Spruce Creek Country Club and the Spruce Creek Preserve. Notwithstanding anything to the contrary contained herein, no provisions of this Agreement shall be construed as a guaranty on the part of the Developer that any certain number of units will be built and/or sold at either the Spruce Creek Country Club or the Spruce Creek Preserve.

6.2 Fees. Utility acknowledges it will not charge Developer, nor its successors or assigns, any other fees with regard to the Developer's Property other than normal and customary user fees established in accordance with Utility's Tariffs, rate schedules and Service Availability Policies to include Service Availability Charges described in Subsection 5.2 hereof. If there is a conflict between Utility's Tariffs and the terms of this Agreement, the terms of this Agreement shall govern and control.

6.3 Covenant Not to Contest. In the event there is not a Non-Appealable Order (as defined in the Asset Purchase Agreement) approving the transfer of the Utility Assets (as defined in the Asset Purchase Agreement) to Utility within thirty (30) months of the date of Closing (as defined in the Asset Purchase Agreement), and Developer or Utility elects to terminate this Agreement pursuant to Subsection 11.1 herein, Developer or one or more of its affiliates shall have the right to supply Water and Wastewater service to Developer's Property after acquisition of Utility's assets (as necessary for service to the Developer's Property as more particularly provided in the Asset Purchase Agreement) by Developer or an affiliate, and Utility covenants not to contest such supply.

6.4 Periodic Written Capacity Assurances. During the term of this Agreement, Utility agrees, within thirty (30) days of a written request from Developer, to provide additional written assurances to Developer of sufficient capacity to supply Water and Wastewater service to the Developer's Property in order to assist Developer in making necessary and appropriate real estate filings with relevant regulatory agencies and other governmental bodies. Developer and Utility hereby agree to meet from time to time to discuss current construction activity to assist in the coordination of efficient and timely delivery of infrastructure on the Developer's Property.

6.5 Equity Statement. Notwithstanding any other provision of this Agreement, all of the rates and prices granted by Utility to Developer hereunder are hereby warranted by Utility to be comparable to the rates and prices that are being

and will be offered by Utility to any of its other similarly situated customers in Marion County and Sumter County during the term of this Agreement; provided, however, the Customers located within the Marion Oaks development shall be excluded from the terms of this Section 6.5. If at any time during the period stated above, Utility shall contract, or have contracted, with any other similarly situated customer for the provision of substantially similar services as is provided to Developer hereunder, then (1) Utility shall within thirty (30) days after the effective date of such other contract notify Developer in writing of that fact, explaining the more favorable rates or prices in detail, and (2) regardless of whether the notice is sent by Utility or received by Developer, this Agreement shall be deemed automatically amended as of such date to provide the same rates and pricing to Developer, provided that Developer shall have the right and option at any time to decline to attempt any such change, in which event such automatic amendment shall be deemed to be null and void.

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

6.7 Prior Approvals. Notwithstanding anything to the contrary contained in this Agreement, the parties recognize that the parties may be required to obtain approvals from various governmental authorities having jurisdiction and regulatory power over the construction, maintenance and operations of the Water and Wastewater Facilities, before it can render service to the Developer's Property. The parties will diligently and earnestly make the necessary and proper applications to all governmental authorities, and will pursue the same to the end that they will use their best efforts to obtain such approvals. Applications for the approval of Plans and Specifications for those Water and Wastewater Facilities to be constructed by Developer pursuant to this Agreement shall be forwarded by Developer's Engineer to the applicable governmental agencies subsequent to Utility's approval of such Plans and Specifications, to the extent required. This Agreement shall be filed with, and approved by, the FPSC as described in Section 23 herein.

## SECTION 7 - CUSTOMER INSTALLATIONS.

7.1 Notice of Initial Connection to Utility's System. Developer shall give 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 Utility may inspect said connection(s); provided, however, that if the date of inspection occurs on a Saturday, Sunday, or legal holiday, 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, Utility may require Developer

to uncover and expose said connection for inspection, at the sole cost of Developer or Utility may disconnect any Developer installations from the Utility's System at Developer's expense.

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

(1) Only cast iron, PVC, or other such 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 forty-eight (48) 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, Developer or owner may backfill or cover the pipes without Utility's approval; provided, however, such failure shall not be construed as a waiver of Developer's warranty provided by Section 3.7 nor as a waiver by Utility of any tort claims.

(5) If 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 or may disconnect any Developer installation that has improperly been connected to the Utility's System at Developer's expense; and

(6) The cost of constructing, operating, repairing, or maintaining the Customer Installations shall not be the responsibility of Utility.

7.3 Application for Service. Developer, its successors, or the occupant(s) of the Developer's Property, shall make written application to Utility for the opening of an account(s) for service. Said application is to be made only after the payment of all Service Availability Charges as required in Section 5 hereof. Within ten (10) business days after Developer's receipt of any building permits for construction of all or any portion of the Improvements, Developer shall send a true copy of any such building permits to Utility.

SECTION 8 - INCORPORATION OF LAWS, RULES, AND POLICIES. This Agreement shall be read in conjunction with and be subject to all federal, state, and local laws, rules and policies applicable to Utility.

SECTION 9 - COVENANT NOT TO ENGAGE IN UTILITY SERVICE TO DEVELOPER'S PROPERTY. Developer, as a further consideration for this Agreement, agrees that it will not engage in the business of providing Water and Wastewater Service Capacity to the Developer's Property during the term of this Agreement and will not contract with any third party to provide Water and Wastewater Service Capacity to Developer's Property during the term of this Agreement so long as Utility complies with the terms of this Agreement.

SECTION 10 - DISCLAIMERS; LIMITATIONS ON LIABILITY.

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

10.2 INDEMNITY.

(1) 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 ATTORNEY'S FEES, FOR INJURY (INCLUDING DEATH) TO PERSONS OR DAMAGE TO PROPERTY OR PROPERTY RIGHTS THAT MAY ARISE FROM OR BE RELATED TO THE NEGLIGENT OR WILLFULLY WRONGFUL 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 CONTAINED IN THIS AGREEMENT CONCERNING ALL OR ANY PART OF THE UTILITY'S SYSTEM.

