

84

DOCKET NO. 920199-WS
1992 FPSC RATE CASE

LATE FILED HEARING EXHIBIT NO. 84

TITLE

DELTONA BOND INDENTURE
AND
SUPPLEMENTAL INDENTURE

WITNESS

SCOTT VIERIMA

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 920199-WS EXHIBIT NO. 84
COMPANY/ S. Vierima
WITNESS: S. Vierima
DATE: _____

Case Nos. 1D98-0713 and 1D98-0727
Florida Water Services Corporation vs. Florida Public Service Commission ("PSC");
Sugarmill Woods Civic Association, Inc. vs. Southern States Utilities, Inc. and the
PSC
vs. Joseph J. DeRouin, et al.
PSC Docket No. 920199-WS

DOCUMENT NUMBER-DATE

13968 NOV 30 1992

Late Filed Exhibit
Docket #920199-WS
Southern States Utilities
#84; Witness Vierima

**Deltona Bond
Indenture(s)**

THIRD SUPPLEMENTAL INDENTURE OF MORTGAGE AND DEED OF TRUST

THIS THIRD SUPPLEMENTAL INDENTURE OF MORTGAGE AND DEED OF TRUST (the "Third Supplemental Indenture") made and entered as of July 1, 1992, by and between Southern States Utilities, Inc., a Florida corporation ("SSU"), successor in interest to Deltona Utilities, Inc., and First Union National Bank of Florida, as successor in interest to Southeast Bank, N.A., as trustee, a banking association duly organized and qualified under the laws of the United States of America to accept and administer the trust hereby created and having its designated corporate trust office in the City of Miami, Florida (the "Trustee");

W I T N E S S E T H:

WHEREAS, Deltona Utilities, Inc. and Southeast Bank have heretofore entered into an Indenture of Mortgage and Deed of Trust dated as of December 1, 1984 pursuant to which Deltona Utilities, Inc. issued its First Mortgage Bonds in the aggregate principal amount of \$30,000,000 (the "Bonds") of which Bonds \$21,000,000 is currently outstanding; and

WHEREAS, Deltona Utilities, Inc. has entered into a First Supplemental Indenture of Mortgage and Deed of Trust dated as of December 12, 1984 (the "First Supplemental Indenture") and a Second Supplemental Indenture of Mortgage and Deed of Trust dated as of September 1, 1990 (the "Second Supplemental Indenture") providing for certain amendments to the Indenture; and

WHEREAS, First Union National Bank of Florida has succeeded to all rights, interests and obligations of Southeast Bank, N.A., as trustee under the Indenture; and

WHEREAS, Deltona Utilities, Inc. and its subsidiary corporation, Seaboard Utilities Corporation (collectively "DUI") were acquired by Topeka Group Incorporated, a Minnesota Corporation ("Topeka") in 1989. Since 1989, DUI has been wholly owned by, and under the operational control of, Topeka which is a wholly owned subsidiary of Minnesota Power & Light Company, a Minnesota corporation; and

WHEREAS, DUI is a sister corporation of SSU, which is also wholly owned by Topeka; and

WHEREAS, pursuant to a plan of merger, DUI, together with other wholly owned subsidiaries of Topeka, are, effective July 1, 1992, being merged into one surviving corporation (referred to herein as the "Merger") in order to consolidate regulatory compliance and rate making treatment, accounting and tax functions, centralize management functions, increase efficiency, eliminate duplicative administrative and accounting expense and simplify the maintenance of business records; and

WHEREAS, SSU will be the sole surviving corporation and DUI, having been merged into SSU, will be succeeded by SSU; and

WHEREAS, all assets and liabilities of DUI will by operation of law become assets and liabilities of SSU; and

WHEREAS, certain provisions of the Original Indenture prohibit the merger of DUI into SSU, as contemplated above; and

WHEREAS, the Sister Company Note (as defined in the Original Indenture) from United Florida Utilities Corporation ("UFU") to DUI has been paid in full; and

WHEREAS, the shares of Seaboard Utilities Corporation which is wholly-owned by DUI and which shares are pledged as security under the Original Indenture will be surrendered and cancelled pursuant to the Merger and shall cease to exist; and

WHEREAS, as a result of the acquisition from The Deltona Corporation of DUI in 1989 by SSU and as a result of the Merger, the Intercompany Agreements (as defined in the Original Indenture) are null and void; and

WHEREAS, it is the desire of SSU, as successor to DUI, to amend any and all provisions of the Original Indenture and the First and Second Supplemental Indentures: (i) that must be amended in order to permit the Merger and (ii) that refer to the Sister Company Note, the shares of Seaboard Utilities Corporation and the Intercompany Agreements; and

WHEREAS, SSU may determine that it is in the best interests of SSU to sell certain propane gas properties; and

WHEREAS, the disposition of such gas properties would be in violation of Section 5.17 and Section 13.03 of the Original Indenture; and

WHEREAS, SSU desires to obtain the consent of the Bondholders to the release of such gas properties from the lien of the Indenture; and

WHEREAS, SSU has determined to execute this Third Supplemental Indenture of Mortgage and Deed of Trust in order to make the necessary amendments; and

WHEREAS, in accordance with Sections 11.02 and 9.01 of the Original Indenture the holders of not less than 66 2/3 percent in aggregate principal amount of all the Bonds presently outstanding under the Original Indenture have consented to the execution and

delivery of this Third Supplemental Indenture in order to accomplish the foregoing; and

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE, WITNESSETH:

That acting under Section 11.02 of the Original Indenture as amended and supplemented (collectively the "Indenture") the Original Indenture is hereby amended by deleting the granting clauses therein in their entirety and replacing them with the following:

In order to secure the payment of the principal of and interest (and premium, if any) on the Bonds in accordance with the tenor thereof, and to secure the performance and observance of the covenants and conditions contained in such Bonds or in the Indenture, SSU hereby agrees with the Trustee for the benefit of the holders of Bonds as hereinafter set forth; and SSU does hereby grant, bargain, sell, convey, assign, mortgage and pledge unto the Trustee, and its successor or successors in trust and to its assigns, all right, title and interest of SSU in and to the following described property, rights, privileges and franchises (which collectively are hereinafter called the "Mortgaged Property"):

I.

LAND

All land, wherever situated, and all interests in or relating to such land, now owned by SSU, or to be owned as of the effective date of the Merger, and previously owned by DUI and pledged by DUI to the Trustee under the Original Indenture including, without limiting the generality of the foregoing statement, all parcels of land described in Exhibit A attached hereto and incorporated herein by reference, as well as all land hereafter acquired by SSU adjacent to, or part of, the systems owned by DUI prior to the effective date of the Merger, all as such systems are described in Exhibit B attached hereto and incorporated herein by reference. Such land shall not be construed to include property of, or property hereafter acquired by SSU or other corporations being merged into SSU other than property previously owned by DUI or after-acquired property adjacent to, or part of, the systems described in Exhibit B.

II.

BUILDINGS AND EQUIPMENT

All buildings and improvements, plants, systems, works, structures, water, sewer facilities and other property, pipelines, conduits, meters, machinery, materials, supplies,

tools, implements, stations, substations, equipment (including customer premises equipment and other equipment in general), instruments, house and structure connections and all other appliances, apparatus, fixtures, fittings and equipment of every nature and kind whatsoever pertaining to or useful in the transaction of its utility businesses that SSU now owns, or will own as of the effective date of the Merger, or in which SSU now has an interest, or will have an interest as of the effective date of the Merger, which was previously owned by DUI and transferred to SSU as a result of the Merger, regardless of whether any or all of the above specified items of property are placed upon real estate belonging to SSU, as well as all such above-described property and equipment hereafter acquired by SSU adjacent to, or part of, the systems owned by DUI prior to the effective date of the Merger, as such systems are described in Exhibit B attached hereto and incorporated herein by reference. Such property shall not be construed to include property and equipment of SSU or other corporations being merged into SSU other than property previously owned by DUI or after-acquired property adjacent to, or part of, the systems described in Exhibit B.

III.

FRANCHISES AND OTHER RIGHTS

All the franchises, permits, certificates, grants, privileges, immunities, permissions, leases, licenses, easements, rights-of-way, contracts and other rights and privileges, now owned by SSU, pertaining to or useful in the operation of the Mortgaged Property.

IV.

EXCEPTED PROPERTY

There is, however, expressly excepted and excluded from the lien and operation of this Third Supplemental Indenture all Excepted Property, as such term is defined in the Original Indenture.

TO HAVE AND TO HOLD the Mortgaged Property, including all of the property hereinabove specifically described, unto the Trustee and its successor or successors in trust forever;

SUBJECT, HOWEVER, (i) to Permitted Encumbrances, as defined in the Original Indenture, and (ii) to defects in title to and encumbrances on the property described in Exhibit A existing on the date hereof, which defects and encumbrances were described in an Opinion of Counsel dated as of December 1, 1984 and delivered

pursuant to section C-10 of the Series A Purchase Agreements (a copy of which Opinion was also delivered to the Trustee).

BUT IN TRUST, NEVERTHELESS, with power of sale, for the equal and proportionate benefit and security of the holders from time to time of the Bonds that were issued under the Original Indenture and for the enforcement of the payment of such Bonds in accordance with their terms; it being intended and declared that the lien and security of this Third Supplemental Indenture shall take effect from the day of the delivery hereof.

UPON THE CONDITION that, until the occurrence of an Event of Default, as defined in Section 7.01 of the Original Indenture, SSU shall be entitled to possess and use the Mortgaged Property, except cash, securities and other personal property deposited or pledged, or required to be deposited or pledged, with the Trustee, and to receive and use the rents, issues, profits, revenues and other income of the Mortgaged Property.

AND UPON THE TRUSTS and subject to the covenants and conditions hereinafter set forth.

ARTICLE I.

DEFINITIONS

Except as otherwise amended hereby, words and terms which are defined in the Indenture shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent.

In addition to the words and terms elsewhere defined in this Third Supplemental Indenture, the following words and terms as used in the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture shall hereafter have the following meanings unless the context or use indicates another or different meaning or intent:

"Corporation" means Southern States Utilities, Inc., a Florida corporation, and its successors and assigns who have complied with the provisions of Article Twelve.

ARTICLE II.

AMENDMENTS

Section 2.01. Amendment to Section 12.01 of Original Indenture. Section 12.01 of the Original Indenture is hereby amended by deleting the first paragraph of such section in its entirety and replacing it with the following:

The Corporation shall not enter into any transaction which in form or substance is a consolidation, or merger with another business entity (a "Restricted Transaction"), unless the other corporation or business entity is a Utility controlled by Topeka. For this Section 12.01 the term "control" shall mean the power to direct or directly or indirectly to cause the direction of the management of such other corporation or business entity.

Section 2.02. Amendment to Section 12.02 of the Original Indenture. Article Twelve of the Indenture is hereby amended by deleting the last paragraph of Section 12.02 and replacing it with the following:

Such supplemental indenture shall contain a grant, conveyance, transfer and mortgage in terms sufficient to include and subject to the lien of this Indenture all property and franchises owned by such successor corporation at the time of such consolidation, merger, sale, conveyance, transfer or other disposition or that may be thereafter acquired by such successor corporation (other than Excepted Property). Thereupon and thereafter such successor corporation may cause to be executed, either in its own name or in the name of Southern States Utilities, Inc., and delivered to the Trustee for authentication, any Bonds issuable

hereunder; and upon the order of such successor corporation, and subject to all the terms of this Indenture, the Trustee shall authenticate and deliver any Bonds that shall have been previously executed and delivered by the Corporation to the Trustee for authentication, and any Bonds that such successor corporation shall thereafter, in accordance with this Indenture, cause to be executed and delivered to the Trustee for such purpose. Such changes in phraseology and form (but not in substance) may be made in such Bonds as may be appropriate in view of such consolidation or merger or conveyance or transfer.

Section 2.03. Addition to Article Twelve. Article Twelve is hereby further amended by adding a new Section 12.03 to read in its entirety as follows:

Section 12.03. Right to Merge into Southern States Utilities, Inc. Notwithstanding any provision of this Indenture to the contrary, including specifically, but without limitation, the provisions of Article Five hereof and this Article Twelve, the merger of DUI into SSU shall not be a breach of any covenant of this Indenture irrespective of (1) the Pro Forma Ratio of Earnings to Fixed Charges, and (2) the fact that the lien of this Indenture does not extend to all property owned by SSU; provided that, on the date the separate existence of DUI shall cease, SSU shall succeed to all rights, privileges, and all the property, real, personal and mixed of DUI and all liabilities and covenants of DUI under this Indenture not inconsistent with such merger shall thereafter be the liabilities and covenants of SSU.

Section 2.04. Provisions of Original Indenture With Respect to Pledged Securities, Sister Company Note and Intercompany Agreements Superseded. This Third Supplemental Indenture shall supersede all provisions of the Original Indenture, including specifically but without limitation, the Granting Clauses, Section 13.05 and Article Seven thereof, which grant a security interest in, limit the Corporation's control over, or provide

remedies to the Trustee and Bondholders with respect to, Pledged Securities, the Sister Company Note and the Intercompany Agreements.

ARTICLE III.

RELEASE OF MORTGAGED PROPERTY

Section 3.01. Release of Certain Gas Businesses.

Notwithstanding the provisions of Section 5.17 and Section 13.03 of the Original Indenture to the contrary, the Trustee shall release from the lien of this Indenture the operations previously owned by DUI which are in the business of selling and distributing propane gas to residential commercial customers (the "DUI Gas Businesses") and all of the equipment and other tangible and intangible personal property and trade fixtures owned and/or used by SSU in connection with such operations, in the event that SSU contracts with a third party or parties to sell or otherwise divest itself of the DUI Gas Businesses. In addition, SSU will be allowed to grant to such third party or parties such easements and/or real estate interests as is necessary or desirable for the third party or parties to conduct the DUI Gas Businesses in substantially the same manner as conducted by SSU prior to such divestiture. In consideration for the release of the security interest in the assets of the DUI Gas Businesses and the ability to grant real estate interests related to the DUI Gas Businesses, SSU will pledge the net proceeds from the sale of the DUI Gas Businesses as security for the payment of principal of (and

premium, if any) and interest on the Bonds. The Trustee shall execute all documents presented to it by, or on behalf of, SSU reasonably necessary to evidence the release of such DUI Gas Businesses from the lien of this Indenture and SSU shall execute all such documents presented to it by the Trustee as may be reasonably necessary to evidence and/or perfect the security interest in the net proceeds from the sale of such DUI Gas Businesses.

ARTICLE IV.

MISCELLANEOUS

Section 4.01. Indenture Confirmed. Except as may be inconsistent with the terms of this Third Supplemental Indenture, all of the provisions of the Indenture shall remain in full force and effect, and from and after the effective date of this Third Supplemental Indenture, the Indenture shall be deemed to have been supplemented and amended as herein set forth.

Section 4.02. Severability. In case any one or more of the provisions of this Third Supplemental Indenture shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Third Supplemental Indenture, but this Third Supplemental Indenture shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 4.03. Applicable Law. This Third Supplemental Indenture shall be construed under and governed by the laws of the State of Florida.

Section 4.04. Counterparts. This Third Supplemental Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, SOUTHERN STATES UTILITIES, INC. by resolution duly adopted by its Board of Directors, has caused this Third Supplemental Indenture of Trust to be executed and attested in its behalf by its duly authorized representatives and its corporate seal to be hereunto affixed and FIRST UNION NATIONAL BANK OF FLORIDA, in the City of Miami, Florida, as successor in interest to Southeast Bank, N.A., has caused this Third Supplemental Indenture of Trust to be executed and attested in its behalf by its duly authorized signatories and its corporate seal to be hereunto affixed, all as of the day and year first above written.

Signed, sealed and delivered
in our presence:

Billy J. McCorkle
(Signature)
BILLYE J. McCorkle
(Print name)

Rodan R. Haggerty
(Signature)
Rodan R. Haggerty
(Print name)

SOUTHERN STATES UTILITIES,
INC., a Florida corporation

By: Karla Olson Teasley
Karla Olson Teasley
Vice President
1000 Color Place
Apopka, Florida 32703

(CORPORATE SEAL)

Signed, sealed and delivered
in our presence:

FIRST UNION NATIONAL BANK
OF FLORIDA, as Trustee

Carl M. Socolove
(Signature)

Carl M. Socolove
(Print name)

Isabel F. De Lara
(Signature)

Isabel F. De Lara
(Print name)

By: Audrey E. Singleton

1 Southeast Financial
Center, 15th Floor
Miami, Florida 33131

AUDREY E. SINGLETON
TRUST OFFICER

STATE OF FLORIDA,
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 16
day of July, 1992 by Karla Ann Teasley,
Vice President of Southern States Utilities, Inc., a
Florida corporation, on behalf of the corporation. ~~She~~ is
personally known to me ~~or has produced~~ ~~as~~
~~identification~~ and did ~~(did not)~~ take an oath.

Lisa Freeman Schutz
Signature of Person Taking Acknowledgment

Lisa Freeman Schutz
Name of Acknowledger Typed, Printed or Stamped

Notary Public, State of Florida
Title or Rank

Comm # CA123276
Serial Number, if any.



LISA FREEMAN SCHUTZ
MY COMMISSION EXPIRES
July 22, 1995
BONDED THRU TROY FAIR INSURANCE, INC.

STATE OF FLORIDA,

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 10th day of July, 1992 by Doreen S. Moloney, Trustee, on behalf of the First Federal National Bank, Inc. He is personally known to me ~~or has produced~~ as identification and did (did not) take an oath.



DOREEN S. MOLONEY
My Comm. Exp. 2-18-94
Bonded Thru Service Ins. Co.

[Handwritten Signature]

Signature of Person Taking Acknowledgment

Doreen S. Moloney
Name of Acknowledger Typed, Printed or Stamped

Title or Rank

Serial Number, if any.

322/2:19/5

Legal Description

All of Tract "L" of SPRING HILL UNIT 1, according to the plat thereof recorded in Plat Book 7, Pages 53 through 64 inclusive of the Public Records of Hernando County, Florida.

Containing 5.29 acres more or less.

ALSO

All of Tract "B" of SPRING HILL UNIT 2, according to the plat thereof recorded in Plat Book 7, Pages 65 through 79 inclusive of the Public Records of Hernando County, Florida.

Containing 0.12 acres more or less.

ALSO

All of Tract "K" of SPRING HILL UNIT 7, according to the plat thereof recorded in Plat Book 8, Pages 11 through 24 inclusive of the Public Records of Hernando County, Florida.

Containing 4.43 acres more or less.

ALSO

All of Tract "D" of SPRING HILL UNIT 9, according to the plat thereof recorded in Plat Book 8, Pages 38 through 53 inclusive of the Public Records of Hernando County, Florida.

Containing 7.76 acres more or less.

ALSO

All of Tract "B" of SPRING HILL UNIT 13, according to the plat thereof recorded in Plat Book 8, Pages 84 through 100 inclusive of the Public Records of Hernando County, Florida.

Containing 4.54 acres more or less.

ALSO

All of Tract "E-C" of A REPLAT OF TRACT "E" OF SPRING HILL UNIT 20 AND "A REPLAT OF PORTIONS OF SPRING HILL UNITS 18, 19 & 20 AND A SECOND REPLAT OF SPRING HILL UNITS 18 & 19", according to the plat thereof recorded in Plat Book 17, Page 41 and 42 of the Public Records of Hernando County, Florida.

Containing 6.21 acres more or less.

ALSO

Tract "H" of SPRING HILL UNIT 25, according to the plat thereof recorded in Plat Book 10, Pages 61 through 76 inclusive of the Public Records of Hernando County, Florida,

LESS AND EXCEPT therefrom the following:

Begin at the Southeast corner of said Tract "H", being a point on the Westerly Right-of-Way line of that certain Florida Power Corporation Easement dated September 3, 1937 and recorded in Deed Book 97 at Page 418 of the Public Records of Hernando County, Florida for the POINT OF BEGINNING; thence run N89°24'29"W along the Southerly boundary of said Tract "H" a distance of 197.16 feet; thence leaving said Southerly boundary, run N00°35'31"E a distance of 200.00 feet; thence run S89°24'29"E a distance of 238.43 feet to a point on the aforesaid Westerly Right-of-Way line; thence run S12°15'06"W along said Westerly Right-of-Way line a distance of 204.21 feet to the Point of Beginning.

Containing 6.74 acres more or less.