(2) UTILITY SHALL INDEMNIFY DEVELOPER, 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 ATTORNEY'S FEES, FOR INJURY (INCLUDING DEATH) TO PERSONS OR DAMAGE TO PROPERTY OR PROPERTY RIGHTS THAT MAY ARISE FROM OR BE RELATED TO THE NEGLIGENT OR WILLFULLY WRONGFUL ACTS, ERRORS, OR OMISSIONS OF UTILITY, ITS AGENTS, EMPLOYEES,



SERVANTS, LICENSEES, INVITEES, OR CONTRACTORS OR BY ANY PERSON UNDER THE CONTROL OR DIRECTION OF UTILITY, OR BY UTILITY'S OPERATION OF THE UTILITY'S SYSTEM, AND THE UTILITY SHALL INDEMNIFY DEVELOPER 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 UTILITY OF ANY COVENANT, CONDITION, AGREEMENT OR PROVISION CONTAINED IN THIS AGREEMENT CONCERNING ALL OR ANY PART OF THE UTILITY'S SYSTEM.

10.3 FORCE MAJEURE. NEITHER UTILITY NOR DEVELOPER SHALL BE LIABLE OR RESPONSIBLE TO THE OTHER PARTY BY REASON OF THE FAILURE OR INABILITY OF THE UTILITY OR DEVELOPER, AS APPROPRIATE, TO TAKE ANY ACTION IT IS REQUIRED TO TAKE OR TO COMPLY WITH THE REQUIREMENTS IMPOSED HEREBY (OR ANY INJURY TO THE OTHER PARTY OR BY THOSE CLAIMING BY OR THROUGH THE OTHER PARTY), 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 BLOCKAGES, RIOTS, ACTS OF ARMED FORCES, MILITIA, OR PUBLIC AUTHORITY, EPIDEMICS; LANDSLIDES, EARTHQUAKES, FIRES, STORMS, FLOODS, OR WASHOUTS; GOVERNMENTAL RESTRAINTS OF ANY NATURE WHETHER FEDERAL, STATE, COUNTY, MUNICIPAL OR OTHERWISE, CIVIL OR MILITARY; OR CIVIL DISTURBANCES.

10.4 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.

SECTION 11 - TERM, TERMINATION AND OTHER REMEDIES.

11.1 This Agreement shall be effective from the date hereof through December 31, 2010 (the "Initial Term") or buildout of Developer's Property, whichever occurs first. This Agreement shall automatically renew for an additional five (5) year period unless one of the parties hereto provides written notice to the other party prior to one hundred eighty (180) days before the end of the Initial Term of its intention not to renew the Agreement. Notwithstanding any other provisions hereof, in the event there is not a Non-Appealable Order (as defined in the Asset Purchase Agreement) approving the transfer of the Utility Assets to Utility as contemplated by the terms of the Asset Purchase Agreement, including the

approval of this Agreement, within thirty (30) months of the date hereof, Developer and Utility shall each have the right to terminate this Agreement upon thirty (30) days written notice to the other party; provided, however, that Developer may not provide Developer's Property with water or wastewater service, or seek such service from any other party, unless and until Developer or an affiliate acquires the assets of Utility necessary for service to the Developer's Property (as more particularly described in the Asset Purchase Agreement).

11.2 Subject to Section 13 hereof, Utility shall have the right to terminate this Agreement, refuse to provide or terminate Water and Wastewater Service Capacity to Developer or any structure on the Developer's Property in the event Developer, or its successors and assigns fail to comply with any of the material terms and conditions of this Agreement. Nothing contained in this Agreement shall be construed to prohibit 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. The exercise of Utility's termination or refusal rights hereunder shall, however, be subject to Utility's and the FPSC's rules and regulations.

11.3 Subject to Section 13 hereof, Developer shall have the right to terminate this Agreement, refuse to accept Water and Wastewater Service Capacity from Utility in the event Utility, or its successors and assigns fail to comply with any of the material terms and conditions of this Agreement. Nothing contained in this Agreement shall be construed to prohibit Developer 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. The exercise of Developer's termination or refusal rights hereunder shall, however, be subject to the FPSC's rules and regulations.

SECTION 12 - NOTICE, PROPER FORM. Any notices required or allowed to be delivered hereunder shall be in writing and shall 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 under 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:

If to Utility:

Florida Water Services Corporation  
1000 Color Place  
Apopka, FL 32703  
Attn: John L. Tillman, Jr.  
Senior Vice President  
Facsimile No.: 407/598-4223

Copy to:

Florida Water Services Corporation  
100 Color Place  
Apopka, FL 32703  
Attn: General Counsel  
Facsimile No.: 407/598-4241

If to Developer:

Del Webb's Spruce Creek  
Communities, Inc.  
6001 North 24<sup>th</sup> Street  
Phoenix, AZ 85016  
Attn: Philip H. Darrow, Esq.  
Facsimile No.: 615/808-8015

Copy to:

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

SECTION 13 - 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 14 - ASSIGNMENTS.

14.1 Assignments by Developer. Except as expressly provided herein, Developer agrees not to assign or transfer all or any portion of this Agreement; provided, however, that Developer shall have the right to assign its rights and obligations hereunder to an Affiliate (as such term is defined in the Asset Purchase Agreement) without the consent of Utility. The allocation of Water and Wastewater Service Capacity granted to Developer may be assigned, transferred, leased, encumbered or disposed of if and only if:

(1) Developer has obtained the prior written consent of 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 bona fide sale of the Developer's Property or a portion thereof to which the Water and Wastewater Capacity reserve relates, and Utility is notified in writing of such assignment.

14.2 Maintenance of Water and Wastewater Service Capacity. Utility shall have the right to allocate its remaining unused Water and Wastewater 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 6, Utility may otherwise allocate Water and Wastewater Service Capacity in the Water and Wastewater 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 Utility determines that it can provide Water and Wastewater Service Capacity to Developer in the amount required to meet the reasonable needs of Developer.

14.3 Assignments by Utility. 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 Developer; provided, however, that Developer shall be given thirty (30) days prior written notice of any proposed transfer, and such transfer is approved by the FPSC to the extent required.

14.4 Notice of Transfer of Developer's Property. Developer agrees to provide proper written notice to Utility of the actual date of the legal transfer of Water and Wastewater Service Capacity from Developer to any third party.