ALSO

THAT PORTION OF:

Section 29; the S 1/2 of the SE 1/4 of Section 30; the N 1/2 of the NW 1/4, the NE 1/4 and the SE 1/4 of the NW 1/4 of Section 31, all being in Township 23 South, Range 17 East, Hernando County, Florida.

lying West of the Westerly right-of-way line of U.S. Highway No. 19 and South of the Southerly right-of-way line of State Road No. 395;

LESS AND EXCEPT the following described parcels of land:

That portion of the North 550 feet of the East 816 feet of the NE 1/4 of the NE 1/4 of Section 31, Township 23 South, Range 17 East, lying West of the Westerly right-of-way line of U.S. Highway No. 19;

ALSO LESS AND EXCEPT

That certain parcel of land lying in and being a part of Sections 29, 30 and 32, Township 23, South, Range 17 East, Hernando County, Florida, and being more particularly described as follows:

For the POINT OF BEGINNING of the parcel of land hereinafter described, begin at the common section corner of Sections 29, 30, 31 and 32, Township 23 South, Range 17 East; run thence S89°32'40"W, along the South line of said Section 30, for a distance of 191.45 feet to a point, said point being 100.00 feet, measured perpendicularly from the Westerly Right-of-Way Line of U.S. Highway No. 19; run thence N23°37'07"E, parallel to said Westerly Right-of-Way Line, for a distance of 475.45 feet to a point on the west boundary line of aforesaid Section 29; thence continue N23°37'07"E, parallel to aforesaid Westerly Right-of-Way Line of U.S. Highway No. 19, for a distance of 4277.28 feet to the point of curvature of a circular curve to the right, having a radius of 6129.63 feet, said curve being concentric to the aforesaid Westerly Right-of-Way Line of U.S. Highway No. 19; thence run Northerly along the arc of said curve, through a central angle of 06°21'18" for a distance of 679.87 feet to the end of said curve; thence run N12°25'23"W for a distance of 214.15 feet to a point on the South Right-of-Way Line of State Road No. 395; thence run N77°34'27"E, along said South Right-of-Way Line of State Road No. 395 for a distance of 200.00 feet; thence run S12°25'23"E, radial to the next described curve, for a distance of 10.00 feet to a point on a circular curve, concave in a Southerly direction, and having a radius of 250.00 feet; thence run Easterly along the South Right-of-Way Line of aforesaid State Road No. 395, and the arc of said curve, through a central angle of 46°19'40" for a distance of 202.14 feet to the point of tangency; thence run S56°05'43"E for a distance of 50.77 feet to the point of curvature of a circular curve to the right having a radius of 50.00 feet; thence run Southerly along the arc of said curve, through a central angle of 94°36'06" for a distance of 82.56 feet to a point of reverse curvature of a circular curve to the left having a radius of 5829.63 feet, said point being on the aforesaid Westerly Right-of-Way Line of U.S. Highway No. 19; thence run Southwesterly along said Westerly Right-of-Way Line and the arc of said curve, through a central angle, of 08°53'38" for a distance of 904.93 feet to the point

of tangency; thence run $S23^{\circ}37'07''W$, along said Westerly Right-of-Way Line for a distance of 4642.09 feet to a point on the South Line of aforesaid Section 31; thence continue along said Right-of-Way Line, $S23^{\circ}35'42''W$ for a distance of 354.72 feet to a point on the West line of aforesaid Section 32; thence, leaving said Right-of-Way Line, run $N00^{\circ}51'35''E$, along said West line of Section 32, for a distance of 324.01 feet to the Point of Beginning.

ALSO LESS AND EXCEPT

That certain parcel of land lying in and being a part of Section 31, Township 23 South, Range 17 East, Hernando County, Florida, and being more particularly described as follows:

Commence at the Northeast corner of said Section 31; thence run $S00^{\circ}51'35''W$, along the East boundary line of said Section, for a distance of 324.01 feet to a point on the Westerly Right-of-Way Line of U.S. Highway No. 19; thence run $S23^{\circ}35'42''W$, along said Westerly Right-of-Way Line, for a distance of 246.42 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S23^{\circ}35'42''W$, along said Westerly Right-of-Way Line, for a distance of 1700.00 feet; thence, leaving said Right-of-Way Line, run $N66^{\circ}24'18''W$ for a distance of 352.94 feet; thence run $N23^{\circ}35'42''E$, parallel to the aforesaid Westerly Right-of-Way Line of U.S. Highway No. 19, for a distance of 1493.41 feet; thence run $N89^{\circ}32'40''E$, parallel to the North line of aforesaid Section 31, for a distance of 605.07 feet to the Point of Beginning.

ALSO LESS AND EXCEPT

That certain parcel of land lying in and being a part of Section 31, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

Commence at the Northeast corner of said Section 31; thence run $S00^{\circ}51'35''W$, along the East boundary line of said Section 31, for a distance of 324.31 feet to a point on the Westerly Right-of-Way Line of U.S. Highway No. 19; run thence $S23^{\circ}35'42''W$, along said Westerly Right-of-Way Line, for a distance of 1946.42 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S23^{\circ}35'42''W$, along said Westerly Right-of-Way Line, for a distance of 2025.94 feet to a point on the South line of the N 1/2 of the SE 1/4 of said Section 31; run thence $N89^{\circ}37'45''W$, along the South line of the N 1/2 of the SE 1/4, for a distance of 327.28 feet, said point being 300.00 feet, measured perpendicularly, from the Westerly Right-of-Way Line of U.S. Highway No. 19; thence run $N23^{\circ}35'42''E$, parallel to said Right-of-Way Line, for a distance of 2156.75 feet; thence run $S66^{\circ}24'18''E$ for a distance of 300.00 feet to the Point of Beginning.

ALSO LESS AND EXCEPT

A parcel of land lying in the NE 1/4 of Section 31, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 31; run thence $S00^{\circ}52'03''W$ along the East section line thereof for a distance of 324.78 feet to a point on the Northwesterly Right-of-Way Line

of U.S. Highway No. 19; thence run $S23^{\circ}35'47''W$ along said Northwesterly Right-of-Way Line, for a distance of 3972.33 feet to a point on the South line of the $N\ 1/2$ of the $SE\ 1/4$ of said Section 31; thence run $S89^{\circ}58'24''W$, along said South line, for a distance of 327.44 feet, said point being 300.00 feet, measured perpendicularly, from the Northwesterly Right-of-Way Line of U.S. Highway No. 19; thence run $N23^{\circ}35'47''E$, parallel to said Right-of-Way Line, for a distance of 1779.93 feet to the POINT OF BEGINNING of the parcel of land hereinafter described, said point being the point of curvature of a circular curve to the left having a radius of 270 feet; thence run Northerly along the arc of said curve, through a central angle of $45^{\circ}00'00''$, a distance of 312.06 feet to a point of tangency; thence run $N21^{\circ}24'13''W$ for a distance of 108.62 feet to the point of curvature of a circular curve to the right having a radius of 330 feet; thence run Northerly along the arc of said curve, through a central angle of $22^{\circ}52'46''$, for a distance of 131.78 feet to the end of said curve; thence run $S86^{\circ}24'13''E$ for a distance of 228.25 feet to a point being 300.00 feet, measured perpendicularly, from the aforementioned Northwesterly Right-of-Way Line of U.S. Highway No. 19; thence run $S23^{\circ}35'47''W$, parallel to said Right-of-Way Line, for a distance of 376.80 feet to the Point of Beginning.

ALSO LESS AND EXCEPT

A parcel of land lying in Section 29, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

Commence at the NE corner of said Section 29; run thence $S89^{\circ}58'37''W$ along the North line thereof for a distance of 2983.33 feet; thence leaving said North line, $S77^{\circ}34'37''W$ for a distance of 137.90 feet to a point on the centerline of State Road No. 595; thence continue $S77^{\circ}34'37''W$ along said centerline for a distance of 200.00 feet; thence leaving said centerline, $S12^{\circ}25'23''E$ for a distance of 50 feet to a point on the Southerly Right-of-Way line of said State Road No. 595 and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S12^{\circ}25'23''E$ for a distance of 214.15 feet to a point of intersection with a circular curve concave to a Southeasterly direction having a radius of 6129.63 feet, said point bears $N64^{\circ}58'28''W$ from the center of said curve; thence Southwesterly along the arc of said curve through a central angle of $04^{\circ}56'53''$ for a distance of 529.33 feet; thence $S77^{\circ}34'37''W$ for a distance of 1160.65 feet; thence $N12^{\circ}25'23''W$ for a distance of 688.24 feet to a point on aforesaid Southerly Right-of-Way line of State Road No. 595; said point being on a circular curve concave in a Southerly direction having a radius of 2809.79 feet; run thence the following courses along said Southerly Right-of-Way line; thence Easterly along the arc of said curve through a central angle of $00^{\circ}31'00''$ for a distance of 23.34 feet to the end of said curve; thence $N86^{\circ}41'54''E$ for a distance of 382.40 feet to the point of curvature of a circular curve concave in a Northerly direction having a radius of 1692.02 feet; thence Easterly along the arc of said curve through a central angle of $00^{\circ}33'05''$ for a distance of 13.00 feet to a point on a circular curve concentric to aforesaid curve; thence Easterly along the arc of said curve having a radius of 1707.02 feet through a central angle of $08^{\circ}14'12''$ for a distance of 245.36 feet to the end of said curve; thence $N77^{\circ}34'37''E$ for a distance of 106.95 feet; thence $N66^{\circ}16'01''E$ for a distance of 161.98 feet; thence $N77^{\circ}34'37''E$ for a distance of 701.48 feet to the Point of Beginning.

ALSO

A parcel of land lying in Section 29, Township 23 South, Range 17 East, Bernardo County, Florida, being more particularly described as follows:

Commence at the NE corner of said Section 29; run thence $889^{\circ}58'37''$ along the North line thereof for a distance of 2981.33 feet; thence leaving said North line, $S77^{\circ}34'37''W$ for a distance of 137.90 feet to a point on the centerline of State Road No. 595; thence continue $S77^{\circ}34'37''W$ along said centerline for a distance of 200.00 feet; thence leaving said centerline, $S12^{\circ}25'23''E$ for a distance of 50 feet to a point on the Southerly Right-of-Way line of said State Road and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S12^{\circ}25'23''E$ for a distance of 214.15 feet to a point of intersection with a circular curve concave to a Southeasterly direction having a radius of 6129.63 feet; said point bears $N64^{\circ}58'28''W$ from the center of said curve; thence Southwesterly along the arc of said curve through a central angle of $04^{\circ}56'53''$ for a distance of 529.35 feet; thence $S77^{\circ}34'37''W$ for a distance of 1160.65 feet; thence $N12^{\circ}25'23''W$ for a distance of 688.24 feet to a point on aforesaid Southerly Right-of-Way line of State Road No. 595; said point being on a circular curve concave on a Southerly direction having a radius of 2809.79 feet; run thence the following courses along said Southerly Right-of-Way line: thence Easterly along the arc of said curve through a central angle of $00^{\circ}31'00''$ for a distance of 25.34 feet to the end of said curve; thence $N86^{\circ}41'54''E$ for a distance of 302.46 feet to the point of curvature of a circular curve concave on a Northerly direction having a radius of 1692.02 feet; thence Easterly along the arc of said curve through a central angle of $00^{\circ}53'05''$ for a distance of 15.00 feet to a point on a circular curve concentric to aforesaid curve; thence Easterly along the arc of said curve having a radius of 1707.02 feet through a central angle of $08^{\circ}14'12''$ for a distance of 245.30 feet to the end of said curve; thence $N77^{\circ}34'37''E$ for a distance of 106.95 feet; thence $N66^{\circ}16'01''E$ for a distance of 101.98 feet; thence $N77^{\circ}34'37''E$ for a distance of 701.48 feet to the Point of Beginning.

LESS AND EXCEPT:

A parcel of land lying on Section 29, Township 23 South, Range 17 East, Bernardo County, Florida, being more particularly described as follows:

Commence at the NE corner of said Section 29; run thence $889^{\circ}58'37''$ along the North line thereof for a distance of 2981.33 feet; thence leaving said North line, $S77^{\circ}34'37''W$ for a distance of 137.90 feet to a point on the centerline of State Road No. 595; thence continue $S77^{\circ}34'37''W$ along said centerline for a distance of 200.00 feet; thence leaving said centerline, $S12^{\circ}25'23''E$ for a distance of 50.0 feet to a point on the Southerly Right-of-Way Line of said State Road and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S12^{\circ}25'23''E$ for a distance of 214.15 feet to a point of intersection with a circular curve concave to a Southeasterly direction and having a radius of 6129.63 feet; said point bears $N60^{\circ}01'35''W$ from the center of said curve; thence Southwesterly along the arc of said curve, through a central angle of $02^{\circ}44'54''$ for a distance of 294.02 feet to a point on said curve thence run radial to the above mentioned curve $N62^{\circ}46'29''W$ a distance of 200.00 feet to a point of intersection with a circular curve, said curve being concentric to the aforementioned curve and having a radius of 6329.63; thence Northeasterly along the arc of said curve, through a central angle of $02^{\circ}02'29''$ for a distance of 225.52 feet; thence $N12^{\circ}25'23''W$ a distance of 137.30 feet to the aforesaid Southerly Right-of-Way Line of State Road No. 595; thence $N77^{\circ}34'37''E$ along said Southerly Right-of-Way Line a distance of 200.00 feet to the Point of Beginning.

Containing 17.90 acres, more or less.

ALSO

EXHIBIT "A"

PAGE 5 OF 13

That certain parcel of land lying in and being a part of Section 29, Township 23 South, Range 17 East, Hernando County, Florida, and being more particularly described as follows:

Commence at the common section corner of Sections 29, 30, 31 and 32, Township 23 South, Range 17 East; run thence $S89^{\circ}32'40''W$, along the South line of Section 30, for a distance of 191.45 feet to a point, said point being 300.00 feet, measured perpendicularly from the Westerly Right-of-Way line of U.S. Highway No. 19; run thence $N23^{\circ}37'07''E$, parallel to said Westerly Right-of-Way line, for a distance of 473.43 feet to a point on the West boundary line of aforesaid Section 29, thence continue $N23^{\circ}37'07''E$, parallel to aforesaid Westerly Right-of-Way line of U.S. Highway No. 19, for a distance of 2786.36 feet to the Point of Beginning of the parcel of land hereinafter described, thence continue $N23^{\circ}37'07''E$ a distance of 1490.72 feet to the point of curvature of a circular curve to the right, having a radius of 6129.63 feet, said curve being concentric to the aforesaid Westerly Right-of-Way line of U.S. Highway No. 19; thence run Northerly along the arc of said curve, through a central angle of $86^{\circ}21'18''$ for a distance of 679.87 feet to the end of said curve; thence run $N12^{\circ}25'23''W$ for a distance of 214.13 feet to a point on the South Right-of-Way line of State Road No. 595; thence run $N77^{\circ}34'37''E$, along said South Right-of-Way line of State Road No. 595 for a distance of 200.00 feet; thence run $S12^{\circ}25'23''E$, radial to the next described curve, for a distance of 10.00 feet to a point on a circular curve, concave in a Southerly direction, and having a radius of 250.00 feet; thence run Easterly along the South Right-of-Way line of aforesaid State Road No. 595, and the arc of said curve, through a central angle of $46^{\circ}19'40''$ for a distance of 202.14 feet to the point of tangency; thence run $S56^{\circ}05'43''E$ for a distance of 50.77 feet to the point of curvature of a circular curve to the right having a radius of 50.00 feet; thence run Southerly along the arc of said curve, through a central angle of $94^{\circ}36'06''$ for a distance of 82.56 feet to a point of reverse curvature of a circular curve to the left having a radius of 5829.63 feet, said point being on the aforesaid Westerly Right-of-Way line of U.S. Highway No. 19; thence run Southwesterly along said Westerly Right-of-Way line and the arc of said curve through a central angle of $88^{\circ}53'38''$ for a distance of 904.93 feet to the point of tangency; thence run $S23^{\circ}37'07''W$, along said Westerly Right-of-Way line for a distance of 1510.64 feet; thence run $N66^{\circ}22'53''W$ a distance of 300.00 feet to the Point of Beginning.

LESS AND EXCEPT the following described parcels of land:

Commence at the NE corner of said Section 29; run thence $S89^{\circ}38'37''$ along the North line thereof for a distance of 2984.21 feet; thence leaving said North line, $S77^{\circ}34'37''W$ for a distance of 137.90 feet to a point on the centerline of State Road No. 595; thence continue $S77^{\circ}34'37''W$ along said centerline for a distance of 200.00 feet; thence leaving said centerline, $S12^{\circ}25'23''E$ for a distance of 50 feet to a point on the Southerly Right-of-Way line of said State Road No. 595 and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S12^{\circ}25'23''E$ for a distance of 214.13 feet to a point of intersection with a circular curve concave on a South easterly direction having a radius of 6129.63 feet; said point being $N60^{\circ}35'21''W$ from the center of said curve; thence run Southwesterly along the arc of said curve through a central angle of $80^{\circ}33'46''$ for a distance of 60.21 feet; thence leaving said curve, $S60^{\circ}35'21''$ a distance of 300 feet to a point on the Westerly Right-of-Way line

of U.S. Highway No. 19, said point being on the arc of a circular curve concentric to the last described curve and having a radius of 3829.63 feet; thence run Northerly along said Westerly Right-of-Way line and the arc of said curve through a central angle of $03^{\circ}26'36''$ for a distance of 350.91 feet to a point of reverse curvature of a circular curve concave on a Westerly direction having a radius of 50.00 feet; thence run Northerly along the arc of said curve through a central angle of $88^{\circ}57'18''$ for a distance of 77.63 feet to the point of tangency, said point being on aforesaid Southerly Right-of-Way line of State Road No. 595; thence run the following courses along said Southerly Right-of-Way line, $N56^{\circ}03'43''W$ for a distance of 65.29 feet to the point of curvature of a circular curve concave on a Southerly direction having a radius of 350.00 feet; thence run Westerly along the arc of said curve through a central angle of $46^{\circ}19'40''$ for a distance of 202.14 feet; thence $N12^{\circ}25'23''W$, radial to said curve, for a distance of 10.00 feet; thence $S77^{\circ}34'37''W$ for a distance of 200.00 feet to the POINT OF BEGINNING

ALSO LESS AND EXCEPT

Commencing at the Northeast corner of said Section 29, run Westerly along the North boundary of said Section $S89^{\circ}58'09''W$ for a distance of 3330.28 feet to Point "A", being a point on said North boundary; run thence Southeasterly $S12^{\circ}26'13''E$ for a distance of 339.00 feet to Point "B"; run thence Southwesterly $S29^{\circ}37'28''W$ for a distance of 60.36 feet to the POINT OF BEGINNING; Run thence $S60^{\circ}36'39''E$, a radial line, for 300.00 feet to the curved Northwestery Right-of-Way of U.S. 19; thence Southwesterly for an arc distance of 300.00 feet along said Right-of-Way being a curve concave to the Southeast and having a radius of 3829.60 feet; run thence $N63^{\circ}31'31''E$, a radial line, for a distance of 300.00 feet; run thence Northeastery for an arc distance of 315.45 along a curve concentric to the above said Right-of-Way and having a radius of 6129.60 feet to the POINT OF BEGINNING.

ALSO

A parcel of land lying in the NE 1/4 of Section 31, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 31; run thence $S00^{\circ}32'03''W$ along the East section line thereof for a distance of 324.70 feet to a point on the Northwestery Right-of-Way Line of U.S. Highway No. 19; thence run $S23^{\circ}35'47''W$ along said Northwestery Right-of-Way Line, for a distance of 3972.32 feet to a point on the South line of the N 1/2 of the SE 1/4 of said Section 31; thence run $S89^{\circ}58'24''W$, along said South line, for a distance of 327.44 feet, said point being 300.00 feet, measured perpendicularly, from the Northwestery Right-of-Way Line of U.S. Highway No. 19; thence run $N23^{\circ}35'47''E$, parallel to said Right-of-Way Line, for a distance of 2156.75 feet; thence run $N66^{\circ}24'13''W$ for a distance of 228.25 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $N66^{\circ}24'13''W$ for a distance of 24.29 feet; thence run $N23^{\circ}35'47''W$ for a distance of 124.26 feet to the point of cusp with a circular curve concave in an Easterly direction and having a radius of 330 feet; thence run Southerly along the arc of said curve through a central angle of $22^{\circ}07'14''$, for a distance of 127.40 feet to the Point of Beginning.

Containing 0.623, acres more or less.

EXHIBIT "A"

Legal Description

All of Tract "A" of REPLAT OF TRACT "I" AND "E", DELTONA LAKES UNIT THREE, according to the plat thereof recorded in Plat Book 25, Page 227 of the Public Records of Volusia County, Florida.

Containing 2.08 acres more or less.

ALSO

All of Tract "A" of DELTONA LAKES UNIT SIX, according to the plat thereof recorded in Plat Book 25, Pages 139 through 142 inclusive of the Public Records of Volusia County, Florida.

Containing 4.44 acres more or less.

ALSO

All of Tract "A" of REPLAT OF DRAINAGE RETENTION AREA, BLOCK 385, DELTONA LAKES UNIT ELEVEN, according to the plat thereof recorded in Plat Book 27, Page 297 of the Public Records of Volusia County, Florida.

Containing 0.24 acres more or less.

ALSO

That certain parcel of land lying in and being a part of Tract "C" of DELTONA LAKES UNIT ELEVEN, according to the plat thereof recorded in Plat Book 25, Pages 193 through 206 inclusive of the Public Records of Volusia County, Florida, being more particularly described as follows:

Commencing at the centerline intersection of Agatha Drive and St. Johns (Saxon) Blvd. as shown on said plat, run S17°30'00"E, along the centerline of St. Johns (Saxon) Blvd. for 30 feet; thence S52°30'00"W for 35.00 feet to a point on the Westerly Right-of-Way line of St. Johns (Saxon) Blvd. and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue S52°30'00"W for 437.89 feet; thence N00°09'11"E for 551.64 feet; thence S88°36'02"W for 102.00 feet; thence N01°23'58"W for 60.00 feet to the Point of Curvature of a circular curve to the right having a radius of 84.43 feet; thence Northeasterly along the arc of said curve through a central angle of 33°53'58" for 79.43 feet; thence N52°30'00"E for 54.77 feet to the Point of Curvature of a circular curve to the right having a radius of 25 feet; thence Southeasterly along the arc of said curve through a central angle of 90°00'00" for 39.27 feet; thence S37°30'00"E for 335.00 feet to the Point of Beginning.

Containing 3.17 acres more or less.

ALSO

All of Tract "B" of DELTONA LAKES UNIT TWELVE, according to the plat thereof recorded in Plat Book 25, Pages 107 through 109 inclusive of the Public Records of Volusia County, Florida.

Containing 9.00 acres more or less.