14.5 Binding Agreement on Successors. This Agreement shall be binding upon and shall inure to the benefit of Developer, Utility and their respective successors and assigns.

SECTION 15 - 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 16 - SURVIVAL OF COVENANTS. The rights, privileges, obligations, and covenants of Developer and Utility shall survive the completion of the work of Developer with respect to any Phase and to the Developer's Property as a whole; provided, that the parties acknowledge that Developer's only warranty is provided by Section 3.7 hereof.

SECTION 17 - 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 18 - RECOVERY OF COSTS AND FEES. In the event 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 19 - 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.

Developer shall provide Utility with a Certificate from the Florida Department of State certifying that Developer is a corporation in good standing. Additionally, Developer shall submit to Utility, in a form acceptable to Utility, a certified resolution of the corporate entity, certifying that the person executing this Agreement has the authority to do so on behalf of Developer.

Utility shall provide Developer with a Certificate from the Florida Department of State certifying that Utility is a corporation in good standing. Additionally, Utility shall submit to Developer, in a form acceptable to Developer, a certified resolution of the corporate entity, certifying that the person executing this Agreement has the authority to do so on behalf of Utility.

SECTION 20 - 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 21 - ENTIRE AGREEMENT. This instrument and its exhibits constitute the entire Agreement between the parties and supersedes all pervious discussions, understandings, and agreements between the parties relating to the subject matter of this Agreement.

SECTION 22 - 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 23 - EFFECTIVENESS OF THIS AGREEMENT. The parties hereto recognize that the FPSC's rules 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 be deemed effective as of the date hereof. However, in the event that the FPSC disapproves this Agreement subsequent to its filing with the FPSC, this Agreement shall be null and void and of no further force and effect, in which event, any monies paid to Utility pursuant to Sections 5 or 6 shall be refunded to Developer and any Water and Wastewater Facilities transferred to Utility shall be transferred back to Developer (upon payment of the reacquisition price contemplated in the Asset Purchase Agreement). Pursuant to Rule 25-30.550, FAC, the FPSC's approval of this Agreement does not preclude the FPSC from affecting the provisions of this Agreement if, by FPSC action, the Utility's Service Availability Policies change. This Section shall not affect Developer's right to terminate this Agreement pursuant to Section 11.1 herein.

SECTION 24 - ASSET PURCHASE AGREEMENT AND OTHER ANCILLARY DOCUMENTS. The parties hereto acknowledge that, to the extent there is a conflict between the provisions of this Agreement and the terms of the Asset Purchase Agreement, the Futures Agreement (as defined in the Asset Purchase Agreement) and/or the Reclaimed Water Agreement (as defined in the Asset Purchase Agreement) (collectively, the "Asset Purchase Documents"), the terms of the Asset Purchase Documents shall control.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Developer and 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.

DEVELOPER:

UTILITY:

DEL WEBB'S SPRUCE CREEK COMMUNITIES, INC.

FLORIDA WATER SERVICES CORPORATION

By: [Signature]

By: [Signature]

Name: John R. Ragan

Name: JOHN CIRIELLO

Title: Asst. Secretary & V.P.

Title: PRES & CEO.

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2000, by JOHN R. RAGAN, ASST SECRETY & V.P. of Del Webb's Spruce Creek Communities, Inc., an Arizona corporation, on behalf of the corporation. He has produced FLA DRIVERS LICENSE as identification.

(SEAL)

[Signature: Patricia H. Copley]

Notary Public-State of \_\_\_\_\_

Commission Number: \_\_\_\_\_

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H COPLEY  
COMMISSION # CC768789  
EXPIRES 8/19/2002  
BONDED THRU ASA 1-888-NOTARY1

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of JUNE, 2000, by JOHN CIRELLO, PRES. + CEO of Florida Water Services Corporation, a Florida corporation, on behalf of the corporation. He has produced FLA DR. LIC. as identification.

(SEAL)

Patricia H. Copley

Notary Public-State of \_\_\_\_\_

Commission Number: \_\_\_\_\_

NOTARY PUBLIC - STATE OF FLORIDA  
PATRICIA H. COPLEY  
COMMISSION # CC768789  
EXPIRES 6/19/2002  
BONDED THRU ASA 1-888-NOTARY1



EXHIBIT

E-4

PAGE

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OF

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Ex. A to Exhibit H - Developer's Property 050815.00044  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT A

**Legal Description of the Property**

See attached:

- 4 page description- Del Webb's Spruce Creek Country Club Florida Quality Development.
- Affidavit dated June 29, 2000.
- Spruce Creek Preserve description.

Current Del Webb's Spruce Creek Country Club Florida Quality Development.

The S 1/2 of the NW 1/4 and the W 1/2 of the SW 1/4 of the NE 1/4 and the W 1/2 of the SE 1/4 of the NE 1/4 and the S 1/2 except the East 30 feet thereof, all in Section 3, Township 17 South, Range 23 East; and

Also the N 1/2 of Section 10, Township 17 South, Range 23 East, except the East 315 feet thereof, and except the NW 1/4 of the SW 1/4 of the NW 1/4 of said Section 10; and

Also the N 1/2 of the S 1/2 of said Section 10, except the East 315 feet thereof; and

Also the SW 1/4 of the SE 1/4 of said Section 10, except the South 40 feet thereof; and

Also the N 1/2 of the S 1/2 of the SW 1/4 and the SE 1/4 of the SW 1/4 of the SW 1/4 of said Section 10; and

Also, the East 1/2 of the NE 1/4 of the SE 1/4 of Section 9, Township 17 South, Range 23 East, except the N 1/2 thereof; and

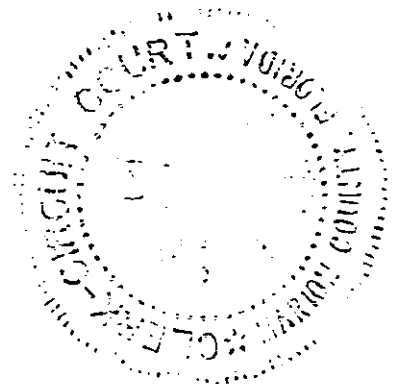
Also the West 3/4 of the N 1/2 of the SE 1/4 of said Section 9, except the North 893.54 feet thereof; and

Also the S 1/2 of the SE 1/4 of said Section 9, except the NW 1/4 of the SW 1/4 of the SE 1/4 of said Section 9; and

Also that part of the S 1/2 of the SE 1/4 of the SW 1/4 of said Section 9, lying East of U.S. Highways 441 and 27 (200 feet wide); and

Also that part of the N 1/2 of the N 1/2 of Section 16, Township 17, Range 23 East, lying East of said Highways 441 and 27.

All being in Marion County, Florida and containing 1170.27 acres more or less.



Adding the following to the Del Webb's Spruce Creek Country Club Florida Quality Development:

PARCEL # 45156-000-00, Containing 20 acres, more or less

W 1/2 of NE 1/4 OF NW 1/4 OF SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST

PARCEL # 45458-000-00, containing 202 acres, more or less

THE NORTH 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA AND A PORTION OF THE WEST 3/4 OF THE NORTH 1/2 OF THE SE 1/4 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SW CORNER OF THE NE 1/4 OF SECTION 9 FOR THE POINT OF BEGINNING; THENCE N 89°56'22" E., ALONG THE SOUTH BOUNDARY OF THE NE 1/4 OF SAID SECTION 9 A DISTANCE OF 1994.91 FEET; THENCE S 00°00'31" W., A DISTANCE OF 893.54 FEET; THENCE 89°56'22" W., A DISTANCE OF 1994.73 FEET TO THE WEST BOUNDARY OF TH4E SE 1/4 OF SAID SECTION 9 THENCE N 00°00'10" W., ALONG SAID WEST BOUNDARY A DISTANCE OF 893.54 FEET TO THE POINT OF BEGINNING.

PARCEL # 45500-003-00, CONTAINING 10 ACRES, MORE OR LESS

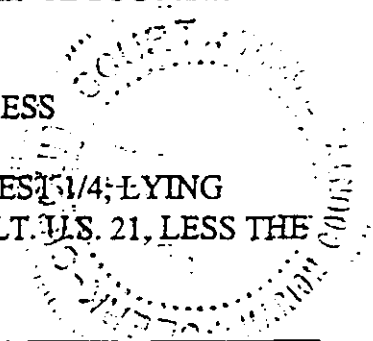
NE 1/4 OF NE 1/4 OF SE 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA.

PARCEL # 45506-000-00, CONTAINING 5 ACRES, MORE OR LESS

THE EAST 1/2 OF SW 1/4 OF SW 1/4 OF SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, TOGETHER WITH THAT PERPETUAL RIGHT OF WAY EASEMENT AS SET FORTH IN DEED DATED JUNE 15, 1972, FROM RUBEN MOORER AND HIS WIFE LUDIE MOORER TO HENRY MOORER AND HIS WIFE, BERNICE MOORER; DESCRIBED AS COMMENCING AT THE SW CORNER OF THE EAST 1/2 OF SW 1/4 OF SW 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, THENCE WEST 198.79 FEET, THENCE NORTH 25 FEET, THENCE EAST 198.79 FEET THENCE SOUTH 25 FEET TO THE POINT OF BEGINNING.

PARCEL # 39385-009-00, CONTAINING 16.36 ACRES, MORE OR LESS

THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4; LYING SOUTHERLY OF THE SOUTHERLY RIGHT OF WAY OF ALT. U.S. 21, LESS THE FOLLOWING DESCRIBED TRACT TO WIT:



COMMENCE AT THE NORTHWEST CORNER OF LOT 1, BLOCK E OF WOODBERRY FOREST, AS RECORDED IN PLAT BOOK W, PAGE 62 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF S.E. COUNTY HIGHWAY C-25 (100 FEET WIDE); THENCE N. 70°50'18" W., ALONG SAID RIGHT OF WAY LINE 351.39 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT OF WAY LINE S. 00°01'36" W., 240 FEET; THENCE N. 89°58'24" W., 135 FEET; THENCE N. 54°35'39" E., 40.74 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 47.62 FEET TO THE POINT OF TANGENCY, SAID POINT BEING ON THE AFORESAID SOUTH RIGHT OF WAY LINE; THENCE S. 70°50'18" E., ALONG SAID RIGHT OF WAY LINE, 107.76 FEET TO THE POINT OF BEGINNING.

PARCEL # 45509-000-01, CONTAINING 5.06 ACRES, MORE OR LESS

THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4, EXCEPT THE NORTH 329.43 FEET THEREOF OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST.

PARCEL # 39385-004-00, CONTAINING 74.25 ACRES, MORE OR LESS

THE EAST 3/4 OF THE NE 1/4 OF THE SE 1/4 LYING SOUTH OF U.S. HIGHWAY NO. 441; AND ALL OF THE SE 1/4 OF THE SE 1/4 OF SECTION 33, TOWNSHIP 16 SOUTH, RANGE 23 EAST, AND ALSO THE WEST 1/4 OF THE SW 1/4; LYING SOUTH OF U.S. HIGHWAY NO. 441 IN SECTION 34, TOWNSHIP 16 SOUTH, RANGE 23 EAST, AND THAT PART OF THE WEST 1/4 OF THE NE 1/4 OF THE SE 1/4; LYING SOUTH OF C-25 AND ALT. U.S. 441 IN SECTION 33, TOWNSHIP 16 SOUTH, RANGE 23 EAST, ALL LYING AND BEING IN MARION COUNTY, FLORIDA.

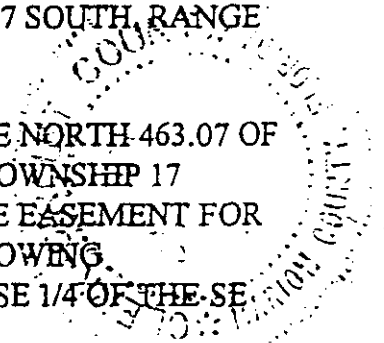
PARCEL # 45509-000-02, CONTAINING 5 ACRES, MORE OR LESS

A.

THE NORTH 263.50 FEET OF THE SE 1/4 OF SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23, EAST, TOGETHER WITH AN EXCLUSIVE EASEMENT FOR RIGHT OF WAY PURPOSES OVER AND ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY; THE EAST 20 FEET OF THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, EXCEPT THE NORTH 263.50 FEET THEREOF.

B.