ALSO

That certain parcel of land lying in and being a part of Tract "B" of DELTOMA LAKES UNIT THIRTY, according to the plat thereof recorded in Plat Book 27, Pages 92 through 95 inclusive of the Public Records of Volusia County, Florida, being more particularly described as follows:

Commence at the centerline intersection of Rockhill Street and East Lombardy Drive as shown on said plat of DELTOMA LAKES UNIT THIRTY; thence run N30°15'01"W, along the northwesterly projection of said centerline of Rockhill Street, a distance of 10.00 feet to a point on the Northwestery Right-of-Way Line of East Lombardy Drive; thence continue N30°15'01"W for a distance of 150.00 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue N30°15'01"W for a distance of 73.03 feet; thence run N00°03'03"E for a distance of 184.23 feet; thence run S89°34'37"E for a distance of 150.00 feet; thence run S00°05'03"W for a distance of 110.39 feet; thence run S30°15'01"E for a distance of 176.04 feet to a point on the aforementioned Northwestery Right-of-Way Line of East Lombardy Drive, said point being on a circular curve to the right having radius of 415.00 feet; thence run Southwesterly, along said Right-of-Way Line and the arc of said curve, through a central angle of 02°58'58" for a distance of 21.60 feet to the end of said curve; thence leaving said Right-of-Way Line, run N30°15'01"W for a distance of 150.00 feet; thence run S49°23'34"W for a distance of 149.18 feet to the Point of Beginning.

Containing 0.77 acres more or less.

ALSO

All of Tract "C" of DELTOMA LAKES UNIT THIRTY-TWO, according to the plat thereof recorded in Plat Book 27, Pages 161 through 118 inclusive of the Public Records of Volusia County, Florida.

Containing 3.69 acres more or less.

ALSO

All of Tract "A" of DELTOMA LAKES UNIT THIRTY-SIX, according to the plat thereof recorded in Plat Book 27, Pages 164 through 170 of the Public Records of Volusia County, Florida.

Containing 2.66 acres more or less.

ALSO

That Drainage Retention Area consisting of approximately 1.04 acres, lying in Block 1183, DELTOMA LAKES UNIT FORTY-TWO, as recorded in the Public Records of Volusia County, Florida, at Plat Book 27, Pages 262-266.

ALSO

All of Tract "G" of DELTOMA LAKES UNIT SEVENTY-FOUR, according to the plat thereof recorded in Plat Book 29, Pages 38 through 44 inclusive of the Public Records of Volusia County, Florida.

Containing 3.17 acres more or less.

ALSO

TRACT "A" of DELTONA LAKES UNIT SEVENTY, according to the Plat thereof, as recorded in Plat Book 28, at Page 143, of the Public Records of Volusia County, Florida

ALSO

TRACTS "R", "S", "T", "U", and "V", of DELTONA LAKES UNIT THREE, according to the Plat thereof, as recorded in Plat Book 25, Page 105, of the Public Records of Volusia County, Florida

ALSO

TRACTS "E", "J", and "K", of DELTONA LAKES UNIT EIGHT, according to the Plat thereof, recorded in Plat Book 25, Pages 165 through 177, of the Public Records of Volusia County, Florida

ALSO

TRACT "C", of DELTONA LAKES UNIT TWENTY-ONE, according to the Plat thereof, recorded in Plat Book 27, Pages 7 through 10, of the Public Records of Volusia County, Florida

ALSO

TRACT "F", of DELTONA LAKES UNIT NINE, according to the Plat thereof, recorded in Plat Book 25, Pages 178 through 185, of the Public Records of Volusia County, Florida

ALSO

TRACT "A", of DELTONA LAKES UNIT THIRTY-THREE, according to the Plat thereof, recorded in Plat Book 27, Pages 128 through 133, of the Public Records of Volusia County, Florida

ALSO

TRACT "F", of DELTONA LAKES UNIT THIRTY-FOUR, according to the Plat thereof, recorded in Plat Book 27, Pages 134 through 142, of the Public Records of Volusia County, Florida

ALSO

TRACT "D", of DELTONA LAKES UNIT THIRTY-FIVE, according to the Plat thereof, recorded in Plat Book 27, Pages 150 through 157, of the Public Records of Volusia County, Florida

ALSO

TRACT "D", of DELTONA LAKES UNIT FORTY-ONE, according to the Plat thereof, recorded in Plat Book 27, Pages 246 through 261, of the Public Records of Volusia County, Florida

ALSO

TRACT "G", of DELTONA LAKES UNIT FORTY-TWO, according to the Plat thereof, recorded in Plat Book 27, Pages 262 through 266, of the Public Records of Volusia County, Florida

ALSO

TRACT "C", of DELTONA LAKES UNIT FIFTY-THREE, according to the Plat thereof, recorded in Plat Book 28, Pages 32 through 42, of the Public Records of Volusia County, Florida

ALSO

TRACT "K", of DELTONA LAKES UNIT SIXTY-THREE, according to the Plat thereof, recorded in Plat Book 28, Pages 100 through 105, of the Public Records of Volusia County, Florida

EXHIBIT "A"

6/29/92

Legal Description

That certain parcel of land lying in and being part of Tract "D" of MARCO BEACH UNIT FOUR, according to the map or plat thereof as recorded in Plat Book 6, Pages 32 through 37 inclusive of the Public Records of Collier County, Florida.

Being more particularly described as follows:

Begin at the intersection of the centerline of Windward Drive, as shown on said plat of MARCO BEACH UNIT FOUR, and the Southwesterly boundary of said Tract "D" for the POINT OF BEGINNING of the parcel of land hereinafter described; run thence N33°43'23"W, along said Southwesterly boundary a distance of 30.00 feet; thence N20°32'10"W along the Westerly boundary of said Tract "D" a distance of 230.00 feet; thence leaving said boundary, N58°49'31"E a distance of 144.72 feet; thence N31°10'29"W a distance of 92.97 feet; thence N58°49'31"E a distance of 92.13 feet; thence S25°42'29"E a distance of 490.78 feet; thence S36°20'57"E a distance of 129.66 feet; thence N53°39'03"E a distance of 50.00 feet to a point on the Northeastly boundary of aforesaid Tract "D", thence S36°20'57"E along said Easterly boundary a distance of 170.60 feet; thence S00°17'48"W along the East boundary of said Tract "D" a distance of 120.00 feet; thence S30°03'14"W along the Southerly boundary of said Tract "D" a distance of 150.22 feet; thence leaving said Southerly boundary, N53°47'14"W a distance of 388.67 feet; thence S45°00'00"W a distance of 100.00 feet to a point on aforesaid Southwesterly boundary of Tract "D"; thence N45°00'00"W along said Southwesterly boundary a distance of 200.00 feet; thence N33°43'23"W along said Southwesterly boundary a distance of 30.00 feet to the Point of Beginning.

Containing 6.79 acres more or less.

ALSO

A tract of land lying in and being part of Tract "F" as shown on the plat of MARCO BEACH UNIT FOUR, recorded in Plat Book 6, Pages 32 through 37 of the Public Records of Collier County, Florida.

Being more particularly described as follows:

Begin at the intersection of the Southeastly Right-of-Way line of Windward Drive, as shown on said plat of MARCO BEACH UNIT FOUR, and the Northeastly boundary of said Tract "F" for the POINT OF BEGINNING; run thence S45°00'00"E along said Northeastly boundary for 209.00 feet; thence S45°00'00"W for 159.77 feet, to a point on the Northeastly Right-of-Way line of Elkcam Circle; thence N45°00'00"W along said Northeastly Right-of-Way line of Elkcam Circle for 80.02 feet to the beginning of a circular curve concave to the Northeastly having a radius of 960.00 feet; thence Northwestly continuing along said Northeastly Right-of-Way line and the arc of said curve through a central angle of 07°54'17" a distance of 132.44 feet to the end of said curve and the beginning of a circular curve concave to the Easterly having a radius of 25.00 feet; thence Northerly along the arc of said curve through a central angle of 93°22'20" a distance of 40.74 feet to the end of said curve; thence N56°16'37"E along the Southeastly Right-of-Way line of aforesaid Windward Drive, a distance of 133.38 feet to the Point of Beginning.

Containing 0.81 acres more or less.

ALSO

All of Tract "G" of MARCO BEACH UNIT TWENTY-FIVE, according to the plat thereof recorded in Plat Book 12, Pages 2 through 5, inclusive of the Public Records of Collier County, Florida;

LESS AND EXCEPT:

That part of said Tract "G" being more particularly described as follows:

BEGIN at the Northeast boundary of said Tract "G", said corner also being common with the southeast corner of A Replat of a Portion of Marco Beach Unit Twenty-Five, according to the plat thereof, as recorded in Plat Book 12, Pages 86 through 89, inclusive of the Public Records of Collier County, Florida; thence $S00^{\circ}14'37''W$ a distance of 370.08 feet to the Southeast boundary corner of said Tract "G"; thence $S89^{\circ}33'45''W$ a distance of 213.75 feet; thence $N00^{\circ}04'31''E$ a distance of 371.97 feet; thence $S89^{\circ}55'29''E$ a distance of 213.42 feet to the Point of Beginning.

Containing 4.87 acres, more or less.

ALSO

The Southeast 1/4 of SECTION 35, TOWNSHIP 50 SOUTH, RANGE 27 EAST, Collier County, Florida.

Containing 160 acres, more or less.

EXHIBIT B

DELTONA LAKES UTILITIES
Volusia County

MARCO ISLAND UTILITIES
Collier County

SPRING HILL UTILITIES
Hernando County

BOND PURCHASE AGREEMENT

between

DELTONA UTILITIES, INC.

and

EACH INSTITUTIONAL PURCHASER LISTED
IN SCHEDULE I HERETO

Dated as of December 1, 1984

15.50% First Mortgage Bonds, due 1994

CONTENTS

<u>Section</u>	<u>Page</u>
1. Exhibit and Section References	1
2. The Bonds; the Parent Company Agreement; the Intercompany Agreements; the Other Bond Purchase Agreements	1
3. Purchase of the Bonds	3
4. Covenants	4
5. Definitions	10
6. Communications; Payment of Bonds	12
7. Expenses	14
8. Successors and Assigns	15
9. Survival of Representations and Warranties ...	15
10. Governing Law; Amendment	16
11. Counterparts	16

EXHIBIT A--Form of Indenture between Deltona
Utilities, Inc. and Southeast Bank, N.A.,
as Trustee

EXHIBIT B--Representations

EXHIBIT C--Closing Conditions

EXHIBIT D--Forms of Opinions of Counsel

BOND PURCHASE AGREEMENT dated
December 1, 1984, between DELTONA UTILITIES,
INC., a Florida corporation (the "Company"),
and THE EQUITABLE LIFE ASSURANCE SOCIETY OF
THE UNITED STATES (the "Purchaser").

SECTION 1. Exhibit and Section References. This Agreement includes the attached Schedule I and Exhibits A through D. Section numbers herein that are preceded by a capital letter refer to sections in the Exhibit designated by that letter.

SECTION 2. The Bonds; the Parent Company Agreement; the Intercompany Agreements; the Other Bond Purchase Agreements. The Company will authorize an issue of \$30,000,000 principal amount of its 15.50% First Mortgage Bonds, due 1994 (the "Bonds"), to be issued under and secured by its First Mortgage Indenture dated as of December 1, 1984 (the "Indenture"), from the Company to Southeast Bank, N.A. as Trustee (the "Trustee"), in the form attached hereto as Exhibit A. The Bonds shall be issuable in fully registered form only, shall mature on December 1, 1994, shall bear interest at the rate of 15.50% per annum payable quarterly on March 1, June 1, September 1 and

December 1 of each year, shall be subject to redemption through operation of a sinking fund and as required by the election of holders as provided in the Indenture, and shall be in the form established pursuant to the Indenture. As permitted by the Indenture, the Bonds originally issued to the Purchaser and to the Other Purchasers shall be dated, and bear interest from, the date of their original issue on the Closing Date. On or before the Closing Date, (i) The Parent Company will enter into the Parent Company Agreement with the Trustee in the form attached as Exhibit B to the Indenture, (ii) the Company, the Parent Company, Seaboard and DUCI will enter into the Utility Management Agreement in the form attached as Exhibit C-1 to the Indenture, (iii) the Company and the Parent Company will enter into the Consolidated Income Tax Agreement in the form attached as Exhibit C-2 to the Indenture (the Utility Management Agreement and the Consolidated Income Tax Agreement, collectively "the Intercompany Agreements", and (iv) the Sister Company will issue to the Company its Sister Company Note and the Parent Company will execute its Guaranty and Pledge Agreement guaranteeing and securing such Note in the forms attached as Exhibit C-3 of the Indenture. Concurrently with the execution and delivery hereof, the Company is entering into Bond Purchase Agreements (the "Other Purchase Agreements") with the other institutional purchasers listed in Schedule I

hereto (the "Other Purchasers") which are identical to this Agreement except as to the identity of the purchaser and the principal amount of Bonds to be purchased.

SECTION 3. Purchase of the Bonds. The Company hereby agrees to sell the Bonds to the Purchaser and the Purchaser hereby agrees to purchase from the Company that principal amount of Bonds set forth opposite its name in Schedule I hereto, subject to the terms of this Agreement, at 10:00 a.m. on December 12, 1984, or any other date and time agreed to by the Purchaser, the Other Purchasers and the Company (the "Closing Date"). The purchase price of the Bonds shall be 100% of the principal amount thereof. The purchase and sale provided for herein will take place at the offices of Cravath, Swaine & Moore, One Chase Manhattan Plaza, New York, New York 10005. The obligation of the Purchaser under this Agreement is separate from the obligation of the Other Purchasers under the Other Purchase Agreements, and the Purchaser shall not be liable to purchase Bonds in an amount greater than the amount set forth opposite its name in Schedule I or be liable for any obligation of any Other Purchaser under the Other Purchase Agreements. To induce the Purchaser to enter into this Agreement and to purchase the Bonds, the Company makes the representations and warranties set forth in Exhibit B, Part One, and

the covenants and agreements hereinafter stated. The Purchaser makes the representation set forth in Exhibit B, Part Two.

Subject to satisfaction of the closing conditions listed in Exhibit C, the Purchaser will, on the Closing Date, either deliver to the Company a check drawn on the Federal Reserve Bank of New York payable to the order of the Company in the amount of the purchase price of the Bonds to be purchased by it or transfer such amount by wire or interbank transfer of other immediately available funds to an account designated by the Company, against delivery by the Company to the Purchaser of one or more duly executed and authenticated Bonds dated the Closing Date and registered in the Purchaser's name (or the name of its nominee or affiliate) in authorized denominations designated by the Purchaser in Schedule I hereto or by notice to the Company at least one business day prior to the Closing Date in the aggregate principal amount set forth opposite the Purchaser's name in Schedule I hereto.

SECTION 4. Covenants. While any Bond is outstanding, the Company hereby covenants and agrees as follows:

SECTION 4.1. Financial Data. So long as the Purchaser shall hold any Bond, the Company will furnish to

the Purchaser in duplicate:

(1) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company and within 90 days after the end of each such fiscal year:

(a) a consolidated balance sheet of the Company as of the end of such quarter or fiscal year, the related consolidated statements of income and retained earnings for the fiscal year or portion thereof ending with the last day of such quarter and consolidated statements of changes in financial position for such fiscal year or portion thereof, all in reasonable detail and stating in comparative form the respective figures as of the end of, and for, the corresponding period of the previous fiscal year and, in the case of a fiscal year, all certified without qualification by independent public accountants of recognized national standing selected by the Company (the "Accountants"), and, in the case of any shorter period, all certified by the principal financial officer or treasurer of the Company to present fairly, in accordance with GAAP consistently applied (except as noted therein), the information contained therein;

(b) unconsolidated balance sheets and financial statements for the Company and each of its Subsidiaries, prepared in conformance with GAAP considerably applied (except as noted therein);

(c) at the end of each fiscal year only, a written statement of the Accountants stating that, in making the examination necessary for their report on the Company's financial statements for that year, they obtained no knowledge of any Default by the Company in the observance of any of the covenants contained in the Indenture, either of the Intercompany Agreements or this Agreement, or by the Parent Company of its covenants in the Parent Company Agreement, the Guaranty and Pledge Agreement, or by the Sister Company of any provision of the Sister Company Note or, if the Accountants shall have obtained knowledge of any Default, specifying the Defaults, the nature and period of existence thereof and the steps being taken to remedy such Defaults; and

(d) an officers' certificate, dated as of the date it is given to the Purchaser, stating that, based upon the officers' examination or investigation and in their opinion, the Company is not, and during the quarterly period or fiscal year

most recently ended, as the case may be, was not, in Default, except for those Defaults, if any, specified in detail, with a statement of the Company's action with respect thereto taken or proposed;

(2) as soon as available, any report on Forms 10-K, 10-Q, 8-K or successor forms, proxy statement, annual report or quarterly report to shareholders that the Parent Company sends or makes available to its security holders, and copies of all registration statements under the Securities Act of 1933 or successor act (other than on Form S-8 or a similar form or otherwise relating to the issuance of securities under a dividend reinvestment plan, employee benefit plan or similar plan) which the Parent Company files with the SEC or any governmental agency or agencies substituted therefor, and if the Parent Company shall cease to be a reporting company pursuant to Section 13 of the Securities Exchange Act of 1934, as amended, then any and all reports of the type customarily provided to the shareholders of a corporation;

(3) promptly after any officer of the Company obtains knowledge of any Default, an officers' certificate describing such Default with a statement of the

Company's action with respect thereto taken or proposed;

(4) promptly after request by the Purchaser or by any prospective purchaser of any of the Bonds from the Purchaser, a list identifying all employee benefit plans with respect to which the Company or any person who hereafter may become obligated to pay the Bonds is a party in interest within the meaning of ERISA or any rule or regulation issued thereunder;

(5) within 45 days after the end of each of the first three quarters of each fiscal year and within 90 days after the end of each fiscal year a written statement of the principal financial officer of the Company setting forth computations in reasonable detail showing, as at the end of such quarter or fiscal year:

(a) the maximum amount of additional Funded Debt that the Company could have incurred under Section 5.12 of the Indenture;

(b) the maximum amount of additional secured Debt that the Company and its Subsidiaries could have incurred under Section 5.10 of the Indenture;

(c) the maximum amount of additional Restricted Stock Payments which could have been made under Section 5.09 of the Indenture; and

(d) whether or not there was compliance with Sections 5.11 and 5.17 of the Indenture; and
(6) any other information, including financial statements and computations, relating to the affairs of the Company that the Purchaser may from time to time reasonably request.

SECTION 4.2. Books of Record and Account; Reserves. The Company will keep proper books of record and account and set aside appropriate reserves, all in accordance with GAAP.

SECTION 4.3. Inspections. The Purchaser may visit and inspect the properties of the Company and its Subsidiaries, examine and copy its or their books of account and records and discuss its or their affairs, finances and accounts with its or their officers, employees and independent public accountants, all at such reasonable times as the Purchaser may desire.

SECTION 4.4. Recording. On or before the Closing Date, the Company will cause (a) the Indenture to be duly recorded or filed for recordation as a mortgage on real estate in each place in the State of Florida in which any property intended to be subjected to the lien of the Indenture is located and in which such recording or filing is required to protect and preserve the lien of the Indenture and the security interest created thereby and

(b) appropriate financing statements with respect to the Indenture to be filed in accordance with the applicable provisions of the Uniform Commercial Code as in effect in Florida in each place in which such filing shall be required to protect and preserve the lien of the Indenture and the security interest created thereby.

SECTION 5. Definitions. The following defined terms have the indicated meanings in this Agreement, unless the context otherwise requires:

Accountants has the meaning stated in Section 4.1(1)(a).

Bonds has the meaning stated in Section 2, and includes all Bonds purchased from the Company pursuant to this Agreement or delivered in substitution or exchange for any Bond pursuant to the provisions of the Indenture and, where applicable, shall include the singular number as well as the plural. Bond means one of the Bonds.

Closing Date has the meaning stated in Section 3.

Company means the corporation that originally executed this Agreement as issuer of the Bonds until any corporation becomes a successor or transferee in a transaction permitted by the Indenture and thereafter shall mean any such successor or transferee corporation.

Default means (a) as to the Company, (i) an Event of Default as defined in Section 7.01 of the Indenture, (ii) an event which with the giving of notice or the passage of time would become such an Event of Default or (iii) an event which would be a default or which with the giving of notice or the passage of time would become a default under either of the Intercompany Agreements;

(b) as to the Parent Company, (i) a default or (ii) an event which with the giving of notice or the passage of time would become a default under the Parent Company Agreement; or

(c) a default on the payment of any installment of principal or interest on the Sister Company Note, when due, and a default by the Parent Company on its guaranty of such Note pursuant to the Guaranty and Pledge Agreement.

DUCI means Deltona Utility Consultants, Inc., a Florida corporation and wholly-owned subsidiary of the Parent Company.

Encumbrance has the meaning set forth in Section 1.02(s) of the Indenture.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

GAAP has the meaning set forth in Section 1.02(x) of the Indenture.

Good Faith Contest has the meaning set forth in Section 1.02(y) of the Indenture.

Parent Company means The Deltona Corporation, a Delaware corporation.

Person means an individual, a corporation, a partnership, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

Seaboard means Seaboard Utilities Corporation, a Florida corporation and wholly-owned subsidiary of the Company.

SEC means the Securities and Exchange Commission or any governmental body succeeding to such of its authority as may from time to time be relevant to this Agreement and the transactions contemplated hereby.

Sister Company means United Florida Utilities Corporation, a Florida corporation and wholly-owned subsidiary of the Parent Company.

Sister Company Note means the promissory note in the principal amount of \$4,302,852.00, dated December 1, 1984, from the Sister Company to the Company.

Subsidiary means Seaboard and any other subsidiary permitted to be owned by the Company pursuant to Section 5.15 of the Indenture.

SECTION 6. Communications; Payment of Bonds. All communications provided for hereunder shall be delivered, or mailed (if pursuant to Section 4.1(3) hereof, by certified mail, postage prepaid) addressed (1) if to the Purchaser, in the manner provided in Schedule I, (2) if to any other Person who is the holder of a Bond and entitled to some of or all the benefits of this Agreement, at the address of such Person as at the time it appears on the register for the Bonds maintained under the Indenture, or (3) if to the Company, at 3250 Southwest Third Avenue, Miami, Florida 33129, Attention: Earle D. Cortright, Jr.. Any such address may be changed from time to time by a notice in writing (1) if by the Purchaser, to the Company or (2) if by the Company, to the Purchaser and each holder of a Bond. Any communication shall be deemed to have been given when delivered or mailed, as the case may be.