THE NORTH 65.88 FEET OF THE SOUTH 199.57 FEET OF THE NORTH 463.07 OF THE SE 1/4 OF THE SE 1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST, TOGETHER WITH AN EXCLUSIVE EASEMENT FOR RIGHT OF WAY PURPOSES OVER AND ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY; THE EAST 20 FEET OF THE SE 1/4 OF THE SE



1/4 OF THE SW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23 EAST,  
EXCEPT THE NORTH 263.50 FEET THEREOF.

PARCEL # 45500-002-00, CONTAINING 20 ACRES, MORE OR LESS

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE  
SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF  
THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, LYING AND BEING IN THE COUNTY OF MARION, STATE OF FLORIDA.

PARCEL # R45147-000-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE NORTHWEST 1/4 OF THE NORTHWEST OF THE NORTHWEST 1/4 OF  
SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY,  
FLORIDA.

PARCEL # 45164-000-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF THE  
NORTHWEST 1/4 OF SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23, MARION  
COUNTY, FLORIDA.

PARCEL # 45157-001-00, CONTAINING 10.35 ACRES, MORE OR LESS

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF  
SECTION 3, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY,  
FLORIDA.

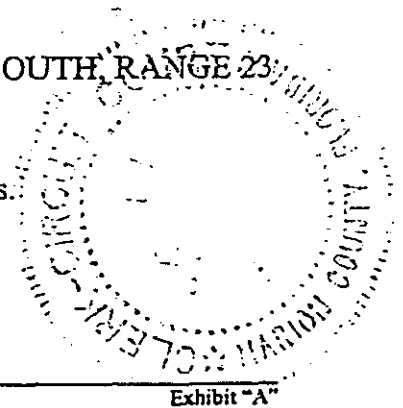
PARCEL # 45164-001-00, CONTAINING 10.37 ACRES, MORE OR LESS

THE EAST 1/4 OF THE NW 1/4 OF THE NW 1/4 OF SECTION 3, TOWNSHIP 17  
SOUTH, RANGE 23 EAST.

PARCEL # 45509-001-00, CONTAINING 10 ACRES, MORE OR LESS

NW 1/4 OF SW 1/4 OF NW 1/4 OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 23  
EAST, MARION COUNTY, FLORIDA.

All being in Marion County, Florida and containing 409.09 acres more or less.



N:\MyFiles\WP Data\FQDs\Spruce Creek G&CCSub Deviation\1st\Development Order Amendment\Exhibit A - Legal Description.wpd

AFFIDAVIT

STATE OF FLORIDA  
COUNTY OF LAKE

BEFORE ME, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Duane K. Booth of Farmer, Barley & Associates, Inc., who after being duly sworn, did depose on oath and say that the legal description included in the Development Order intended to portray the boundaries of the Spruce Creek Golf & Country Club as depicted on Map H of the ADD, however, 2 errors have been discovered and the legal descriptions should read as follows:

PARCEL #45458-000-00, CONTAINING 202 ACRES, MORE OR LESS

THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA AND A PORTION OF THE WEST 1/4 OF THE NORTH 1/2 OF THE SE 1/4 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SW CORNER OF THE NE 1/4 OF SECTION 9 FROM THE POINT OF BEGINNING, THENCE N 89°58'22"E., ALONG THE SOUTH BOUNDARY OF THE NE 1/4 OF SAID SECTION 9 A DISTANCE OF 1984.91 FEET; THENCE S 00.00°31'W., A DISTANCE OF 893.54 FEET; THENCE 89°58'22"W., A DISTANCE OF 1984.73 FEET TO THE WEST BOUNDARY OF THE SE 1/4 OF SAID SECTION 9 THENCE N 00°00'10" W., ALONG SAID WEST BOUNDARY A DISTANCE OF 893.54 FEET TO THE POINT OF BEGINNING.

PARCEL #38385-009-00, CONTAINING 16.36 ACRES, MORE OR LESS

THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 34, TOWNSHIP 16 SOUTH, RANGE 23 EAST, LYING SOUTHERLY OF THE SOUTHERLY RIGHT OF WAY OF ALT. U.S. 21, LESS THE FOLLOWING DESCRIBED TRACT TO WIT:

COMMENCE AT THE NORTHWEST CORNER OF LOT 1, BLOCK E OF WOODBERRY FOREST, AS RECORDED IN PLAT BOOK W. PAGE 82 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE SOUTHERLY RIGHT OF WAY LINE OF S.E. COUNTY HIGHWAY C-25 (100 FEET WIDE); THENCE N. 70°50'18" W., ALONG SAID RIGHT OF WAY LINE 351.39 FEET TO THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT OF WAY LINE S. 00°01'36" W., 240 FEET; THENCE N. 89°58'24"W., 135 FEET; THENCE N. 54°35'39" E., 40.74 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 47.62 FEET TO THE POINT OF TANGENCY, SAID POINT BEING ON THE AFORESAID SOUTH RIGHT OF WAY LINE; THENCE S. 70°50'18" E., ALONG SAID RIGHT OF WAY LINE, 107.76 FEET TO THE POINT OF BEGINNING.

FURTHER AFFIANT SAYETH NOT.



Duane K. Booth, P.E.

STATE OF FLORIDA

COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of June, 2000, by Duane K. Booth who is personally known to me or ~~who has produced~~ as identification.

Karen R. Morrison  
Notary Public  
KAREN R. MORRISON  
Typed or printed name



Karen R. Morrison  
MY COMMISSION # CCS88511 EXPIRES  
September 26, 2006  
BONDED THRU TROY FAHRENGRUBER

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

AND ALSO:

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

AND ALSO:

The Northeast 1/4 of the Northeast 1/4 and the Northeast 1/4 of the Northwest 1/4 of Section 16, Township 17 South, Range 20 East, Marion County, Florida.

LESS AND EXCEPT that portion conveyed in right-of-way Deeds recorded in O.R. Book 1273, Page 1293, and O.R. Book 798, Page 34, Public Records of Marion County, Florida.

LESS AND EXCEPT that part of the East 50 feet of the Southeast 1/4 of Section 4, Township 17 South, Range 20 East lying South of State Road No. 200.

ALSO BEING DESCRIBED AS FOLLOWS:

THAT PORTION OF SECTION 4, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA, LYING EAST OF STATE ROAD NO. 200. EXCEPT THE EAST 50 FEET THEREOF.