The Company agrees that, so long as the Purchaser holds any Bond and notwithstanding any provision hereof or of the Indenture to the contrary, it will pay or cause the Trustee to pay all sums becoming due thereon for principal and interest to the Purchaser in the manner provided in Schedule I or in such other manner as the Purchaser may

designate to the Company or to the Trustee in writing. The Purchaser agrees that if it sells or transfers any Bond held by it, it (1) will make a notation thereon of all principal payments previously made and the last date to which interest has been paid thereon or, at the Purchaser's option, will surrender the Bond to the Trustee in exchange for a Bond or Bonds in authorized denominations aggregating the same principal amount as the unpaid aggregate principal amount of the Bond surrendered, and (2) will notify the Company of the name and address of the transferee of the Bond if that information is known or available to the Purchaser. In the event that the Purchaser elects, pursuant to the preceding sentence, to make a notation on a Bond being transferred rather than surrendering the Bond to the Trustee, the Purchaser agrees to hold the Company and the Trustee harmless from any claim asserted against either of them by reason of any failure by the Purchaser to make, or any mistake made by the Purchaser in the making of, such notation.

SECTION 7. Expenses. Whether or not the sale herein contemplated shall be consummated, the Company will pay any out-of-pocket expenses the Purchaser may incur arising in connection with the transactions herein contemplated, and will pay all expenses of such transactions, including, but without limitation, the reasonable fees and disbursements of the Purchaser's Special Counsel and of

the Purchaser's Special Florida Counsel, if any, for all services required of them incident to the transactions herein contemplated or in connection with the negotiation, execution or enforcement of, or any waiver, modification or consent, whether or not effective, under or in respect of, the Indenture or the Bonds and all printing expenses in connection with such transactions.

The Company will also pay all taxes (including interest and penalties) which may be payable in respect of the execution and delivery of this Agreement, the Intercompany Agreements, the Parent Company Agreement, the Guaranty and Pledge Agreement, the Indenture or the Bonds (but not their transfer) or of any amendment of, or waiver or consent under or with respect to any thereof, and will save the Purchaser and all subsequent holders of the Bonds harmless from any loss or liability resulting from nonpayment or delay in payment of any such tax.

The obligations of the Company incurred by either the Company or the Purchaser and unpaid by the Company before payment of the Bonds and the obligation of the Company to pay taxes pursuant to the immediately preceding paragraph under this Section 7 shall survive the payment of the Bonds.

SECTION 8. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, and

be enforceable by, the Company and the Purchaser and their respective successors and assigns, whether or not so expressed; provided, however, that any Person who is a successor and assign by virtue of its purchase of a Bond shall not be entitled to the benefits of and may not enforce any provision of this Agreement, unless it is an insurance company, a bank, a savings institution, a trust company, a pension fund, a mutual fund, an investment company or other institutional investor.

SECTION 9. Survival of Representations and Warranties. All representations and warranties contained in this Agreement or made in writing by or on behalf of the Company in connection with the transactions contemplated hereby shall survive the execution and delivery of this Agreement and of the Bonds, regardless of any investigation at any time made by the Purchaser or on its behalf. All statements contained in any certificate or other instrument delivered by or on behalf of the Company hereunder or in connection with the transactions contemplated hereby shall be deemed representations and warranties of the Company hereunder.

SECTION 10. Governing Law; Amendment. This Agreement and (unless otherwise provided) all amendments, supplements, waivers and consents relating thereto or hereto shall be construed and enforced in accordance with and

governed by the laws of the State of New York. This Agreement cannot be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver or change, discharge or termination is sought.

SECTION 11. Counterparts. This Agreement may be executed in any number of counterparts and such counterparts together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by each party if each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the Company and the Purchaser have executed this Agreement as of the day and year first above written.

DELTONA UTILITIES, INC.,

by

Earle D. Cartwright
Title: V.P.

THE EQUITABLE LIFE ASSURANCE
SOCIETY OF THE UNITED STATES

by

John D. Nulb
Title:

governed by the laws of the State of New York. This Agreement cannot be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver or change, discharge or termination is sought.

SECTION 11. Counterparts. This Agreement may be executed in any number of counterparts and such counterparts together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by each party if each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the Company and the Purchaser have executed this Agreement as of the day and year first above written.

DELTONA UTILITIES, INC.,

by Earl D. Costigly
Title: Vice President

AETNA LIFE INSURANCE COMPANY,

by W. Bradford Wheatley
Title: W. BRADFORD WHEATLEY

Assistant Vice President
THE AETNA CASUALTY AND SURETY
COMPANY, Bond Investment Department

by W. Bradford Wheatley
Title: W. BRADFORD WHEATLEY

Assistant Vice President
Bond Investment Department

governed by the laws of the State of New York. This Agreement cannot be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver or change, discharge or termination is sought.

SECTION 11. Counterparts. This Agreement may be executed in any number of counterparts and such counterparts together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by each party if each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the Company and the Purchaser have executed this Agreement as of the day and year first above written.

DELTONA UTILITIES, INC.,

by

Earl D. Costantino

Title: Vice President

CONTINENTAL ASSURANCE COMPANY

by

John J. ...

Title: Vice President

On Behalf of its Separate Account,

CONTINENTAL ASSURANCE COMPANY
PENSION INVESTMENT FUND

governed by the laws of the State of New York. This Agreement cannot be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver or change, discharge or termination is sought.

SECTION 11. Counterparts. This Agreement may be executed in any number of counterparts and such counterparts together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by each party if each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the Company and the Purchaser have executed this Agreement as of the day and year first above written.

DELTONA UTILITIES, INC.,

by

Earle D. Conroy
Title: Vice President

THE MUTUAL BENEFIT LIFE
INSURANCE COMPANY

J.P. by

D. E. Huganur
Title: VICE PRESIDENT

DELTONA UTILITIES, INC.

to

SOUTHEAST BANK, N.A.,

Trustee

INDENTURE OF MORTGAGE AND DEED OF TRUST

Dated as of December 1, 1984

SECURING
FIRST MORTGAGE BONDS

A Mortgage of Both Real and Personal Property.

TABLE OF CONTENTS

	<u>Page</u>
I. LAND	2
II. BUILDINGS AND EQUIPMENT	2
III. FRANCHISES AND OTHER RIGHTS	3
IV. SUBSIDIARY STOCK	3
V. SISTER COMPANY NOTE	3
VI. ADDITIONAL PROPERTY CONVEYED TO THE TRUSTEE	3
VII. OTHER AND AFTER ACQUIRED PROPERTY	4
EXCEPTED PROPERTY	4

ARTICLE ONE

Definitions

Section	1.01.	General	7
Section	1.02.	Specific Definitions	7

ARTICLE TWO

General Provisions As to the Bonds

Section	2.01.	General Designation, Form, Registration and Limitation in Amount of Bonds ...	21
Section	2.02.	Execution of Bonds	21
Section	2.03.	Number and Designation of Bonds	22
Section	2.04.	Authentication and Delivery of Bonds by Trustee	22
Section	2.05.	Bonds Issuable in Series; Terms of Bonds	23
Section	2.06.	Procedure for Creation of New Series of Bonds; Subsequent Advances	23
Section	2.07.	Equal Security of Bonds	24
Section	2.08.	Date of Bonds and Interest	24
Section	2.09.	Bond Register, Registrar and Transfer Agent	24
Section	2.10.	Transfer of Bonds; Charges Therefor; Ownership of Bonds	25
Section	2.11.	Replacement Bonds	26
Section	2.12.	Effect of Replacement	26
Section	2.13.	Disposition of Surrendered Bonds	26

ARTICLE THREE

Creation of Series A Bonds

Section 3.01.	Series A Bonds	27
Section 3.02.	Sinking Fund for Bonds of Series A	27
Section 3.03.	Right of Election of Holders of Series A Bond Purchasers to Require the Corporation to Redeem Bonds of Series A upon the Involuntary Con- version of One or More Divisions	29
Section 3.04.	Premium or Redemption Pursuant to Section 3.03	30
Section 3.05.	Place and Form of Payment on Bonds of Series A	31

ARTICLE FOUR

Issuance of Additional Bonds

Section 4.01.	Issuance of Additional Bonds	31
Section 4.02.	Supplemental Indentures	31

ARTICLE FIVE

Covenants of the Corporation

Section 5.01.	Authorization	32
Section 5.02.	Payment	32
Section 5.03.	Taxes and Assessments	33
Section 5.04.	Maintenance of Corporate Existence and Rights; Compliance with Laws and Franchise Agreements; Notice	33
Section 5.05.	Carry on Business and Maintain Property	34
Section 5.06.	Insurance	35
Section 5.07.	Records of Account and Certificate	35
Section 5.08.	Certificates As to Compliance	36
Section 5.09.	Restrictions on Stock Payments	36
Section 5.10.	Limitation on Encumbrances	38
Section 5.11.	Maintenance of Financial Conditions ...	38
Section 5.12.	Limitations on Funded Debt	39
Section 5.13.	Long-Term Leases	39
Section 5.14.	Restrictions on Intercompany Transactions	39

		<u>Page</u>
Section 5.15.	Restricted Investments; Limitation on Subsidiaries	39
Section 5.16.	Warranty of Title and Further Assurances	40
Section 5.17.	Restrictions on Sale or Disposition of Fixed Assets	40
Section 5.18.	Payment of Certain Charges	41
Section 5.19.	Appointment of Successor Trustee	41

ARTICLE SIX

Recording Opinions

Section 6.01.	Opinions of Counsel to Be Filed with Trustee	41
---------------	-------------------------------------------------------	----

ARTICLE SEVEN

Remedies of the Trustee and Bondholders on Event of Default

Section 7.01.	Events of Default Defined; Acceleration of Maturity; Rescission and Annulment	42
Section 7.02.	Covenant to Make Payments upon Certain Defaults	45
Section 7.03.	Remedies in Case of Default	46
Section 7.04.	Trustee's Powers	48
Section 7.05.	Application of Moneys by Trustee	50
Section 7.06.	Limitation on Suits; Preservation of Rights to Payment and to Sue	51
Section 7.07.	Remedies Cumulative	52
Section 7.08.	Rights of Bondholders to Direct Trustee; Waivers	52
Section 7.09.	Notice by Trustee of Defaults	53
Section 7.10.	Costs of Suit	53

ARTICLE EIGHT

The Trustee

Section 8.01.	Certain Duties and Responsibilities ...	53
Section 8.02.	Certain Rights of the Trustee	55

	<u>Page</u>
Section 8.03. Trustee Not Responsible for Certain Matters	56
Section 8.04. Absence of Certain Duties	56
Section 8.05. Trustee's Ownership of Bonds	57
Section 8.06. Trust Moneys	57
Section 8.07. Trustee's Compensation	57
Section 8.08. Reliance on Officers' Certificates by Trustee and Other Persons	58
Section 8.09. Corporate Trustee Required; Eligibility	58
Section 8.10. Resignation and Removal of Trustee; Appointment of Successor	58
Section 8.11. Acceptance of Appointment by Successor	60
Section 8.12. Successor to Trustee	61

ARTICLE NINE

Concerning the Bondholders

Section 9.01. Evidence of Action	61
Section 9.02. Proof of Execution	61
Section 9.03. Effect of Actions by Holders of Bonds .	62

ARTICLE TEN

Bondholders' Meetings

Section 10.01. Purposes	63
Section 10.02. Manner of Calling Meetings	63
Section 10.03. Call of Meetings by Corporation or Bondholders	64
Section 10.04. Voting and Attending Meetings	64
Section 10.05. Conduct of Meetings	64
Section 10.06. Voting and Records	65
Section 10.07. Effect of Call of Meeting	66

ARTICLE ELEVEN

Supplemental Indentures

Section 11.01. Supplemental Indentures Without Consent of Bondholders	66
Section 11.02. Modification of Indenture	67

	<u>Page</u>
Section 11.03. Effect of Supplemental Indentures	68
Section 11.04. Trust Indenture Act	69
Section 11.05. Notation of Changes on Bonds	69
Section 11.06. Trustee's Reliance on Opinion of Counsel	69

ARTICLE TWELVE

Consolidation, Merger, Acquisition and Sale

Section 12.01. Consolidations, Mergers, Acquisitions or Sales Permitted Only with Affiliated Utilities	70
Section 12.02. Successor Corporation Substituted	71

ARTICLE THIRTEEN

Possession, Use and Release of Mortgaged Property

Section 13.01. Possession and Use of Mortgaged Property	72
Section 13.02. Disposition of Mortgaged Property Without Release	73
Section 13.03. Release of Mortgaged Property	74
Section 13.04. Eminent Domain and Other Governmental Takings	74
Section 13.05. Pledged Securities	76
Section 13.06. Purchaser Protected	82
Section 13.07. Powers Exercisable Notwithstanding Event of Default	82
Section 13.08. Powers Exercisable by Receiver or Trustee	82

ARTICLE FOURTEEN

Redemption of Bonds

Section 14.01. Redemption Price and Manner of Redemption	83
Section 14.02. Selection of Bonds to Be Redeemed	83
Section 14.03. Notice of Redemption	84
Section 14.04. Payment of Redemption Price	85
Section 14.05. Notation on Bond for Partial Redemption	86
Section 14.06. Cancellation of Bonds	86

ARTICLE FIFTEEN

Satisfaction and Discharge of Indenture;
Unclaimed Moneys

Section 15.01.	Satisfaction and Discharge of Indenture	86
Section 15.02.	Funds Deposited for Payments of Bonds .	88
Section 15.03.	Moneys Held by Trustee	88

ARTICLE SIXTEEN

Application, Investment and Withdrawal of
Trust Moneys

Section 16.01.	"Trust Moneys" Defined	88
Section 16.02.	Withdrawal on Basis of Bondable Property	89
Section 16.03.	Payment of Outstanding Bonds	90
Section 16.04.	Withdrawal of Insurance Proceeds	91
Section 16.05.	Powers Exercisable Notwithstanding Event of Default	93
Section 16.06.	Powers Exercisable by Trustee or Receiver	94
Section 16.07.	Disposition of Bonds Retired	94
Section 16.08.	Investment of Trust Moneys	94

ARTICLE SEVENTEEN

<u>Immunity of Incorporators, Stockholders, Officers, and Directors</u>	96
-----------------------------------------------------------------------------------	----

ARTICLE EIGHTEEN

Miscellaneous Provisions

Section 18.01.	Certain Assignments of Bonds	97
Section 18.02.	Successors and Assigns	97
Section 18.03.	Board and Other Action	97
Section 18.04.	Surrender of Powers	97
Section 18.05.	Service of Notices	97
Section 18.06.	Florida Law Applicable	98
Section 18.07.	Certificates to Trustee	98

	<u>Page</u>
Section 18.08. Payments Coming Due on Saturday, Sunday or Legal Holiday	99
Section 18.09. Counterparts	99
Section 18.10. Effect of Headings and Table of Contents	99
Section 18.11. Acceptance of Trust by Trustee	99
Section 18.12. Separability of Indenture Provisions ..	99

INDENTURE OF MORTGAGE AND
DEED OF TRUST

THIS INDENTURE OF MORTGAGE AND DEED OF TRUST, made and entered into as of this 1st day of December 1984, by and between DELTONA UTILITIES, INC., a Florida corporation (the Corporation), and Southeast Bank, N.A., a national banking association with its principal offices in Miami, Florida, as Trustee (the Trustee).

The Corporation deems it necessary from time to time to borrow money for its corporate purposes and to issue its Bonds therefor, and to mortgage and pledge its property hereinafter described to secure the payment of the Bonds, and to that end has authorized the issue of its Bonds, from time to time, in one or more series, the Bonds of each series to be issuable as registered Bonds without coupons, all such Bonds to be authenticated by the certificate of the Trustee.

The Corporation furthermore desires to create its Bonds of Series A to be issued hereunder promptly after the execution and delivery hereof.

The Corporation further represents that all requirements of law and the by-laws and articles of incorporation of the Corporation have been fully complied with and all other acts and things necessary to make such Bonds of Series A, when executed by the Corporation, authenticated and delivered by the Trustee and duly issued, the valid and legally binding obligations of the Corporation, and to constitute this Indenture a valid, binding and legal instrument for the security of all Bonds issued hereunder, have been done and performed.

NOW, THEREFORE, THIS INDENTURE, WITNESSETH:

That in consideration of the mutual covenants herein contained and of the consideration given to the Corporation by the holders of the Bonds issued pursuant hereto, and to secure the payment of the principal of and interest (and premium, if any) on the Bonds of Series A and such other Bonds as may at any time be issued and outstanding under this Indenture, in accordance with the tenor thereof, and to declare the terms and conditions upon which

the Bonds of Series A are, and Bonds of other series may be, authenticated, delivered and issued, and to secure the performance and observance of all the covenants and conditions contained in any Bonds or in this Indenture and in consideration of the mutual covenants herein contained, of the acceptance by the Trustee of the trust hereby created, and of the purchase and acceptance of the Bonds by the holders thereof, and of other valuable consideration, the receipt of which is hereby acknowledged, the Corporation hereby agrees with the Trustee for the benefit of the holders of Bonds as hereinafter set forth; and the Corporation does hereby grant, bargain, sell, convey, assign, mortgage and pledge unto the Trustee, and its successor or successors in trust and to its assigns, all right, title and interest of the Corporation in and to the following described property, rights, privileges and franchises (which collectively are hereinafter called the Mortgaged Property):

I.

LAND

All land, wherever situated, and all interests in or relating to such land, now owned by the Corporation or hereafter acquired by the Corporation, including, without limiting the generality of the foregoing statement, all parcels of land described in Exhibit A attached hereto and incorporated herein by reference.

II.

BUILDINGS AND EQUIPMENT

All buildings, improvements, plants, systems, works, structures, water, sewer and gas (including liquefied petroleum gas) facilities and other property, pipelines, conduits, meters, machinery, materials, supplies, tools, implements, stations, substations, equipment (including customer premises equipment and other equipment in general), instruments, house and structure connections and all other appliances, apparatus, fixtures, fittings and equipment of every nature and kind whatsoever pertaining to or useful in the transaction of its utility businesses that the Corporation now owns or in which the Corporation now has an interest, or that the Corporation may hereafter acquire, regardless of whether any or all of the above specified items of property are placed upon real estate belonging to

the Corporation or to other corporations, partnerships, or individuals.

III.

FRANCHISES AND OTHER RIGHTS

All the franchises, permits, certificates, grants, privileges, immunities, permissions, leases, licenses, easements, rights-of-way, contracts and other rights and privileges, now owned or hereafter acquired, pertaining to or useful in the operation of the Mortgaged Property.

IV.

SUBSIDIARY STOCK

All the outstanding shares of Seaboard Utilities Corporation (which are evidenced by certificate No. registered in the name of the Trustee and which certificate is delivered to the Trustee herewith).

V.

SISTER COMPANY NOTE

(a) The Sister Company Note, the obligation of United Florida Utilities Corporation to the Corporation evidenced thereby and the obligation of the Parent Company to the Corporation as guarantor thereof; and (b) all the rights, titles and interests of the Corporation as pledgee of the shares of United Florida Utilities Corporation pledged by the Parent Company to the Corporation as security for its guaranty of such Note (which shares are evidenced by a certificate registered in the name of the Trustee and which certificate is delivered to the Trustee herewith).

VI.

ADDITIONAL PROPERTY CONVEYED TO THE TRUSTEE

All property that may, from time to time hereafter, be delivered to or that may by writing of any kind be

conveyed, pledged, assigned, or transferred to the Trustee by any other corporation, partnership, or individual to be held as part of the Mortgaged Property, and any Excepted Property that may, from time to time hereafter, be delivered to the Trustee or by writing of any kind subjected to the lien of this Indenture by the Corporation or by anyone in its behalf; and the Trustee is hereby authorized to receive any such property and also to receive any such conveyance, pledge, assignment, or transfer, as additional security under this Indenture, and to hold and apply any and all such property subject to and in accordance with the terms of this Indenture.

VII.

OTHER AND AFTER ACQUIRED PROPERTY

Also all other property, real, personal and mixed (except Excepted Property) of every nature and kind where-soever situated now owned or hereafter acquired by the Corporation, or to which it is now, or may at any time hereafter be, in any manner entitled at law or in equity, including, but without limitation, all extensions and improvements of and additions to the property described above in Granting Clauses I, II, III and VI.

Together with all and singular the tenements, hereditaments, and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder or remainders, and subject to the terms of this Indenture, all tolls, rents, revenues, issues, income and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law as well as in equity, that the Corporation now has or may hereafter acquire in and to the aforesaid property, rights, and franchises and every part and parcel thereof.

EXCEPTED PROPERTY

There is, however, expressly excepted and excluded from the lien and operation of this Indenture the following described property of the Corporation, now owned or hereafter acquired (herein called Excepted Property):

- (a) all materials, supplies, tools and aircraft, all automobiles, trucks, trailers and other automotive

equipment and all ships, tugs, barges and floating equipment of any kind;

(b) all notes (other than the Sister Company Note), bills and accounts receivable, cash on hand and in banks, all shares of stock (other than the shares of Seaboard Utilities Corporation pledged pursuant to Granting Clause IV hereof and shares of United Florida Utilities Corporation pledged to the Trustee by the Parent Company as security for its guaranty of the Sister Company Note and re-pledged to the Corporation pursuant to Granting Clause V hereof), bonds, evidences of indebtedness and other securities, all choses in action and judgments (other than for the recovery of real property or establishing a lien, charge or right therein), other than property specifically deposited or pledged hereunder or specifically required so to be deposited or pledged;

(c) all furniture, fixtures, office machinery and equipment and all materials and supplies held for consumption in operation or held in advance of use thereof for fixed capital purposes; and

(d) the last day of the term of each leasehold estate, and all leasehold interests, permits, licenses, franchises, and rights that cannot be granted, conveyed, mortgaged, transferred or assigned without the consent of the parties whose consent is not, after reasonable effort, obtained;

provided, however, that if, upon the happening of any Event of Default, as defined in Section 7.01 hereof, the Trustee or any receiver appointed hereunder shall enter upon and take possession of the Mortgaged Property, the Trustee or any such receiver may, to the extent permitted by law, at the same time likewise take possession of any and all Excepted Property then on hand and use and administer the same to the same extent as if such property were a part of the Mortgaged Property, unless and until such Event of Default shall be remedied or waived and possession of the Mortgaged Property restored to the Corporation, its successors or assigns pursuant to the terms of this Indenture; and upon taking such possession, until possession shall be restored as aforesaid, this Indenture shall become and be a lien upon all of the Excepted Property (other than the property described in Clause (d) above) as to which the Trustee or such receiver shall take possession, subject, however, to any prior liens as to such Excepted Property.