AND ALSO:

THAT PORTION OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA, LYING EAST OF STATE ROAD NO. 200. LESS AND EXCEPT THE EAST 50 FEET OF THE NORTH 1520 FEET THEREOF. LESS AND EXCEPT THAT PORTION CONVEYED IN RIGHT-OF-WAY DEEDS RECORDED IN OFFICIAL RECORDS BOOK 1273 AT PAGE 1293 AND OFFICIAL RECORDS BOOK 798 AT PAGE 34 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA.

AND ALSO:

THE NE 1/4 OF THE NE 1/4 AND THE NE 1/4 OF THE NW 1/4 OF SECTION 16, TOWNSHIP 17 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA

A portion of the above-described metes and bounds legal description having been platted into the following subdivisions:

SPRUCE CREEK PRESERVE I, according to the plat thereof, recorded in Plat Book 4, Pages 1 and 2, Public Records of Marion County, Florida.



SPRUCE CREEK PRESERVE II, according to the plat thereof, recorded in Plat Book 4, Pages 15 and 16, Public Records of Marion County, Florida.

SPRUCE CREEK PRESERVE TRACT F, according to the plat thereof, recorded in Plat Book 4, Pages 17 and 18, Public Records of Marion County, Florida.

SPRUCE CREEK PRESERVE III, according to the plat thereof, recorded in Plat Book 4, Pages 22 and 23, Public Records of Marion County, Florida.

SPRUCE CREEK PRESERVE III A, according to the plat thereof, recorded in Plat Book 4, Pages 27 and 28, Public Records of Marion County, Florida.

SPRUCE CREEK PRESERVE IV, according to the plat thereof, recorded in Plat Book 4, Pages 43 and 44, Public Records of Marion County, Florida.

SPRUCE CREEK PRESERVE V, according to the plat thereof, recorded in Plat Book 4, Pages 64 and 65, Public Records of Marion County, Florida.

SPRUCE CREEK PRESERVE VI-A, according to the plat thereof, recorded in Plat Book 4, Pages 81 and 82, Public Records of Marion County, Florida.

SPRUCE CREEK PRESERVE, according to the plat thereof, recorded in Plat Book 4, Pages 136 and 137, Public Records of Marion County, Florida.

LESS AND EXCEPT the following described platted lots:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 61 and 62, all in SPRUCE CREEK PRESERVE I, according to the plat thereof as recorded in Plat Book 4, Pages 1 and 2, Public Records of Marion County, Florida.

AND

Lots 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 87, 88, 89, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116 and 117, all in SPRUCE CREEK PRESERVE II, according to the plat thereof as recorded in Plat Book 4, Pages 15 and 16, Public Records of Marion County, Florida.

AND

Lots 118, 121, 135, 136, 144, 145, 146, 147, 148, 149, 150, 151, 154, 166, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 196, 198, 201, 202, 203, 204, 213, 214, 215, 217, 218, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247 and 248, all in SPRUCE CREEK PRESERVE III, according to the plat thereof as recorded in Plat Book 4, Pages 22, and 23, Public Records of Marion County, Florida.

AND

EXHIBIT

E-4

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Ex. B to Exhibit H - Development Plan 050815.00044  
re Improvements to Developer's Property  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc.  
and Del Webb's Spruce Creek Communities, Inc.

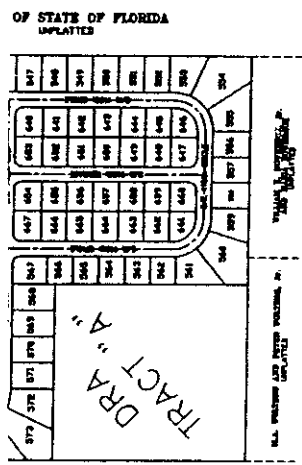
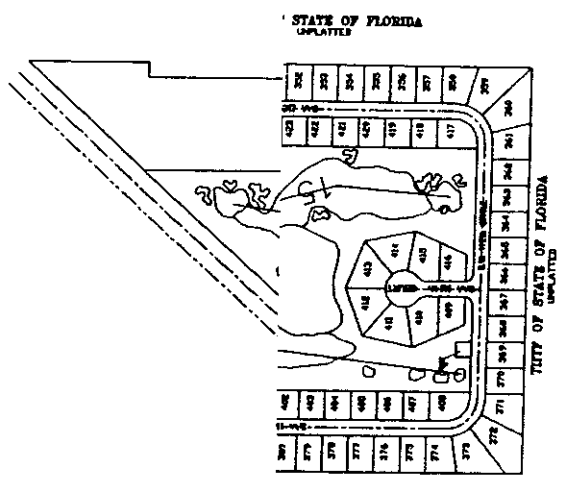
EXHIBIT B

**Development Plan re: Improvements to Developer's Property**

See attached.

ORL1 #573622 v1

GRAPHIC SCALE  
 0 150 300 500  
 (IN FEET)  
 1 inch = 300 ft.



FLORIDA HIGHLANDS  
 UNCORRECTED

REV: 5-17-99 CORRECTED PHASE 3/ADDED PROSHOP  
 REV: 9-2-97 CORRECTED LOT NUMBERS

<b>WILLIAM E. FRANKLIN, Jr.</b>			
P.S.M., No. 1536, STATE OF FLORIDA 13900 S.E. 97th AVENUE, SUMMERFIELD, FL 34491 TELEPHONE (352) 347-8744			
<b>SPRUCE CREEK PRESERVE</b>			
SCALE: AS SHOWN	APP. BY:	DESIGN: H.E.	ACAD. TECH: J.W.
DATE: 05-17-99	REF:	DRAWN BY: J.W.	CHECKED BY: W.E.F.
JOB NO. 051799	FILE NO. 082196-1		
<b>LAND USE MASTER PLAN</b>			
SHEET 1 OF 1			