TO HAVE AND TO HOLD the Mortgaged Property, including all of the property hereinabove specifically described, unto the Trustee and its successor or successors in trust forever;

SUBJECT, HOWEVER, (i) to Permitted Encumbrances, as hereinafter defined, (ii) to defects in title to and encumbrances on the property described in Exhibit A existing on the date hereof, which defects and encumbrances are described in an Opinion of Counsel dated as of the date hereof and delivered pursuant to Section C-10 of the Series A Purchase Agreements (a copy of which Opinion is also being delivered to the Trustee) and (iii) to the extent permitted by Section 5.10 hereof, as to property hereafter acquired, to any duly recorded or perfected prior mortgage or other lien that may exist thereon at the date of the acquisition thereof by the Corporation and purchase money mortgages created by the Corporation at the time of acquisition thereof.

BUT IN TRUST, NEVERTHELESS, with power of sale, for the equal and proportionate benefit and security of the holders from time to time of the Bonds that may be issued under this Indenture and indentures supplemental hereto, and for the enforcement of the payment of such Bonds in accordance with their terms; it being intended and declared that the lien and security of this Indenture as to all Bonds to be issued hereunder shall take effect from the day of the delivery hereof, without regard to the time of the actual issue, sale, or disposition of the Bonds and as though upon said date, all of the Bonds had been sold and delivered to and were in the hands of bona fide purchasers thereof for value.

UPON THE CONDITION that, until the occurrence of an Event of Default, as defined in Section 7.01 hereof, the Corporation shall be entitled to possess and use the Mortgaged Property, except cash, securities and other personal property deposited or pledged, or required to be deposited or pledged, with the Trustee, and to receive and use the rents, issues, profits, revenues and other income of the Mortgaged Property.

AND UPON THE TRUSTS and subject to the covenants and conditions hereinafter set forth.

ARTICLE ONE

Definitions

Section 1.01. General.

For all purposes of this Indenture including the recitals hereto and the granting clauses hereof (except as in this Indenture otherwise expressly provided or unless the context otherwise requires) the terms defined in this Article One shall have the respective meanings specified in this Section 1.01 and in Section 1.02.

Financial and accounting terms used in this instrument and not otherwise defined shall have the meanings commonly given to such terms by professional financial officers and accountants in accordance with GAAP.

All references in this instrument to designated Articles, Sections or other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words herein, hereof and hereunder and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939, as amended, either directly or by reference therein to the Securities Act of 1933, as amended, shall have the meanings assigned to such terms therein.

Section 1.02. Specific Definitions.

(a) Affiliate of any designated Person means any Person that has a relationship with the designated Person whereby either of such Persons directly or indirectly controls or is controlled by or is under common control with the other, or holds or beneficially owns 5% or more of the equity interest in the other or 5% or more of any class of voting securities of the other. For this purpose "control" means the power, direct or indirect, of one Person to direct or cause direction of the management and policies of another, whether by contract, through voting securities or otherwise.

(b) Alternate Treasury Rate shall mean for any given week the arithmetic average of the average yields to maturity of the closing bids quoted daily (or less

frequently, if daily quotations shall not be available) by each of five Government Securities Dealers designated by consent of the Corporation and the Trustee during the most recent 14 calendar days ending on the last day of the week preceding the week for which such Rate is to be determined, for actively traded marketable U.S. Treasury fixed interest rate securities with a final maturity date of at least 5-1/2 but not more than 8-1/2 years from the date of each such quotation (other than securities which can, at the option of the holder, be surrendered at face value in payment of any Federal estate tax). For purposes of this clause Government Securities Dealer shall mean any nationally recognized commercial or investment banking firm actively engaged in the trading of U.S. Treasury fixed interest rate securities of the types reflected in the Treasury Criteria and shall include Citibank, N.A., so long as it is so actively engaged and Morgan Guaranty Trust Company of New York so long as it is so actively engaged.

(c) Appraiser means a person, firm or corporation engaged in the business of appraising real or personal property whether or not employed by or in any way affiliated with the Corporation.

(d) Base Treasury Rate shall mean for any given week the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities, adjusted to constant maturities of 7 years, as published by the Federal Reserve Board in its Statistical Release H. 15 (or as published in another publication or release referred to in the immediately following sentence), for the most recent week for which such weekly average yields to maturity were published. If such Statistical Release shall cease to be published by the Federal Reserve Board, the Base Treasury Rate shall be determined with reference to any comparable release of such Board substituted therefor or, if such Board shall not publish a comparable release, with reference to any official publication or release of any other U.S. Governmental department or agency that purports to set forth such weekly average yields to maturity in accordance with the Treasury Criteria (as defined below) or other criteria that are substantially equivalent to the Treasury Criteria. In December 1984 such weekly average yields to maturity were determined on the basis of the criteria (herein called the "Treasury Criteria") set forth in a statement dated May 14, 1982, and titled Information About the Treasury Constant Maturity Yield Curve released by the Federal Reserve Board.

(e) Board of Directors means the Board of Directors of the Corporation, or any duly authorized committee of such Board.

(f) Board Resolution means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Corporation to have been duly adopted by the Board of Directors and to be in full force and effect, and delivered to the Trustee.

(g) Bond or Bonds means any Bond or Bonds that may be issued and delivered under this Indenture, and supplements thereto.

(h) Bond Register and Bond Registrar shall have the respective meanings stated in Section 2.09.

(i) Bondholder or holder of Bonds, or other similar term, when used with respect to any Bond, means the person in whose name such Bond is registered in the Bond Register.

(j) Capital Lease means any lease of property which, in accordance with GAAP, should be capitalized on the lessee's balance sheet or for which the amount of the asset and liability thereunder as if so capitalized should be disclosed in a note to such balance sheet; and Capital Lease Obligation means the amount of the liability which should be so capitalized or disclosed.

(k) Consolidated Funded Debt means all Funded Debt of the Corporation and its Subsidiaries consolidated in accordance with GAAP.

(l) Consolidated Stockholder's Equity means the Corporation's paid-in capital (whether or not represented by par value), plus or minus its retained earnings or retained earnings deficit, minus (if not already deducted in arriving at the amount of retained earnings or retained earnings deficit) minority interests in earnings of any Subsidiary which have been included in the Corporation's retained earnings or retained earnings deficit.

(m) Consolidated Total Liabilities means all liabilities of any kind of the Corporation and its Subsidiary, as required by GAAP to be shown on a consolidated balance sheet, consolidated in accordance with GAAP, excluding Contributions-In-Aid-of-Construction.

(n) Contributions-In-Aid-of-Construction or CIAC means an item on the right-hand side of the balance sheet accounting for non-refundable donations and cash contributions from independent contractors and customers for extension of service, over the estimated service lives of the assets contributed. CIAC Amortization means the entry made yearly in the financial books and statements of the Corporation to account for the depreciation of assets contributed or purchased with contributions received as CIAC.

(o) Corporation means Deltona Utilities, Inc., a Florida corporation, and, subject to the provisions of Article Twelve, shall also include its successors and assigns.

(p) Corporation Order and Corporation Request mean, respectively, any written order or request signed in the name of the Corporation by its President or a Vice President and by its Secretary or an Assistant Secretary or its Treasurer or an Assistant Treasurer.

(q) Debt means any obligation for borrowed money, but in any event shall include (A) any obligation owed for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the ordinary course of business, (B) any obligation secured by any Encumbrance in respect of property even though the Person owning the property has not assumed or become liable for the payment of such obligation, (C) any Capital Lease Obligation, and (D) any Guarantee with respect to Debt (of the kind otherwise described in this definition) of another Person.

(r) Division shall mean, with respect to the fixed assets of the Corporation or the fixed assets of any Subsidiary, an integrated unit or units of assets, defined by geographical proximity, functional inter-relation or other criteria, which unit has or which units in the aggregate have a net book value, as of the close of the most recent fiscal year, greater than 5% of the total net book value of the Corporation's assets on a consolidated basis, or which generated more than 5% of Net Income in the most recently completed fiscal year.

(s) Encumbrance means, as to any Person, any mortgage, lien, pledge, adverse claim, charge, security

interest or other encumbrance in or on, or any interest or title of any vendor, lessor, lender or other secured party to or of the Person under any conditional sale or other title retention agreement or Capital Lease with respect to, any property or asset of the Person, or the signing or filing of a financing statement which names the Person as debtor, or the signing of any security agreement authorizing any other Person as the secured party thereunder to file any financing statement.

(t) Engineer means any person, firm or corporation engaged in the engineering profession whether or not employed by, or in any way affiliated with, the Corporation.

(u) Event of Default has the meaning stated in Section 7.01.

(v) Fixed Charges shall mean the sum of (1) Interest Charges on Funded Indebtedness and (2) the current portion of Long-Term Lease Rentals.

(w) Funded Debt or Funded Indebtedness as of any particular date (the Computation Date) shall mean all Debt which would, in accordance with GAAP, constitute long-term debt, but in any event shall include (A) any portion thereof included in current liabilities, (B) any Debt outstanding under a revolving credit or similar agreement providing for borrowings (and renewals and extensions thereof) over a period of more than one year notwithstanding that any such Debt may be payable on demand or not more than one year after the creation thereof, (C) any Capital Lease Obligation and (D) any Guarantee with respect to Funded Debt (of the kind otherwise described in this definition) of another Person; provided, however, that no note, bond, debenture, or other obligation shall for any purpose of this Indenture be deemed to be a part of Funded Debt if money sufficient to pay or discharge such obligation in full (either on the date of maturity expressed therein or on such earlier date as such obligation may be duly called for redemption pursuant to the provisions of any instrument under which the same was issued) shall be held in trust for such purpose by the Trustee or by a proper depository under the instrument under which such indebtedness was issued.

(x) GAAP means generally accepted accounting principles as in effect at the time of application to the provisions hereof.

(y) Good Faith Contest means the contesting in good faith by the Company or any Subsidiary by appropriate means of the amount, applicability or validity of any tax or other governmental charge, any statute, regulation or governmental order, any alleged Debt (other than the Bonds) or other obligation or any deposit or lien relating to litigation.

(z) Guarantee means any guarantee or other contingent liability (other than any endorsement for collection or deposit in the ordinary course of business), direct or indirect, with respect to any obligation of another Person, through an agreement or otherwise, including, without limitation, (A) any other endorsement or discount with recourse or undertaking substantially equivalent to or having economic effect similar to a guarantee in respect of any such obligation and (B) any agreement (1) to purchase, or to advance or supply funds for the payment or purchase of, any such obligation, (2) to purchase, sell or lease property, products, materials or supplies, or transportation or services, in respect of enabling such other Person to pay any such obligation or to assure the owner thereof against loss regardless of the delivery or nondelivery of the property, products, materials or supplies or transportation or services, or (3) to make any loan, advance or capital contribution to or other investment in, or to otherwise provide funds to or for, such other Person in respect of enabling such Person to satisfy any obligation (including any liability for a dividend, stock liquidation payment or expense) or to assure a minimum equity, working capital or other balance sheet condition in respect of any such obligation.

The amount of any Guarantee shall be equal to the outstanding amount of the obligation directly or indirectly guaranteed.

(aa) Income Available for Fixed Charges for any period shall mean Net Income Before Taxes for such period plus an amount equal to Fixed Charges for such period.

(bb) Indenture shall mean this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

(cc) Independent when used with respect to any specified person, firm or corporation means such a person who, or firm or corporation that, (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in the Corporation or

in any other obligor upon the Bonds or in any affiliate of the Corporation or of such other obligor, and (3) is not connected with the Corporation or such other obligor or any affiliate of the Corporation or of such other obligor, as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions. Whenever it is herein provided that the opinion or certificate of any Independent person, firm or corporation shall be furnished to the Trustee, such person, firm or corporation shall be appointed by a Corporation Order and approved by the Trustee in the exercise of reasonable care, and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

(dd) Interest Charges means all amounts which would, in accordance with GAAP, be deducted in computing net income on account of interest on Debt, including imputed interest in respect of Capital Lease Obligations and amortization of debt discount and expense.

(ee) Intercompany Agreements means collectively, the Consolidated Income Tax Agreement made by the Corporation and the Parent Company in the form of Exhibit C-2 attached hereto and dated as of December 1, 1984 and the Utility Management Agreement entered into by the Corporation, on its own behalf and as receiver for Enterprise Utilities Inc., by the Parent Company, by Seaboard Utilities Corporation and by Deltona Utility Consultants, Inc., in the form of Exhibit C-1 attached hereto and dated as of December 1, 1984.

(ff) Involuntary Conversion shall mean (i) the taking by eminent domain, (ii) condemnation, (iii) sale pursuant to the exercise by any governmental authority of any right which it may then have to purchase or cause the purchase of property subject to its jurisdiction, or (iv) substantial destruction covered by insurance unless the Corporation elects to apply the proceeds of such insurance for repair, restoration or replacement pursuant to Section 16.04.

(gg) Long-Term Lease means a lease, other than a Capital Lease, of real or personal property, having a term (including terms of renewal or extension at the option of the lessor or the lessee, whether or not such option has been exercised) expiring more than one year after the commencement of the initial term; and Long-Term Lease Rentals means the sum of the rental and other obligations required

to be paid by the Corporation and its subsidiaries under Long-Term Leases excluding any amount required to be paid by the lessee (whether or not therein designated as rental or additional rental) on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges.

(hh) Mortgaged Property has the meaning stated in the Granting Clauses hereof and in Section 13.05 hereof.

(ii) Net Income shall mean the consolidated net income or loss of the Corporation and its Subsidiaries, or of any other corporation in the context so requires, determined in accordance with GAAP, excluding

(A) the proceeds of any life insurance policy,

(B) any gain arising from (1) the sale or other disposition of any assets (other than current assets) to the extent that the aggregate amount of the gain exceeds the aggregate amount of losses from the sale, abandonment or other disposition of assets (other than current assets), (2) any write-up of assets, or (3) the acquisition of outstanding Debt securities of the Corporation or any Subsidiary,

(C) any amount representing any interest in the undistributed earnings of any other Person (other than a consolidated wholly owned Subsidiary),

(D) any earnings, prior to the date of acquisition, of any Person acquired in any manner,

(E) any earnings of a successor to or transferee of the assets of the Corporation prior to becoming such successor or transferee,

(F) any deferred credit (or amortization of a deferred credit) arising from the acquisition of any Person, and

(G) any portion of the net income of any wholly owned Subsidiary which for any reason is unavailable for payment of dividends to the Corporation or to another wholly owned Subsidiary.

(jj) Net Income Before Taxes means Net Income plus an amount equal to all income taxes recognized for the purposes of determining Net Income for the same period other

than income taxes recognized in respect of items of gross income excluded from the definition of Net Income in Section 1.02(ii) clauses (A) through (G).

(kk) Operating Income means for any period the excess of the revenue of the Corporation during such period over all expenses and other proper charges during such period (including income taxes) exclusive of interest expense (including amortization of debt discount and premium).

(ll) Opinion of Counsel shall mean an opinion in writing signed by legal counsel, who must be satisfactory to the Trustee and who may be of counsel for the Corporation.

(mm) Outstanding when used with respect to Bonds means, as of the date of determination, all Bonds theretofore authenticated and delivered under this Indenture, except:

(1) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation and those portions of the principal of Bonds that have been paid;

(2) Bonds for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the holders of such Bonds; provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(3) Bonds alleged to have been destroyed, lost or stolen that have been replaced as provided in Section 2.11;

provided, however, that in determining whether the holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Corporation or any other obligor upon the Bonds or any affiliate of the Corporation or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds that the Trustee knows to be so owned shall be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee

the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Corporation or any other obligor upon the Bonds or any affiliate of the Corporation or such other obligor.

(nn) Parent Company means The Deltona Corporation, a corporation organized under the laws of the State of Delaware, and the sole stockholder of the Corporation.

(oo) Parent Company Agreement means the letter agreement between the Parent Company and the Trustee for the benefit of the Bondholders in the form of Exhibit C-4 attached hereto and dated as of December 1, 1984.

(pp) Permitted Encumbrances means any of the following:

(1) The liens created pursuant to the Amended and Restated Secured Loan Agreement, dated as of April 30, 1981, among the Corporation, Seaboard Utilities Corporation and Citibank, N.A., and as heretofore further amended; but such liens shall only be Permitted Encumbrances for the period of time from and after the execution and delivery of this Indenture of Mortgage and Deed of Trust until the recordation of the releases and satisfaction of such liens delivered to the Trustee pursuant to Section C-8 of the Series A Purchase Agreements.

(2) The lien of this Indenture.

(3) Liens for taxes and assessments for the then current year and taxes and assessments not due or payable.

(4) Defects in the title to lands traversed by easements or rights-of-way, or liens on such lands securing indebtedness issued by others than the Corporation, not assumed by the Corporation and on which the Corporation does not customarily pay interest, provided, in any of the above cases, that, in the Opinion of Counsel, the power under eminent domain or similar statutes is available to the Corporation to condemn or acquire easements or rights-of-way sufficient for its purposes over the land traversed by such easements or rights-of-way or over other lands adjacent thereto.

(5) Liens of judgment (i) the execution of which has been stayed, or (ii) with respect to which the time

for appeal shall not have expired, or (iii) that shall be in the course of appeal, or (iv) the payment of which, in the Opinion of Counsel, has been adequately secured otherwise than by such liens, or (v) that do not aggregate more than \$50,000.

(6) Undetermined liens or charges incidental to construction so long as the Corporation has no actual notice that any action has been taken in or before any court to perfect such liens and charges.

(7) Rights reserved to or vested in any municipality or public authority by the terms of any franchise, grant, license or permit or by any provision of law to purchase or recapture or to designate a purchaser of any property of the Corporation.

(8) Easements or reservations in any property of the Corporation for the purpose of roads, railroads, pipe, sewer, telephone, telegraph, electric and power lines and other like purposes that do not impair the use of such property in the operation of the business of the Corporation.

(9) Rights reserved to or vested in any municipality or public authority to use or control or regulate any property of the Corporation, including zoning laws and ordinances.

(10) If the Corporation shall have acquired any property subject to terms, conditions, agreements, leases, covenants, exceptions, restrictions or reservations that do not secure any obligation and that do not materially impair the use of such property in the operation of the business of the Corporation, any such term, condition, agreement, lease, covenant, exception, restriction or reservation.

(11) Liens, the validity of which is subject to a Good Faith Contest and in respect of which the Corporation has set aside adequate reserves.

(12) Any liens in respect of which cash sufficient to pay or redeem all obligations secured thereby shall be held in trust for the purpose by the Trustee.

(13) Any landlord's liens, liens for workmen's compensation awards and other statutory liens.

(14) Irregularities or deficiencies in the record evidence of title to real property that (i) in the opinion of counsel for the Corporation are inconsequential or (ii) exist with respect to real property of which the Corporation has been in possession for a sufficient period of time to have acquired title thereto by adverse possession under applicable law.

In determining, for the purpose of any opinion to be delivered under this Indenture, whether any of the encumbrances referred to in Paragraphs (8) and (10) above impair the use of the property subject thereto in the operation of the business of the Corporation, counsel giving such opinion may rely on an Officer's Certificate.

Any cash deposited with the Trustee in accordance with Paragraph (12) above shall be held by the Trustee and applied by it to the discharge of the lien in respect of which it was deposited when and if such lien shall have been finally determined by a court of competent jurisdiction or when so directed by the Corporation prior to such adjudication. Any cash so deposited remaining after the discharge of such lien shall be returned to the Corporation. The Trustee may rely upon an Opinion of Counsel as to any such adjudication and as to the discharge of such lien.

Any cash deposited with the Trustee pursuant to this Subsection (pp) held at the date of discharge of this Indenture shall be repaid to the Corporation or upon Corporation Order.

(qq) Pro Forma Ratio of Earnings to Fixed Charges means a ratio, the numerator of which equals the sum of the actual Net Income Before Taxes of the Corporation (or, in the case of a merger or acquisition the algebraic sum of the actual Net Income Before Taxes (whether a positive or negative number) of each of the relevant companies) for the relevant 12-month period, plus the actual Fixed Charges incurred by the Corporation (or such companies) for such period, and the denominator of which equals the Pro Forma Fixed Charges for the 12 month period for which the ratio is being applied. For purposes of this definition, Pro Forma Fixed Charges shall mean the projected Fixed Charges for the year in question, taking into consideration the effects of the transaction being considered, and assuming that interest rates remain constant from the date of the calculation.

(rr) Regulatory Authority shall mean each governmental authority of the State of Florida or of any political

subdivision thereof having jurisdiction over the Corporation or any portion of its businesses or assets (including, without limitation, jurisdiction over rates and charges, services, service areas or financings).

(ss) Responsible Officer, when used with respect to the Trustee, shall mean the chairman or vice-chairman of the board of directors, the chairman or vice-chairman of the executive committee, the president, any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any trust officer, any assistant trust officer, the cashier, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the above designated officers, or, with respect to any particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

(tt) Restricted Investment means any investment so classified under GAAP, made by stock purchase, capital contribution, loan or advance or by purchase of property or otherwise, but in any event shall include as an investment in any Person the amount of all Debt owed by such Person and all accounts receivable from such Person which are not current assets or did not arise from sales to such Person in the ordinary course of business, other than

(A) any Investment in (1) a marketable obligation, maturing within one year after acquisition thereof, issued or guaranteed by the United States of America or an instrumentality or agency thereof, (2) a certificate of deposit or other obligation, maturing within one year after acquisition thereof, issued by a United States national or state bank or trust company having capital, surplus and undivided profits of at least \$100,000,000, which has the highest credit rating of either Standard & Poor's Corporation or Moody's Investors Service, Inc., and (3) open market commercial paper, maturing within 270 days after acquisition thereof, which has the highest credit rating of either Standard & Poor's Corporation or Moody's Investors Service, Inc., and

(B) any Investment in a wholly owned Subsidiary.

(uu) Restricted Stock Payment has the meaning stated in Section 5.09.

(vv) Restricted Stock Payment Cash Flow Test means a fraction the numerator of which equals, for any given fiscal year, the sum of Net Income, plus CIAC Amortization, plus (without duplication) depreciation expense, plus the Excess Cash Carry Forward, each with respect to such fiscal year, and the denominator of which equals 110% of the sum of the amount of repayments of Funded Debt, plus capital expenditures, plus the amount of Restricted Stock Payments, each with respect to such fiscal year. For the purposes of this definition, Excess Cash Carry Forward, for any given fiscal year, means the number, whether negative or positive, obtained by subtracting the denominator of the Restricted Stock Payment Cash Flow Test for the previous fiscal year from the numerator of such Test for such previous fiscal year; except that, in fiscal year 1984, the excess cash carry forward shall equal zero.

(ww) Series A Purchase Agreements shall mean the several Purchase Agreements dated as of December 1, 1984, between the Corporation and the Institutional Purchasers named therein providing for the sale by the Corporation and the purchase by such purchasers of the Bonds of Series A (and the term Institutional Purchasers shall mean such purchasers and their permitted successors and assigns under such Agreements).

(xx) Sister Company Note means the note issued by United Florida Utilities Corporation in favor of the Corporation and guaranteed by the Parent Company, pursuant to a Guaranty and Pledge Agreement, in the form of Exhibit C-3 and dated December 1, 1984.

(yy) Subsidiary shall mean any corporation at least a majority of whose outstanding voting stock shall at the time be owned by the Corporation, or by one or more Subsidiaries, or by the Corporation and one or more Subsidiaries. For the purposes only of this definition of the term Subsidiary, the term voting stock shall mean stock of any class or classes having ordinary voting power for the election of a majority of the directors of such corporation, other than stock having such power only by reason of the happening of a contingency.

(zz) Trust Indenture Act shall mean the Trust Indenture Act of 1939 as in force at the date of execution of this Indenture, or, if this Indenture is first qualified under the Trust Indenture Act after such date of execution, as in force at the date of such qualification.

(aaa) Trust Moneys has the meaning stated in Section 16.01.

(bbb) Trustee means Southeast Bank, N.A., until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter Trustee shall mean such successor Trustee.

(ccc) Utility shall mean a water utility, sewage utility and/or gas (including liquefied petroleum gas) utility.

ARTICLE TWO

General Provisions As to the Bonds

Section 2.01. General Designation, Form, Registration and Limitation in Amount of Bonds.

The Bonds issued under this Indenture shall be designated generally as the Corporation's First Mortgage Bonds, with the Bonds of each series to be designated in such a distinctive manner as the Board of Directors may determine. All Bonds to be secured hereby shall be registered bonds without coupons. Such Bonds and the Trustee's certificate of authentication to be endorsed on all Bonds shall be substantially in the form set forth in Exhibit B attached hereto and made a part hereof, subject only to such variations, additions, substitutions and omissions as are required or permitted by this Indenture. The Bonds shall be printed, lithographed or engraved or produced by any combination of these methods, or may be produced in any other manner permitted by the rules of any national securities exchange, all as determined by the officers executing such Bonds, as evidenced by their execution of such Bonds.

The aggregate principal amount of Bonds that may be executed and delivered and be Outstanding under this Indenture is not limited, except as may be provided in Article Four hereof and except as may be limited by law.

Section 2.02. Execution of Bonds.

All Bonds to be secured hereby shall be signed by the President or a Vice President of the Corporation, and the corporate seal of the Corporation shall be thereto affixed and attested by its Secretary or an Assistant Secretary, one of which signatures and which seal may be

facsimiles. In case any officer who shall sign or seal or whose facsimile signature has been placed upon a Bond shall cease to be such officer before the Bond so signed or sealed shall have been actually authenticated and delivered by the Trustee, such Bond may, nevertheless, upon the request of the Corporation, be issued, authenticated and delivered as though such person had not ceased to be an officer of the Corporation. Any Bond secured hereby may be signed or sealed by any person who may be an officer of the Corporation at the time of such signing or sealing, although such person may not have been such officer at the date of such Bond.

Section 2.03. Number and Designation of Bonds.

Bonds authenticated under this Indenture shall bear such letters, numbers or other identification marks as may be determined by the Corporation and approved by the Trustee and may contain therein or have imprinted thereon such legend or legends as may be required in order to comply with any law or with any rules or regulations made pursuant thereto or with the rules of any national securities exchange.

Section 2.04. Authentication and Delivery of Bonds by Trustee.

All Bonds, when executed by the Corporation, shall be delivered to the Trustee, to be authenticated by it, and the Trustee shall authenticate and deliver the same only as provided in this Indenture; provided, however, notwithstanding any other provision hereof, after execution and delivery of this Indenture and upon execution by the Corporation of the Bonds of Series A and delivery thereof to the Trustee, the Trustee, without any further action being required on the part of the Corporation, shall authenticate and deliver the Bonds of Series A as may be directed by Corporation Order. Only such Bonds as shall bear thereon the certificate of the Trustee, duly signed by a Responsible Officer of Trustee, shall be secured by this Indenture, or entitled to any lien or benefit hereunder, and such certificate of the Trustee upon any such Bond executed on behalf of the Corporation shall be conclusive evidence, and the only evidence, that the Bond so authenticated has been duly issued hereunder and that the holder thereof is entitled to the benefits of the trust hereby created.

Section 2.05. Bonds Issuable in Series; Terms of Bonds.

At the option of the Corporation, but subject to compliance with Section 4.01 hereof, the Bonds may be issuable in one or more series. The terms of the Bonds of Series A shall be as specified in Article Three hereof. The Bonds of any series other than Series A may (1) be of such denomination or denominations, (2) bear such rate of interest, payable on such interest payment dates, (3) mature at such time, and in the case of Bonds of serial maturities, at such times, (4) contain such provisions as to payment of, or payment without deduction for, or reimbursement for, any tax or taxes, (5) contain such provisions respecting any sinking, amortization, improvement, renewal or other analogous fund for the exclusive benefit of any one or more series, (6) be exchangeable for or convertible into stock or other securities, (7) be redeemable at such price or prices and upon such terms, (8) be payable and subject to registration and transfer at such place or places, and (9) contain such other provisions not inconsistent with the terms of this Indenture, all as may be specified in such Bonds and in the Board Resolutions and the Supplemental Indenture providing for the creation and issuance of such series. All Bonds of any one series shall be identical in all respects, except that they may differ as to denomination, date and, in the case of Bonds with serial maturities, as to time of maturity, interest rate and redemption price.

Section 2.06. Procedure for Creation of New Series of Bonds; Subsequent Advances.

Whenever the Corporation shall determine to create a new series of Bonds secured by this Indenture, it shall file with the Trustee a Board Resolution describing such series, and shall execute, acknowledge and deliver a Supplemental Indenture previously consented to as required by Section 4.01 hereof likewise describing such series, stating the amount of additional bonds to be issued pursuant thereto and containing such other provisions as may be necessary or appropriate, and thereafter Bonds of such series may be issued from time to time subject to the conditions and provisions of this Indenture.

Any sum or sums which may be loaned or advanced to the Corporation and evidenced by a Bond or Bonds issued pursuant to the Indenture at any time within twenty (20) years from the date of this Indenture, together with interest thereon at the rate agreed upon at the time of such loan or advance and premium, if any, shall be equally secured

with and have the same priority as the original indebtedness and be subject to all the terms and provisions of this Indenture; provided, that the aggregate amount of principal outstanding at any time shall not exceed an amount equal to one hundred and fifty percent (150%) of the principal amount originally secured hereby, plus interest, premium, if any, and any disbursements made for the payment of taxes, levies or insurance on the property covered by the lien, with interest on such disbursements.

Section 2.07. Equal Security of Bonds.

No series of Bonds issued hereunder shall have any preference as to the security afforded by this Indenture over any other series of Bonds issued or to be issued hereunder, and no Bond of any series shall have any such preference over any other Bond of the same or any other series; provided, however, that the Bonds of different series may contain terms and conditions that differ from Bonds of other series in the respects set forth in Section 2.05 hereof; and provided, further, that the Corporation may authorize, execute and deliver indentures supplemental to this Indenture for the purposes set forth in Subsection (b) of Section 11.01 hereof.

Section 2.08. Date of Bonds and Interest.

All Bonds issued under this Indenture shall bear interest from, and shall be dated as of, the interest payment date next preceding the date on which the same shall be authenticated by the Trustee, or, if such date of authentication shall be an interest payment date, such Bonds shall bear interest from, and shall be dated as of, such interest payment date, or if such date of authentication shall be a date prior to the first interest payment date for Bonds of the series being authenticated, such Bonds shall bear interest from, and shall be dated as of, the commencement of the first interest period for such series; provided, however, that if at the time of authentication of any Bond of any series, interest is in default on Outstanding Bonds of such series, such Bonds shall bear interest from, and shall be dated as of, the interest payment date for such series to which interest has previously been paid or made available for payment on Outstanding Bonds of such series.

Section 2.09. Bond Register, Registrar and Transfer Agent.

The Corporation hereby constitutes and appoints the Trustee as Bond Registrar and transfer agent for the

purpose of registering and transferring Bonds entitled to be so registered or transferred and the Corporation shall keep or cause to be kept at the principal office of the Trustee, books for the registration and transfer of Bonds issued hereunder (the Bond Register) showing, among other things, all original issuances and subsequent transfers of Bonds.

Section 2.10. Transfer of Bonds; Charges Therefor; Ownership of Bonds.

Any Bond may be transferred upon surrender thereof to the Trustee, at its principal office, accompanied by such duly executed instruments of transfer as may be required by the Corporation and the Trustee, and thereupon the Corporation shall issue in the name of the transferee or transferees or in the name of the person making the transfer, as the case may be, and the Trustee shall authenticate and deliver a new Bond or Bonds of the same series and maturity, in authorized denominations, for a like aggregate principal amount.

Unless otherwise provided in the Supplemental Indenture creating the particular series of Bonds, upon every transfer of Bonds as permitted in this Section, the Corporation shall make no service charge against any holder of a Bond or his transferee for any transfer, but the Corporation may require, as a condition to such transfer, the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge that may be imposed thereon, which sum shall be paid by the party requesting such transfer.

The Corporation shall not be required to make any transfer or transfers of any Bond or Bonds during the ten days next preceding any date on which either interest is to be paid thereon or Bonds of the same series are to be selected for redemption, nor may transfer be required with respect to any Bonds that have been called for redemption or that have matured.

The person in whose name any Bond shall be registered shall for all the purposes of this Indenture be regarded as the owner thereof, and the payment of or on account of the principal of or interest (and premium, if any) on such Bond shall be made only to such registered holder or upon his order. All payments so made shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.11. Replacement Bonds.

In case any Bond issued hereunder shall be mutilated, lost, stolen or destroyed, the Corporation shall issue and deliver and the Trustee shall authenticate a new Bond of like tenor, effect and date:

(i) in lieu of and substitution for and upon surrender and cancellation of the mutilated Bond, or

(ii) in lieu of and substitution for the Bond so lost, stolen or destroyed, upon receipt of evidence satisfactory to the Corporation and the Trustee of the loss, theft or destruction of such Bond, and upon receipt also of indemnity satisfactory to each of them; provided that, the unsecured indemnity of an Institutional Purchaser shall be satisfactory.

Subject to the provisions of Section 8.01 hereof, the Trustee shall incur no liability for anything done by it pursuant to this Section. Any Bond issued pursuant to this Section shall constitute an original contractual obligation on the part of the Corporation and shall be secured equally and ratably with all other Bonds issued hereunder and then Outstanding. Any such replacement Bond may bear such endorsement as may be prescribed by the Corporation with the approval of the Trustee.

Section 2.12. Effect of Replacement.

Each Bond delivered pursuant to any provision of this Indenture in substitution for the whole or any part, as the case may be, of one or more other Bonds shall carry all of the rights to interest accrued and unpaid, and to accrue, that were carried by the whole or such part, as the case may be, of such one or more other Bonds, and, notwithstanding anything contained in this Indenture, such Bond shall bear such date that neither gain nor loss in interest shall result from such substitution.

Section 2.13. Disposition of Surrendered Bonds.

All Bonds surrendered for payment, redemption, transfer or replacement, if surrendered to the Trustee, shall be promptly canceled by it, and, if surrendered to the Corporation, shall be delivered to the Trustee for cancellation and shall be promptly canceled by the Trustee. The Corporation may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered

hereunder that the Corporation may have acquired in any manner whatsoever and all Bonds so delivered shall be promptly canceled by the Trustee. Upon cancellation by the Trustee of any Bonds pursuant to this Section or Section 2.11, such Bonds shall be disposed of as directed by a Corporation Order.

ARTICLE THREE

Creation of Series A Bonds

Section 3.01. Series A Bonds.

(a) There is hereby created under the Indenture a series of Bonds known as Series A, and entitled First Mortgage Bonds, 15-1/2% Series A due 1994 (the Series A Bonds). The aggregate principal amount of Series A Bonds that may be issued shall be limited to Thirty Million Dollars (\$30,000,000). The Series A Bonds shall be registered Bonds without coupons, issued in denominations of \$1,000 or any multiple thereof and numbered A-1 and upward.

The Series A Bonds shall be dated and shall bear interest as provided in Section 2.08, except that the Series A Bonds issued for delivery pursuant to the Series A Purchase Agreements shall be dated as of and shall bear interest from the date of their issuance. The Series A Bonds shall be due December 1, 1994 and shall bear interest on their unpaid principal amounts from their dates until due at the rate of fifteen and one-half percent (15-1/2%) per annum payable quarterly on June 1, September 1, December 1 and March 1, in each year, the first payment to be made on March 1, 1985. They shall also bear interest on overdue amounts of principal and premium and to the extent permitted by law of interest at the rate of sixteen and one-half percent (16-1/2%) per annum until paid.

The Series A Bonds shall be redeemable pursuant to and shall have the benefit of the sinking fund provided for in Section 3.02 hereof and shall be redeemable at the option of the Holder in accordance with Section 3.03, but shall otherwise not be redeemable.

Section 3.02. Sinking Fund for Bonds of Series A.

There shall be a sinking fund of \$3,000,000 per year payable on December 1, 1989, December 1, 1990,

December 1, 1991, December 1, 1992, and December 1, 1993, for partial retirement of the Series A Bonds and the following provisions of this Section 3.02 shall be applicable thereto.

(a) All Bonds of Series A redeemed through the operation of such Sinking Fund shall be redeemed at their principal amount without premium, but all interest due thereon shall be paid at the time of such redemption.

(b) The Trustee, not less than 60 days before each such Sinking Fund payment date, shall designate for redemption Bonds of Series A to be redeemed pursuant to such Sinking Fund. Such designation shall be made in the manner provided in Section 14.02. Thereafter, the Trustee shall give notice as provided in Section 14.03 that the Bonds of Series A so designated for redemption will be redeemed and paid on the next succeeding Sinking Fund payment date for Bonds of Series A at the office of the Trustee in Miami, Florida. In case a portion of any Bond of Series A is designated for redemption under this Subsection (b), the holder thereof shall be entitled to the same rights as are set forth in Section 14.02 with respect to the designation for redemption of a portion of a Bond under such Section 14.02.

(c) The Corporation covenants and agrees, not later than one day before each such Sinking Fund payment date, to pay to the Trustee such amount of cash as shall be necessary to redeem the Bonds of Series A required to be retired on such Sinking Fund payment date pursuant to such Sinking Fund, together in any case with interest accrued thereon to the date of such payment. All sums so paid to the Trustee by the Corporation shall be applied by the Trustee to the redemption of Bonds of Series A in accordance with notices theretofore given by the Trustee as provided above.

(d) Each Bond of Series A redeemed in its entirety by the application of moneys in such Sinking Funds shall be cancelled immediately by the Trustee and disposed of as directed by Corporation Order.

Section 3.03 Right of Election of Holders of Series A Bond Purchasers to Require the Corporation to Redeem Bonds of Series A upon the Involuntary Conversion of One or More Divisions.

(a) In the case of an Involuntary Conversion of all or substantially all of one or more Divisions, each holder of any Series A Bonds shall have the right of election provided for in this Section 3.03.

(b) The Corporation (i) shall notify the Trustee and each holder of Series A Bonds promptly upon the Involuntary Conversion of all or substantially all of one or more Divisions, and (ii) shall notify the Trustee and each holder of Series A Bonds promptly thereafter of all amounts the Corporation from time to time receives, or the Trustee from time to time receives, in respect of such Involuntary Conversion, whether as condemnation award, purchase price, insurance proceeds or other comparable amount. All such notices shall be by certified mail and those to holders shall be addressed to them at their addresses on the Bond Register.

(c) Upon receipt by the holder of any Series A Bond of all notices required by clause (b) above, such holder of any Series A Bond shall have 45 days within which, by notice given in writing by certified mail (and effective when mailed) to the Trustee, to elect to require the Corporation to redeem a proportion of the principal amount of Bonds of Series A held by such holder as indicated by the formula set forth in clause (d) below.

(d) The proportion of the principal amount of Series A Bonds held by any holder thereof which may be required to be redeemed by the Corporation shall be a fraction, the numerator of which is the net book value of the assets subject to the Involuntary Conversion in question, and the denominator of which is the net book value of all assets of the Corporation and its Subsidiaries on a consolidated basis and if such portion is an amount which is not an even multiple of \$1000 it shall be rounded upward to the next \$1000.

(e) The redemption price for a redemption pursuant to this Section 3.03 shall be the sum of the principal amount of the Series A Bonds so redeemed, plus all accrued interest thereon to the date of redemption, plus a premium calculated as the principal amount of the Series A Bonds so

redeemed times the percentage indicated in Section 3.04 below.

(f) The redemption date for all Bonds of Series A to be redeemed pursuant to this Section 3.03 shall be 10 days after the expiration of the 45th day referred to in clause (c) above and such redemptions shall be otherwise effected in the manner provided in Section 14.04.

Section 3.04. Premium on Redemption Pursuant to Section 3.03.

(a) If the Base Treasury Rate for the calendar week last preceding the week in which the last relevant notice is given under subclause (ii) of clause (b) of Section 3.03 is greater than 12.7%, then the premium payable on such redemption shall be 1%.

(b) If the Base Treasury Rate for the calendar week last preceding the week in which such relevant notice is given is less than or equal to 9.7%, then the premium payable on such redemption shall be as follows:

In the case of any notice given during the 12 month period ending

December 1, 1985	15.50%
December 1, 1986	13.95% -
December 1, 1987	12.40% -
December 1, 1988	10.85%
December 1, 1989	9.30%
December 1, 1990	7.75%
December 1, 1991	6.20%
December 1, 1992	4.65%
December 1, 1993	3.10%
December 1, 1994	1.55%

(c) If the Base Treasury Rate for the calendar week last preceding the week in which such relevant notice is given is greater than 9.7% and less than or equal to 12.7% then the premium payable on such redemption shall be one-half of the premium that would be payable under paragraph (b) on such redemption.

(d) If the Base Treasury Rate as defined in Section 1.02 is no longer published, clauses (a) and (b) above shall be read as if the term "Base Treasury Rate" were replaced with the term "Alternative Treasury Rate" in each place used.

Section 3.05. Place and Form of Payment on Bonds of Series A.

The principal of and premium (if any) and interest on Bonds of Series A (subject to any agreement entered into pursuant to Section 5.02 hereof) shall be payable to the Holders of Series A Bonds at the places listed on Schedule I hereto, or such places as such Holders may later direct (but not later than 10 days prior to any date on which payment is due), in immediately available funds transferred by Federal Funds wire transfer at the principal office of the Trustee in Miami, Florida, in coin or currency of the United States of America that at the time of such payment is legal tender for the payment of public and private debts.

ARTICLE FOUR

Issuance of Additional Bonds

Section 4.01. Issuance of Additional Bonds.

In addition to the principal amount of Bonds of Series A whose authentication and delivery is provided for in Section 2.04, additional Bonds (Additional Bonds) may, at any time and from time to time, be executed by the Corporation and delivered to the Trustee for authentication, and thereupon the same shall be authenticated and delivered by the Trustee upon Corporation Order, in an amount equal to the lesser of the aggregate principal amounts permitted by Supplemental Indentures hereinafter referred to and upon compliance with all the terms and provisions of the applicable Supplemental Indenture; provided, however, that, notwithstanding any provision of Section 11.02 hereof, no such Supplemental Indenture may be entered into unless the form and substance thereof shall have previously been consented to by the holders of all the Bonds of Series A then outstanding.

Section 4.02. Supplemental Indentures.

Each Supplemental Indenture referred to in Section 4.01 shall be properly executed on its behalf by the appropriate officers of the Corporation, acceptable in form and content to the Trustee, and shall subject to the lien of this Indenture all property acquired by the Corporation after the date of this Indenture, other than Excepted Property, and not previously described in any previously recorded Supplemental Indenture, specifically describing all tracts or parcels of land included in such property. Each

such Supplemental Indenture shall be in such form as to qualify it for recording in the jurisdictions in which any property of the Corporation, other than Excepted Property, is located; and it shall be so recorded.