# SPRUCE CREEK GOLF & COUNTRY CLUB CONCEPTUAL MASTER PLAN

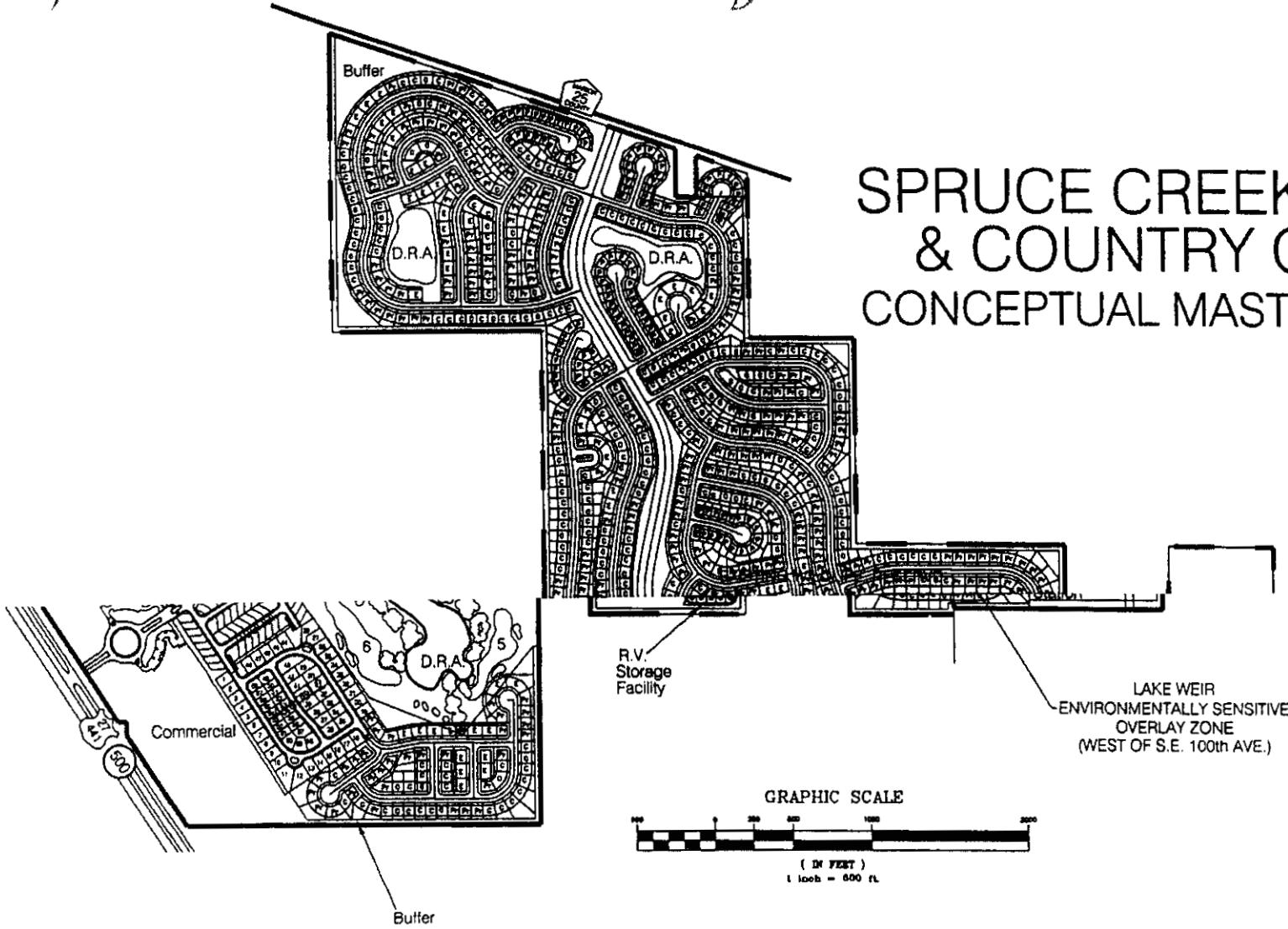


EXHIBIT E-4  
PAGE 35 OF 47

EXHIBIT B-4

PAGE 36 OF 47

Ex. C to Exhibit H - 050815.00044  
Developer's Application for Water and Wastewater Service  
Number of ERCS from October 1, 1999 through Closing  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT C

**Developer's Application for Water and Wastewater Service**

See attached:

- Florida Water Services Corporation – Application for Service Extension.
- [Application for Amendment of Certificate for an Extension of Territory.]

FLORIDA WATER SERVICES CORPORATION

APPLICATION FOR SERVICE EXTENSION

Rule 25-30.525(et seq). Florida Administrative Code, governs the application process whereby water and wastewater service is extended to areas within a utility's certificated territory not served at the time by water or wastewater transmission lines and facilities. All applications for extending service must be made in writing on forms provided by the utility. Unless service is to be extended to a single residence or single commercial facility, the applicant and utility must together enter into a Developer Agreement prior to commencing with the service extension. This application is used to prepare such agreement and signing the application, the signatory warrants that the information provided herein is true to the best of his or her knowledge and belief and that the signatory is authorized to bind that person or entity making application. This application creates no vested rights in the applicant and shall not be construed as a guarantee of water or wastewater service to same.

1. Name and address of person or entity making application for service:  
Del Webb's Spruce Creek Communities, Inc.  
8501 SE 140th Lane Road, Summerfield, FL

2. Applicant is a(n): Individual Corporation Partnership Limited Partnership

Trust Political Entity Other: \_\_\_\_\_

3. Service requested: Water Wastewater Other: \_\_\_\_\_

4. Project name, phases, and estimated date(s) service is required:  
Spruce Creek Golf & Country Club

5. Engineer's estimate of average daily flows on an annual basis:

Water: na Wastewater: na

Other: \_\_\_\_\_

6. Intended land use of the development including densities and types of use:

Master planned community 3,200 units

7. Present and proposed zoning classification of property:

FQD/DRI

8. Nature of applicant's title to or interest in property:

Owner, fee simple, no encumbrances

9. Other persons or entities sharing title to or having interest in property:

None

10. Legal description of property:

See other exhibits attached

11. Applicant elects to design and construct all on-site and ~~off-site~~ transmission lines and facilities.

Signed:

Name:

Date:

Telephone: ( )



Title:

### Instructions for Completing Application

**General Instructions:** Florida Water Services Corporation is required by the *Florida Administrative Code* to notify applicants for service extension, within 30 days after receipt of and application, whether service can or cannot be made available within a reasonable time. Careful attention to providing the required application information expedites Florida Water's review process and enables it to respond within the 30-day time frame. Furthermore, the information provided by applicants is needed to calculate and notify them of service availability charges due and to prepare service agreements which are necessary prior to commencing construction. Ensure that legal documents provided as part of the application are duly recorded as necessary.