ARTICLE FIVE

Covenants of the Corporation

The Corporation hereby covenants and agrees with the Trustee for the benefit of the holders of the Bonds and their successors in interest that, so long as any Bonds remain Outstanding (but, in the case of the covenants set forth in Sections 5.09, 5.11, 5.12, 5.13, 5.15 and 5.17 hereof, only so long as any Bonds of Series A are outstanding):

Section 5.01. Authorization.

The Corporation is duly authorized to conduct its business and to own its property in the State of Florida, and has all requisite corporate authority under its Articles of Incorporation and under all applicable provisions of law, (i) to create and issue Bonds of Series A, (ii) to execute and deliver this Indenture, and (iii) to mortgage and pledge the Mortgaged Property. All corporate action required for the due creation, issuance and delivery of the Bonds of Series A and the due execution and delivery of this Indenture has been duly and effectively taken. When this Indenture has been executed as herein provided and duly recorded, this Indenture will be a valid and legally binding instrument for the purposes herein expressed, and the Bonds of Series A, upon issuance thereof in accordance with the terms of this Indenture, will be the legal, binding and enforceable obligations of the Corporation entitled to the benefit of this Indenture in accordance with their terms and the terms of this Indenture.

Section 5.02. Payment.

The Corporation shall establish with the Trustee and maintain so long as any of the Bonds are outstanding a separate account to be known as the Bond Fund (the "Bond Fund"). Moneys in the Bond Fund shall be used by the Trustee to pay principal of (and premium, if any) and interest on the Bonds as it becomes due and payable. The Corporation will duly and punctually pay or cause to be paid to Trustee for deposit in the Bond Fund the principal of

(and premium, if any) and interest on the Bonds at the times and places and in the manner specified in the Bonds and herein. Notwithstanding the above or any other provisions of this Indenture or any Bond issued hereunder, the Corporation may enter into an agreement with the holder of any Bond providing for the payment to such holder, without presentation or surrender of such Bond, of the principal of (and premium, if any) and interest on such Bond or any part thereof at a place other than as designated herein or in such Bond, and for the making of notation of principal payments on such Bond by such holder. The Trustee is authorized to consent to any such agreement (and hereby consents to the Series A Purchase Agreements) and shall not be liable or responsible to any such holder or to the Corporation for any act or omission on the part of the Corporation or any holder of a Bond in connection with any such agreement. The Corporation shall notify Trustee in writing of the recipient and amount of any and all payments made under such agreement. The Corporation covenants to deposit with the Trustee, at its principal office in Miami, Florida, an amount of money sufficient to make such payments of principal (and premium, if any) and interest on the Bonds, such deposit to be made with the Trustee not later than one business day before the date such payment or payments are due. All amounts so deposited shall be held in trust for the accounts of the holders of the obligations due on such date and shall be applied to the payment thereof.

Section 5.03. Taxes and Assessments.

The Corporation will, and will cause its Subsidiaries to, duly and punctually pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges or levies imposed upon or assessed against the Corporation or the relevant Subsidiary, or upon any of the Mortgaged Property or the property or equipment of any Subsidiary; provided, however, that nothing herein contained shall require the Corporation or any Subsidiary to pay any such tax, assessment, charge or levy so long as the Corporation or such Subsidiary shall in good faith contest the validity of the same by appropriate legal proceedings and stay any execution thereof.

Section 5.04. Maintenance of Corporate Existence and Rights; Compliance with Laws and Franchise Agreements; Notice.

Subject to the provisions of Article Twelve hereof, the Corporation (i) will do or cause to be done, at

its own cost and expense, all things necessary to preserve, extend, and renew its corporate existence, and cause its Subsidiaries to endeavor to carry on and conduct their respective businesses, under the laws of the State of Florida or other jurisdiction of incorporation, and its and each Subsidiary's qualified status in any state in which it may engage in business, and will use its best efforts to preserve and renew all franchises, rights of way, easements, permits and licenses now held by it or any Subsidiary or hereafter granted to or conferred upon it or any Subsidiary; provided, however, that neither the Corporation nor any Subsidiary shall be required to preserve any such franchise, right, easement, permit or license if the Board of Directors shall determine that such preservation is no longer desirable in the conduct of the business of the Corporation or such Subsidiary; and (ii) will comply and will cause each of its Subsidiaries to comply with all valid laws, ordinances, regulations, lawful orders and requirements applicable to it or its property, including the requirements of any franchise Agreement pursuant to which it operates its business.

If at any time the Corporation shall be notified by any governmental authority with jurisdiction over its property or business (or shall otherwise become aware) that the Corporation is in violation of any valid law, ordinance, regulation, lawful order or agreement to which it is a party or by which it is bound, the Corporation shall notify the Trustee within thirty days, unless such violation is earlier cured.

Section 5.05. Carry on Business and Maintain Property.

The Corporation and its Subsidiaries will carry on the business of a Utility, will conduct no other business not substantially related to the business of a Utility, and will at all times endeavor to carry on and conduct its business and that of each of its Subsidiaries in an efficient manner. The Corporation will cause the Mortgaged Property (except such property as may be disposed of or released from the lien hereof pursuant to Article Thirteen) and its other properties and assets and the properties and assets of its Subsidiaries to be maintained and preserved and kept in good repair and working order and will cause to be made all necessary repairs, renewals, replacements and substitutions, except to the extent that the Corporation may be prevented from so doing by circumstances beyond its control. The Corporation will use its best efforts (including the making and prosecution of rate increase filings with Regulatory Authorities) to maintain the

levels of its and its Subsidiaries' utility rates so as to produce revenue sufficient to meet all its liabilities and to comply with all its covenants and other obligations under this Indenture.

Section 5.06. Insurance.

The Corporation will, and will cause its Subsidiaries to, insure and keep insured, in an amount reasonable with financially sound and reputable insurance companies all property and equipment of a character usually insured by companies of relatively the same size engaged in the same or a similar business against liabilities or damages of the kind customarily insured against by such companies.

All policies or other contracts for such insurance upon any part of the Mortgaged Property (or any part of the property and equipment of its Subsidiaries) shall provide that the proceeds of such insurance (except in the case of any particular casualty resulting in damage or destruction not exceeding \$100,000 in the aggregate) shall be payable to the Trustee as its interest may appear; provided, however, that, with respect to any part of the Mortgaged Property or of such other property and equipment that is subject to a prior lien or Permitted Encumbrance, the loss under any such insurance policy or contract may be payable also to the trustee, mortgagee or other holder of such prior lien or Permitted Encumbrance, as its interest may appear.

All proceeds of any insurance on any part of the Mortgaged Property or of such other property and equipment not payable to the Trustee or the trustee, mortgagee or other holder of a prior lien or Permitted Encumbrance shall be applied by the Corporation (or the relevant Subsidiary) to the repair, restoration or replacement of the property destroyed or damaged, or deposited with the Trustee to be held and paid over or applied by it as provided in Article Sixteen.

Section 5.07. Records of Account and Certificate.

The Corporation will, and will cause its Subsidiaries to, at all times keep proper books of record and account and therein will make full, true and proper entries of all dealings and transactions in relation to the property, business and affairs of the Corporation; and such books shall at all reasonable times be open to inspection by the Trustee and its duly authorized agents. Such books of account shall at all times conform strictly to all applicable Accounting Requirements. On or before April 30 of each

year, the Corporation shall file with the Trustee its balance sheets as of the end of the preceding calendar year on both a consolidated and unconsolidated basis and its profit and loss statement for such year on both consolidated and unconsolidated basis, together with other related statements and appropriate notes, and such statements shall be reviewed by independent certified public accountants whose certificate shall accompany them and who, together with the chief financial officer of the Corporation, shall further certify that such statements have been prepared strictly in accordance with all applicable Accounting Requirements.

Section 5.08. Certificates As to Compliance.

On or before April 30, 1985, and on or before April 30 in each calendar year thereafter, the Corporation will deliver to the Trustee (1) an officer's certificate stating whether or not the Corporation is in default in the payment of the principal or interest on the Bonds or has knowledge of any event that, with the lapse of time or notice, or both, would constitute an Event of Default in the compliance with any covenant, agreement or condition contained in this Indenture, and, if so, specifying each such default of which the signers have knowledge, and (2) a certificate of the firm of public accountants that prepared the financial statements for the Corporation for the immediately preceding fiscal year to the effect that such firm, in making the examination in connection with its report on such financial statements, has obtained no knowledge of any default or any event, that, with the lapse of time or notice, or both, would constitute an Event of Default (or if knowledge of default has been obtained, specifying each such default), by the Corporation during such fiscal year in the observance, performance, or fulfillment of any of the terms, provisions, or conditions contained in this Indenture. This certificate may be combined with the certificate required by Section 4.1(1)(d) of the Series A Purchase Agreements. If during any such calendar year the Corporation or any of its Subsidiaries has sold or disposed of any fixed assets such officer's certificate shall be accompanied by a certificate of an independent Appraiser (and, if such fixed assets constituted less than all the fixed assets of a Division which had previously been treated as an accounting unit, a certificate of an independent Engineer) showing compliance with the provisions of Section 5.17 hereof.

Section 5.09. Restrictions on Stock Payments.

The Corporation will not, directly or indirectly, make any Restricted Stock Payment unless, immediately after

giving effect to such proposed action, (a) the aggregate amount of all Restricted Stock Payments subsequent to December 31, 1983, will not exceed a sum equal to 25% of the Net Income of the Corporation for the period, commencing January 1, 1984, and ending December 31 of the year prior to the year of such proposed action; provided, however, that in any calendar year following a calendar year at the end of which the Corporation's Consolidated Stockholder's Equity (i) was equal to at least \$20,000,000 but was less than \$22,500,000 the number 50% shall be substituted for the number 25% in the foregoing clause (a) of this sentence, (ii) was equal to \$22,500,000 but was less than \$24,000,000 the number 75% shall be substituted for the number 25% in the preceding clause (a) of this sentence, and (iii) was \$24,000,000 or more the number 100% shall be substituted for the number 25% in the preceding clause (a) of this sentence, and (b) the Restricted Stock Payment Cash Flow Test for the fiscal year in which the Restricted Stock Payment is made is a fraction greater than or equal to 1.0; provided further, however, that notwithstanding the foregoing restrictions the Corporation may make a Restricted Stock Payment in the amount of the excess of amounts received as a result of an Involuntary Conversion of all or substantially all of any Division over the redemption price of Bonds of Series A redeemed pursuant to Section 3.04 as a result of elections made pursuant to said Section in respect of such Involuntary Conversion.

No Restricted Stock Payment shall be made during the continuance of an Event of Default, as defined in Section 7.01 hereof.

For purposes of this Section 5.09, "Restricted Stock Payment" shall mean any of the following:

(A) the declaration of any dividend on, or the incurrence of any liability to make any other payment or distribution in respect of, any shares of the Corporation (other than one payable solely in its common shares), and

(B) any payment or distribution on account of the purchase, redemption or other retirement of any shares of the Corporation, or of any warrant, option or other right to acquire such shares, or any other payment or distribution (other than pursuant to a dividend theretofore declared or liability theretofore incurred as specified in Subsection (A)), made in respect thereof, either directly or indirectly, except any payment or distribution on account of the purchase, redemption or

other retirement of shares of the Corporation in exchange for, or out of the net cash proceeds received by the Corporation from a substantially concurrent sale of, other shares of the Corporation.

The amount of any Restricted Stock Payment in property shall be deemed to be the greater of its fair value (as determined by the Board) or its net book value.

Section 5.10. Limitation on Encumbrances.

The Corporation shall not, and shall not permit any of its Subsidiaries to, create or assume any Encumbrance on or relating to any of its or any of its Subsidiaries' properties or assets whether now owned or hereafter acquired except

(A) Permitted Encumbrances,

(B) Encumbrances to secure Funded Debt permitted by clause B of Section 5.12 of this Indenture,

(C) Purchase Money Encumbrances on property acquired in the ordinary course of business, and

(D) Encumbrances with respect to any property or asset acquired in the ordinary course of business which Encumbrance existed at the time of such acquisition;

provided, however, that the aggregate Debt secured by Encumbrances otherwise permitted under clauses (B), (C) and (D) above shall not exceed the lesser of (i) \$1,000,000 or (ii) the cost to the Corporation or its applicable Subsidiary of the property or asset in question or the fair value of such property or asset whichever shall be lower.

Section 5.11. Maintenance of Financial Conditions.

The Corporation will not at any time permit

(A) Consolidated Funded Debt (exclusive of Funded Debt permitted by the proviso to Section 5.12(B) hereof) to be greater than (i) 200% of Consolidated Stockholders Equity at any time during the period ending December 31, 1988 or (ii) 150% of Consolidated Stockholders Equity at any time thereafter.

(B) Consolidated Total Liabilities to be greater than (i) 225% of Consolidated Stockholders Equity at

any time during the period ending December 31, 1988 or (ii) 175% of Consolidated Stockholder's Equity at any time thereafter.

Section 5.12. Limitations on Funded Debt.

The Corporation will not permit any Subsidiary to create or assume any Funded Debt and will not itself create or assume any Funded Debt except

(A) the Bonds,

(B) Funded Debt of the Corporation the creation or assumption of which results in (i) Consolidated Funded Debt being (a) not more than 200% of Consolidated Stockholder's Equity at any time during the period ending December 31, 1988 or (b) not more than 150% of Consolidated Stockholder's Equity at any time thereafter and (ii) the Pro Forma Ratio of Earnings to Fixed Charges for the 17-calendar-month period prior to the month in which such Funded Debt is created or assumed being not less than 1.5 to 1.0; provided, however, notwithstanding the limitations set forth in (i) above, the Corporation may incur, assume up to \$250,000 of Funded Debt in the ordinary course of business.

Section 5.13. Long-Term Leases.

The Corporation shall not, and shall not permit any Subsidiary to create or assume any Long-Term Leases under which Long-Term Lease Rentals exceed \$200,000 in any 12-month period.

Section 5.14. Restrictions on Intercompany Transactions.

The Corporation will not enter into any transaction with any Affiliate involving any payment or obligation to pay or credit moneys except as specifically permitted by the Intercompany Agreements.

Section 5.15. Restricted Investments; Limitation on Subsidiaries.

The Corporation shall not make and shall not permit any Subsidiary to make any Restricted Investment. The Corporation shall not have any Subsidiary other than (i) Seaboard Utilities Corporation or (ii) any other Subsidiary acquired in accordance with Article Twelve, but

only if the acquired entity is a Utility previously controlled by the Parent Company.

Section 5.16. Warranty of Title and Further Assurances.

The Corporation warrants that, subject to Permitted Encumbrances, the Mortgaged Property and the property and equipment of each of its Subsidiaries on the date hereof is free and clear of any deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto except for any defects and encumbrances disclosed by the Corporation in the Opinion of Counsel referred to in the granting clauses hereof. The Corporation further covenants that the liens referred to in Section 1.02(pp)(1), shall be released concurrently with the issuance of Series A Bonds, and that, upon the release of such liens and the due recordation of this Indenture, this Indenture will constitute a first lien on the Mortgaged Property.

The Corporation will at its own expense from time to time execute, acknowledge and deliver any and all such further assurances, conveyances, mortgages, indentures supplemental hereto or assignments of property hereafter acquired by the Corporation as are required by the terms of this Indenture or as the Trustee may reasonably require.

Section 5.17. Restrictions on Sale or Disposition of Fixed Assets.

The Corporation will not and will not permit any Subsidiary to sell or otherwise dispose of any of its or such Subsidiary's fixed assets (determined in accordance with GAAP) if as a result of such sale or disposition (a) the fair market value of the fixed asset proposed to be sold or disposed of and of all other fixed assets sold or disposed of by the Corporation and its Subsidiaries since the commencement of the then current calendar year would be more than 5% of the net book value (as shown on the books and records of the Corporation and its Subsidiaries maintained in accordance with GAAP) of all fixed assets of the Corporation and its Subsidiaries or (b) the Operating Income of the Corporation and its Subsidiaries during the most recent 12 calendar-month period in which all such fixed assets were owned by the Corporation or any of its Subsidiaries attributable to the fixed asset to be sold or disposed of and the other fixed assets theretofore sold or disposed of by the Corporation and its Subsidiaries since the commencement of such calendar year would represent more than 5% of the Operating Income of the Corporation and its

Subsidiaries during such most recent 12 calendar-month period.

Section 5.18. Payment of Certain Charges.

In the event of the failure of the Corporation in any respect to comply with the covenants contained in Sections 5.03 and 5.06 hereof or to keep the Mortgaged Property and the property and equipment of its Subsidiaries in repair and free of liens and other charges, other than Permitted Encumbrances, the Trustee or any Bondholder shall have the right (without prejudice to any other rights arising by reason of such default) to advance or expend moneys for the purpose of performing such covenants on behalf of the Corporation. The Corporation shall be immediately notified of any such advance. All sums so advanced for any of the aforesaid purposes shall at once be repayable by the Corporation, shall bear interest at the rate of sixteen and one-half percent per annum until paid, and shall be secured hereby having the benefit of the lien hereby created in priority to the Bonds.

Section 5.19. Appointment of Successor Trustee.

The Corporation, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint a Trustee in the manner and in conformity with the requirements specified in Section 8.08 hereof, so that there shall at all times be a Trustee hereunder.

ARTICLE SIX

Recording Opinions

Section 6.01. Opinions of Counsel to Be Filed with Trustee.

The Corporation covenants and agrees:

(a) To file with the Trustee, promptly after execution and delivery of this Indenture, an Opinion of Counsel either stating that in the opinion of such counsel this Indenture has been properly recorded and filed so as to make effective the lien intended to be created hereby, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to make such lien effective; and

(b) To file with the Trustee on April 30 in each year, beginning with the year 1985, an Opinion of

Counsel, dated as of March 31 of such year, either stating that in the opinion of such counsel such action has been taken with respect to the recording, filing, re-recording, and refiling of this Indenture and of each supplemental indenture or other instrument of further assurance, including, without limitation, financing statements, as is necessary to maintain the lien of this Indenture, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to maintain such lien.

ARTICLE SEVEN

Remedies of the Trustee and Bondholders on Event of Default

Section 7.01. Events of Default Defined; Acceleration of Maturity; Rescission and Annulment.

In case one or more of the following events (herein called Events of Default) shall have occurred and be continuing for any reason whatsoever (and whether it shall be voluntary or involuntary or occur or be effected by operation of law or otherwise), that is to say:

(a) default in the payment of any installment of interest upon any Bond, when the same shall become due and payable, and continuance of such default for a period of five days; or

(b) default in the payment of the principal of (and premium, if any, on) any Bond as and when the same shall become due and payable whether at maturity, upon redemption, by declaration, or as otherwise herein provided; or

(c) default in the payment of any sinking fund installment provided for in this Indenture or in any Bond as and when the same shall become due and payable; or

(d) default in the observance or performance of the covenants, conditions or agreements on the part of the Corporation contained in Sections 5.06, 5.09, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15 and 5.17 or default on the part of the Parent Company under the Parent Company Agreement; or

(e) default on the part of the Corporation in the performance of any other of the covenants or agreements on the part of the Corporation in any Bonds or in this Indenture contained and continuance of such default for a period of thirty days after the date on which written notice specifying such default, stating that such notice is a Notice of Default hereunder, and requiring the same to be remedied, shall have been given to the Corporation by the Trustee, or to the Corporation and the Trustee by the holder of any Bond at the time Outstanding, or regardless whether or not Notice of Default shall have been given to the Corporation, such default shall occur and continue and a Responsible Officer shall have actual knowledge of such occurrence and continuance for a period of thirty days without such default being cured or waived; or

(f) the Corporation or any Subsidiary shall (1) be generally not paying its debts as they become due, (2) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (3) make an assignment for the benefit of its creditors, (4) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (5) be adjudicated insolvent or be liquidated, or (6) take corporate action for the purpose of any of the foregoing; or

(g) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Corporation or any Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Corporation or any Subsidiary, or if any petition for any such relief shall be filed against the Corporation or a Subsidiary and such petition shall not be dismissed within thirty days; or

(h) final judgment shall be rendered against the Corporation or any Subsidiary for the payment of money

in excess of \$100,000 and such judgment shall not be discharged or execution thereon stayed pending appeal, within sixty days after entry thereof, or, in the event of such a stay, such judgment shall not be discharged within sixty days after such stay expires; or

(i) any material representation or warranty heretofore or hereafter made by or on behalf of the Corporation or the Parent Company in the Series A Purchase Agreements, the Intercompany Agreements, the Parent Company Agreement, the Guaranty and Pledge Agreement or in any certificate or other writing delivered under or pursuant thereto or in connection with any provision thereof or related to the transactions contemplated thereby shall prove to have been false or incorrect or breached in any material respect on the date as of which made; or

(j) the Corporation or any Subsidiary shall not pay any other Debt when due, or any condition shall exist permitting other Debt of the Corporation or any Subsidiary to become or be declared due prior to its stated maturity, except, however, a condition in respect of a Guarantee of the Corporation or any Subsidiary if the Corporation or such Subsidiary shall duly perform its obligations under such Guarantee; or

(k) there shall be a default on the Sister Company Note and the guaranty thereof by the Parent Company shall not be punctually honored in accordance with its terms;

then, and in each and every such case, the Trustee may, and if directed by the holders of more than 50 percent in aggregate principal amount of the Bonds of Series A then Outstanding or a majority in aggregate principal amount of all Bonds then Outstanding shall, declare the principal of all the Bonds to be due and payable immediately, by notice in writing to the Corporation and, upon any such declaration, the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, but before any foreclosure sale of the Mortgaged Property, or any part thereof, shall have been made under this Article, or any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided,

1. the Corporation shall pay or shall deposit with the Trustee a sum sufficient to pay:

(a) all matured installments of interest upon all the Bonds; and

(b) the principal of (and premium, if any, on) any and all Bonds that shall have become due otherwise than by acceleration (with interest at the rate or rates expressed in the Bonds to the date of such payment or deposit); and

(c) to the extent that payment of such interest is enforceable under applicable law, and if provided for in any of the Bonds, interest upon overdue installments of interest at the rate or rates expressed in such Bonds to the date of such payment or deposit; and

(d) the amount payable to the Trustee under Section 8.06, and

2. any and all Events of Default, other than the nonpayment of principal on Bonds that shall have become due solely by such declaration of acceleration, shall have been remedied or waived as provided in Section 7.08,

then and in that event the holders of a majority in aggregate principal amount of the Bonds Outstanding (including a majority in principal amount of the Bonds of Series A Outstanding), by written notice to the Corporation and to the Trustee, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereof.