**Specific Instructions:** All items must be fully answered or furnished. Answers may be described in detail on 8-1/2" x 11" continuation sheets, if necessary, and referred to on application form.

- Item 1: Specify full legal name and address of the property owner(s). If the person completing the application is acting on behalf of applicant, so specify following "Title" below the signature line, and describe and document the signatory's relationship to applicant.
- Item 2: Mark appropriate box describing applicant. If the applicant is a legal or commercial entity, furnish a copy of the respective registration, statement of partnership authority, or respective certificate of limited partnership, status, authorization, or organization, and amendments thereto, filed with the Florida Department of State.
- Item 3: Mark appropriate boxes describing required service and specify and enhanced services (i.e., irrigation/reclaimed water, fire protection lines, etc.)
- Item 4: Specify project's name and planned or projected date(s), by phase, service connections are needed for development.
- Item 5: This item is used in conjunction with Item 6 to ensure that adequate capacity and flow rates are available and allocated to applicant's development. Specify estimates, if available; otherwise, Utility may rely solely on Item 6 and Utility's *Tariff* to calculate capacity requirements. Specify other demands such as increased fire protection requirements placed on development (i.e., minimum pressure, flow rates, etc.)
- Item 6: Describe and delineate improvements, by type and number, to be constructed in development and serviced with water and wastewater facilities. Specify density (per acre) for residential developments. For commercial establishments, specify square footage, capita, seats, beds, or appurtenance, as appropriate to determine capacity requirement.
- Item 7: Specify present zoning classification of property and proposed classification if a change is required for intended development.
- Item 8: Specify nature of applicant's ownership or interest in property, whether divided or sole ownership, trust, etc. Furnish a copy of recorded deed or other instruments granting applicant interest in property.
- Item 9: Identify all persons or entities, other than named applicant, having title or secured interest in applicant's property. If none exist, so specify. Furnish copies of any and all recorded mortgages, liens, easements, or other instruments granting persons or entities interests in property.
- Item 10: Specify recorded legal description of property. If legal description is too lengthy to be described on face of application form, furnish a clear and legible description suitable for reproduction, the dimensions thereof not exceeding 6-1/2" x 6-1/2".
- Item 11: Engineering, planning, and construction costs incurred by Utility for service extensions are generally borne by applicant. Applicant may elect (with Utility's concurrence) to provide for the design and construction of the facilities at applicant's cost. Utility, however, is entitled to fees offsetting its expenses incurred for inspections and plan reviews. Mark appropriate boxes signifying applicant's election whether to design and construct on-site and off-site facilities.

**Additional Information to be Submitted as Part of Application:**

EXHIBIT

TABLE 04  
E-4

PAGE

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OF

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Item 12: Graphic depiction or survey of property showing its location and boundaries. Plat map of property if platted

EXHIBIT E-4

PAGE 41 OF 47

Ex. D to Exhibit H - 050815.00044  
Service Availability Policies  
Asset Purchase Agreement between Florida Water  
Services Corp., Spruce Creek South Utilities, Inc. and  
Del Webb's Spruce Creek Communities, Inc.

EXHIBIT D

**Service Availability Policies**

See attached.

ORL1 #573633 v1

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC

WATER TARIFF

PAGE 43 OF 47

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

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

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

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

TYPE OF FILING - Original Certificate

Jay A. Thompson  
ISSUING OFFICER

Vice President  
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

EXHIBIT

E-4

WATER TARIFF

PAGE

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OF

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SERVICE AVAILABILITY POLICY

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

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

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

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

Jay A. Thompson  
ISSUING OFFICER

Vice President  
TITLE

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

EXHIBIT E-4

WASTEWATER TARIFF

MISCELLANEOUS SERVICE CHARGE

PAGE 45 OF 47

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

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

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

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

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

Schedule of Miscellaneous Service Charges

Initial Connection Fee	\$ 15.00
Normal Reconnection Fee	\$ 15.00
Violation Reconnection Fee	\$ Actual Cost (1)
Premises Visit Fee (in lieu of disconnection)	\$ 10.00

(1) Actual cost is equal to the total cost incurred for services.

EFFECTIVE DATE - 12/06/91

TYPE OF FILING - Original Certificate

JAY A. THOMPSON  
ISSUING OFFICER

VICE PRESIDENT  
TITLE

SPRUCE CREEK SOUTH UTILITIES, INC.  
WASTEWATER TARIFF

FIRST REVISED SHEET NO: 20:8  
CANCELS ORIGINAL SHEET NO: 20:8

EXHIBIT E-4

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SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFER TO SERVICE AVAIL. POLICY SHEET/RULE NO.</u>
<u>WASTEWATER PLANT CAPACITY CHARGE</u>		
Residential and General Service Per ERC (225 GPD)	\$375.00	24.0
Per Gallon	\$ 1.67	
<u>LINE EXTENSION CHARGE</u>		
Residential and General Service Per ERC (225 GPD)	\$725.00	24.0
Per Gallon	\$ 3.22	

JAY A. THOMPSON  
ISSUING OFFICER

VICE PRESIDENT  
TITLE



FIRST REVISED SHEET NO. 24.0  
CANCELS ORIGINAL SHEET NO. 24.0

NAME OF COMPANY SPRUCE CREEK SOUTH UTILITIES, INC.

EXHIBIT E-4

WASTEWATER TARIFF

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SERVICE AVAILABILITY POLICY

The Utility will provide wastewater service to any customer within its certificated territory requesting same upon application or execution of a Developer Agreement and payment of the required wastewater plant capacity charge and line extension charge as listed on Sheet No. 20.0 of this Tariff, payment of initial connection fees as reflected on Sheet No. 19.0 of this Tariff, and compliance with such other requirements as may be appropriate under the provisions of the Utility's Tariff and the Rules or Statutes of the Florida Public Service Commission. The Utility will be responsible for the installation of all plant and lines, receiving no property contributions from individuals or developers.

JAY A. THOMPSON  
ISSUING OFFICER  
  
VICE PRESIDENT  
TITLE