Section 7.02. Covenant to Make Payments upon Certain Defaults.

The Corporation covenants that (1) in case default shall be made in the payment of any installment of interest on any of the Bonds, when the same shall become due and payable, and such default shall have continued for a period of five days, or (2) in case default shall be made in the payment of the principal of (and premium, if any, on) any of the Bonds when the same shall have become due and payable, whether upon maturity of the Bonds or upon the date of required sinking fund payments, or upon redemption or upon

declaration or otherwise, or (3) in case the principal and interest on any Bond shall have become due and payable by reason of the exercise by the Trustee of the right of acceleration as stated in Section 7.01 hereof, then, upon demand of the Trustee, the Corporation will pay to the Trustee, for the benefit of the holders of the Bonds, the whole amount that then shall become due and payable on all such Bonds for principal (and premium, if any) or interest, or both, as the case may be, with interest upon the overdue principal (and premium, if any) and (to the extent that payment of such interest is enforceable under applicable law and if provided for in the Bonds) upon overdue installments of interest at the rate or rates expressed in the Bonds; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, and the amount payable to the Trustee under Section 8.06.

Section 7.03. Remedies in Case of Default.

In case the Corporation shall fail to comply with the provisions of Section 7.02 and pay promptly the sums of money due or that become due by reason thereof, the Trustee may and, if directed by the holders of a majority in aggregate principal amount of the Bonds Outstanding, or by the holders of a majority in aggregate principal amount of the Bonds of Series A Outstanding, shall

(a) take possession and charge of all the Mortgaged Property, including the books, papers and accounts of the Corporation, and likewise take possession of any and all Excepted Property then on hand, and having and holding the same, may operate and manage the same, and from time to time to make all needful repairs and such extensions, additions and improvements as to the Trustee shall seem wise; and may receive the tolls, rents, revenues, issues, earnings, income and profits thereof, and out of the same may pay all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture that the Trustee may deem it wise to pay, and all expenses of such repairs, extensions, additions and improvements, and to apply the remainder of the moneys so received by the Trustee, first, to the payment of the installments of interest that are due and unpaid, in the order of their maturity, next to the payment of interest on overdue amounts to the extent provided in Section 7.02

hereof, and next, if the principal of any of the Bonds is due, to the payment of the principal and accrued interest thereon at the same rate as is expressed in Bonds pro rata without any preference or priority whatever, except as aforesaid; provided, however, that whenever all that is due upon such Bonds and installments of interest and in respect of interest or overdue amounts and under any of the terms of this Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the Corporation, its successors or assigns, but the same right of entry, however, shall exist upon any subsequent Event of Default; or

(b) by such officer or agent as it may appoint, with or without entry, sell all the Mortgaged Property as an entirety, or in such parcels as the holders of a majority in principal amount of the Bonds Outstanding, or of a majority in principal amount of the Bonds of Series A Outstanding, shall in writing request, or in the absence of such request, as the Trustee may determine, at the office of the Trustee in Miami, Florida, having first given written notice of such sale to the Corporation by certified mail to the address specified in Section 18.05 at least fourteen days before such sale and having given further notice of such sale by publication, in all editions of The Wall Street Journal (or if The Wall Street Journal is no longer published, any other reasonably comparable newspaper), of the time, place and terms of sale, once a week for four successive weeks; the Trustee may from time to time to adjourn such sale in its discretion by announcement at the time and place fixed for such sale without further notice; and upon such sale the Trustee may make and deliver to the purchaser or purchasers good and sufficient bills of sale, deeds, or other conveyances for the same (for which purposes the Trustee is hereby irrevocably appointed the true and lawful attorney of the Corporation, in its name and stead, to make such conveyances), which sale shall be a perpetual bar, both at law and in equity, against the Corporation and all persons, firms and corporations lawfully claiming or who may claim by, through or under it, or

(c) in its own name and as trustee of an express trust proceed to protect and enforce their rights and the rights of the holders of the Bonds under this Indenture by a suit or suits in equity or at law for:

(1) collection of sums due and unpaid upon the Bonds;

(2) the specific performance of any covenant or agreement contained herein;

(3) the foreclosure of this Indenture; or

(4) the enforcement of any other appropriate legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of its rights and the rights of the holders of Bonds under this Indenture,

and prosecute any such suit, action or proceeding to judgment or final decree, and, thereupon, cause such judgment or final decree to be enforced in the manner provided by law, including, where authorized or permitted, the collection out of any property, wherever situated, of the Corporation (or other obligor upon the Bonds) of any moneys adjudged or decreed to be payable.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of any waiver, rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Corporation and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Corporation and the Trustees shall continue as though no such proceedings had been taken.

Upon any sale being made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture, the principal of all Bonds then Outstanding, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable.

Section 7.04. Trustee's Powers.

The Trustee shall have all the powers, rights and privileges as may be required and reasonably necessary to perform, accomplish and comply with the duties, obligations and undertakings required or permitted by this Indenture to be made, kept and performed by the Trustee.

Further, in case of any receivership, insolvency, liquidation, bankruptcy, reorganization, readjustment, arrangement, composition, or other judicial proceedings affecting the Corporation, any other obligor on the Bonds, or the creditors or property of either, the Trustee shall have power to intervene in such proceedings and take any action therein that may be permitted by the court and shall be entitled to file such proofs of claim and other papers and documents as may be necessary or advisable in order to have the claims of the Trustee and of the Bondholders allowed in any judicial proceeding relative to the Corporation, or any other obligor on the Bonds, or its creditors or its property, for the entire amount due and payable by the Corporation or such other obligor under the Indenture at the date of institution of such proceedings and for any additional amount that may become due and payable by the Corporation or such other obligor after such date, and to collect and receive any moneys or other property payable or deliverable on any such claim, and to distribute the same after the deduction of the amount payable to the Trustee under Section 8.06; and any receiver, assignee or trustee in bankruptcy, or reorganization is hereby authorized by each of the Bondholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it under Section 8.06.

All rights of action and of asserting claims under this Indenture, or under any of the Bonds, may be enforced by the Trustee without the possession of any of the Bonds, or the production thereof on any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the pro rata benefit of the holders of the Bonds then Outstanding issued under the terms of this Indenture and supplements thereto.

In case of a default hereunder, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 7.05. Application of Moneys by Trustee.

Any moneys collected by the Trustee pursuant to this Article Seven shall be applied in the order following at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal (or premium, if any) or interest, upon presentation of the Bonds, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses of collection, and of all amounts payable to the Trustee under Section 8.06;

SECOND: In case the principal of any of the Outstanding Bonds shall not have become due, to the payment of interest thereon, in the order of maturity of the installments of such interest, with interest (if such interest has been collected by the Trustee) upon the overdue installments of interest at the rate per annum expressed in the Bonds, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of any of the Outstanding Bonds shall have become due, by acceleration or otherwise, to the payment of the whole amount then owing and unpaid upon the Bonds for principal (and premium, if any) and interest, with interest on the overdue principal (and premium, if any) and (if such interest has been collected by the Trustees) upon overdue installments of interest at the rate per annum expressed in the Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds, then to the payment of such principal (and premium, if any) and interest, without preference or priority of principal (and premium, if any) over interest, or of interest over principal (and premium, if any), or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably to the aggregate of such principal (and premium, if any) and accrued and unpaid interest, and

FOURTH: To the payment of the remainder, if any, to the Corporation, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Section 7.06. Limitation on Suits; Preservation of Rights to Payment and to Sue.

(a) No holder of any Bond shall have any right by virtue or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law against the Corporation, upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder against the Corporation, unless

(1) such holder previously shall have given to the Trustee written Notice of Default and of the continuance of the Event of Default therein specified, as hereinabove provided;

(2) the holders of not less than 66 2/3 percent in principal amount of the Bonds then Outstanding shall have made written request upon the Trustees to institute such action, suit or proceeding in its own name as Trustee hereunder;

(3) the parties making such request shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby; and

(4) the Trustee for thirty days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action, suit or proceeding;

it being understood and intended, and being expressly covenanted by the taker and holder of every Bond with every other taker and holder and the Trustee that no one or more holders of Bonds shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb, or prejudice the rights of the holders of any other Bonds, or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Bonds. For the protection and enforcement of the provisions of this Section 7.06, each and every Bondholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

(b) Notwithstanding any other provisions of this Indenture, however, the right of any holder of any Bond to receive payment of the principal of (including any sinking fund payment due thereon) and premium, if any, and interest

on such Bond, on or after the maturity date (or sinking fund payment dates) expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such dates, shall not be impaired or affected without the consent of such holder.

Section 7.07. Remedies Cumulative.

All powers and remedies given by this Article Seven to the Trustee or to the Bondholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the Bonds, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or any holder of any Bond to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such default or any acquiescence therein; and, subject to the provision of Section 7.06, every power and remedy given by this Article Seven or by law to the Trustee or to the Bondholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Bondholders.

Section 7.08. Rights of Bondholders to Direct Trustee; Waivers.

The holders of a majority in aggregate principal amount of the Bonds at the time Outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee. The holders of a majority in principal amount of the Bonds at the time Outstanding (including a majority in principal amount of the Bonds of Series A at the time Outstanding) may on behalf of the holders of all of the Bonds waive any past default in the performance of any of the covenants contained herein and its consequences, except a default in the payment of the principal of (including any sinking fund payment), or premium or interest on, any of the Bonds as and when the same shall become due by the terms of such Bonds, or interest on overdue amounts provided for in this Indenture, or a call for redemption, which may be waived only by written consent of each holder of any Bond so in default. In the case of any waiver accomplished pursuant to this Section 7.08, such default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been

cured for every purpose hereof, and the Corporation, the Trustee and the holders of the Bonds shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.09. Notice by Trustee of Defaults.

The Trustee shall, within ten days after the occurrence of an Event of Default, give to the Bondholders, by certified mail at their respective addresses as then shown on the Bond Register, notice of all defaults known to the Trustee, unless such defaults shall have been cured before the giving of such notice (the term "defaults" for the purposes of this Section 7.09 being hereby defined to be the events specified in Section 7.01, not including any periods of grace provided for therein and irrespective of the giving of notice provided for in Subsection (e) of Section 7.01).

Section 7.10. Costs of Suit.

The Corporation, the Trustee and each holder of any Bond, by his acceptance thereof, agree that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 7.10 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder or group of Bondholders holding in the aggregate more than ten percent in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Bond, on or after the respective due dates expressed in such Bond.

ARTICLE EIGHT

The Trustee

Section 8.01. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee, and

(2) the opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder and any and all other action whatsoever within the purview of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise thereof, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance

of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 8.02. Certain Rights of the Trustee.

Subject to and except as otherwise provided in Section 8.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, coupon, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Corporation mentioned herein shall be sufficiently evidenced by a Corporation Order or Corporation Request and any resolution of the Board of Directors of the Corporation shall be sufficiently evidenced to the Trustee by a Board Resolution;

(c) the Trustee may consult with counsel and the advice or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders pursuant to the provisions of this Indenture, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby; nothing herein contained shall, however, relieve the Trustee of the obligation, upon the continuance of an Event of Default, to exercise such of the rights and powers vested in it by this Indenture, and to use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon them by this Indenture;

(f) the Trustee shall not be liable, in case of entry by it upon the Mortgaged Property, for debts contracted or liabilities or damages incurred in the management or operation thereof; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 8.03. Trustee Not Responsible for Certain Matters.

The recitals contained herein and in the Bonds, except the Trustee's certificates of authentication, shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any indenture supplemented hereto or of any Bond. The Trustee shall not be accountable for the use of or application by the Corporation of any Bonds or of the proceeds of any Bonds or for the use or application of any Trust Moneys paid over by the Trustee in accordance with any provision of this Indenture, or for the use or application of any moneys received by any Paying Agent other than the Trustee.

Section 8.04. Absence of Certain Duties.

Except in accordance with written instructions or requests furnished pursuant to Section 8.01 or 8.02, Trustee shall have not duty (a) to see to the registration, reporting or filing of any document (or any financing or continuation statements in respect thereto) or to see to the maintenance of any such registration, reporting or filing, (b) to see to any insurance on the Mortgaged Property or to effect or maintain any such insurance, (c) to confirm or verify the contents of any report, notice, request, demand, certificate, financial statement or other instrument of the company or (d) to inspect the Mortgaged Property at any time or ascertain or inquire as to the performance or observance of any of the Company's covenants with respect to the Mortgaged Property.

Section 8.05. Trustee's Ownership of Bonds.

The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Corporation with the same rights it would have if it were not the Trustee.

Section 8.06. Trust Moneys.

Subject to the provisions of Section 16.04, all Trust Moneys, as defined in Section 16.01, shall, until applied as herein provided, be held in trust by the Trustee for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any Trust Moneys except such as it may agree with the Corporation to pay thereon. Except during the continuance of an Event of Default, all interest so agreed to be paid on any Trust Moneys shall be paid from time to time upon Corporation Order.

Section 8.07. Trustee's Compensation.

The Corporation covenants and agrees to pay to the Trustee from time to time reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it hereunder, and the Corporation will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the expenses and disbursements of the Trustee's counsel and of all persons not regularly in their employ) except any such expense, disbursement, or advances as may arise from the Trustee's negligence or bad faith. The Corporation also covenants to indemnify the Trustee for, and to hold the Trustee harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee and arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim of liability in connection with the performance of its duties or exercise of its rights hereunder. The obligations of the Corporation under this Section 8.06 to compensate the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured under this Indenture by a lien prior to that of the Bonds upon all property and funds held or collected by the Trustee as such.

Section 8.08. Reliance on Officers' Certificates by Trustee and Other Persons.

Except as otherwise provided in Section 8.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an officers' certificate delivered to the Trustee. The agents and representatives of the Trustee and any experts or counsel whose opinions are required or permitted to be delivered to the Trustee for any purpose hereunder shall likewise be fully warranted in relying and acting upon the existence of any matters proved or established by any such certificate delivered to any such expert or counsel (unless other evidence in respect thereof be herein specifically described).

Section 8.09. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder that shall be a corporation organized and doing business under the laws of the State of Florida, of the State of New York or of the United States of America, and authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least One Hundred Million Dollars subject to supervision or examination by federal or state authority, and rated A or better by both Standard & Poor's Corporation and Moody's Investors Service, Inc. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 8.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.09.

Section 8.10. Resignation and Removal of Trustee; Appointment of Successor.

(a) The Trustee, or any successor hereafter appointed, may at any time resign by giving written notice

thereof by certified mail to the Corporation and to each holder of any Bond at his address on the Bond Register. Upon receiving the notice of resignation of the Trustee, the Corporation shall promptly appoint a successor trustee by a Board Resolution, in duplicate, one copy of which shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no instrument of acceptance by a successor Trustee shall have been delivered to the resigning Trustee within thirty days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, or any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months may, subject to the provisions of Section 7.10, on behalf of himself and all other similarly situated, petition any such court for the appointment of a successor Trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

(b) If at any time any of the following shall occur:

(1) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.08 and shall fail to resign after written request therefor by the Corporation or by any such Bondholder; or

(2) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, the Corporation may remove the Trustee and appoint a successor Trustee by Corporation Order in duplicate, one copy of which shall be delivered to the Trustee so removed and one copy to the successor Trustee, or, subject to the provisions of Section 7.10, any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee. Such court may thereupon after such notice, if any, as it may deem proper remove the Trustee and appoint a successor Trustee.

(c) The holders of a majority in aggregate principal amount of the Outstanding Bonds or of the

Outstanding Bonds of Series A may at any time remove the Trustee and appoint a successor Trustee.

(d) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Section shall become effective until the acceptance of appointment by the successor Trustee as provided in Section 8.10.

Section 8.11. Acceptance of Appointment by Successor.

Every successor Trustee appointed in Section 8.09 shall execute, acknowledge and deliver to the Corporation and to the retiring Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of the retiring Trustee hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the written request of the Corporation or of the successor Trustee, the retiring Trustee shall, upon payment of any amounts then due it pursuant to any of the provisions hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of the retiring Trustee and shall assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its liens, if any, provided for in Sections 5.15 and 8.06 hereof. Upon request of any such successor Trustee, the Corporation shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept appointment as provided in this Section 8.10 unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 8.08.

Upon acceptance of appointment by a successor Trustee as provided in this Section 8.10, the Corporation shall give notice of the succession of such Trustee hereunder by certified mail to each holder of any Bond at his address on the Bond Register. If the Corporation fails to give such notice within ten days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be published at the expense of the Corporation.

Section 8.12. Successor to Trustee.

Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be eligible under the provisions of Section 8.08 without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE NINE

Concerning the Bondholders

Section 9.01. Evidence of Action.

Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Bondholders may be embodied in and evidenced by

(a) an instrument or any number of instruments of similar tenor executed by such Bondholders in person or by agent or proxy appointed in writing, or

(b) the record of the holders of Bonds voting in favor thereof at any meeting of Bondholders duly called and held in accordance with the provisions of Article Ten, or

(c) a combination of such instrument or instruments and any such records of such a meeting of Bondholders; and, except as herein otherwise expressly provided, such action shall become effective where such instrument or instruments or record, or combination of both, are delivered to the Trustee at its principal corporate trust office, and, where expressly required hereby, to the Corporation.

Section 9.02. Proof of Execution.

(a) Subject to the provisions of Section 8.01, proof of the execution of any instrument by a Bondholder or his agent or proxy and proof of the holding by any person of

any of the Bonds shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by (1) the certificate of any notary public, or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds to be recorded in such jurisdiction, that the person executing such instrument acknowledged to him the execution thereof, or (2) an affidavit of a witness to such execution sworn to before any such notary or other such officer, or (3) the guarantee of the signature of such person by any trust company, commercial bank or member of a national stock exchange. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

The fact and date of the execution of any such instrument and the amount and numbers of other designations of Bonds held by the person so executing such instrument may also be proved in any other manner that the Trustee may deem sufficient, and the Trustee may require such additional proof of any matter referred to in this Section 9.02 as it shall deem necessary.

(b) The ownership of any Bond shall be proved by the Bond Register.

(c) The record of any Bondholders' meeting shall be provided in the manner provided in Section 10.06.

Section 9.03. Effect of Actions by Holders of Bonds.

At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 9.01, of the taking of any action by the holders of Bonds, any holder of a Bond or Bonds who has consented to such action may, by filing written notice with the Trustee, and upon proof of holding as provided in Section 9.02, revoke such action so far as concerns such Bond or Bonds. Except as aforesaid, any such action taken by the holder of any Bond shall be conclusive and binding upon such holder and upon all future holders and owners of the same Bond, and of any Bond issued upon the transfer thereof or in exchange therefor or in place thereof, in respect of anything done or suffered to be done by the Trustee or the Corporation in reliance thereon, whether or not any notation in regard thereto is made upon such Bond.

ARTICLE TEN

Bondholders' MeetingsSection 10.01. Purposes.

A meeting of Bondholders may be called at any time and from time to time pursuant to the provisions of this Article Ten for any of the following purposes:

- (a) To give any notice to the Corporation or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Bondholders pursuant to any of the provisions of Article Nine;
- (b) To remove the Trustee and appoint a successor Trustee pursuant to the provisions of Article Eight;
- (c) To consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 11.02; or
- (d) To take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Bonds under any provision of this Indenture or under applicable law.

Section 10.02. Manner of Calling Meetings.

The Trustee may at any time, and upon receipt of (i) written request by the holders of at least ten percent in aggregate principal amount of the Bonds Outstanding (or at least ten per cent in aggregate principal amount of the Bonds of Series A Outstanding) or (ii) a Board Resolution, so requesting, shall call a meeting of Bondholders to take any action specified in Section 10.01, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting, and summarizing the action proposed to be taken at such meeting, shall be given by certified mail to the Corporation and to each Bondholder at his address on the Bond Register not less than twenty days nor more than ninety days prior to the date fixed for the meeting.

Section 10.03. Call of Meetings by Corporation or Bondholders.

In case at any time (i) the Corporation, pursuant to a Board Resolution, or (ii) the holders of at least ten percent, in aggregate principal amount of the Bonds Outstanding (or of at least ten percent in aggregate principal amount of the Bonds of Series A Outstanding) shall have requested the Trustee to call a meeting of Bondholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given notice of such meeting within twenty days after receipt of such request, then the Corporation or the holders of the Bonds in the amount above specified may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 10.01, by giving notice thereof as provided in Section 10.02.

Section 10.04. Voting and Attending Meetings.

To be entitled to vote at any meeting of Bondholders, a person shall be either a registered holder of one or more Bonds Outstanding, or a person appointed by an instrument in writing as proxy or attorney-in-fact by a registered holder of one or more Bonds Outstanding. The only person who shall be entitled to be present or to speak at any meeting of Bondholders shall be the persons entitled to vote at such meeting and their counsel, representatives of the Trustee and its counsel and representatives of the Corporation and its counsel.

Section 10.05. Conduct of Meetings.

Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Bondholders, as follows (a) in regard to proof of the appointment of proxies or attorneys-in-fact, and (b) in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and (c) such other matters concerning the conduct of the meeting as it deems appropriate. Except as otherwise permitted or required by any such regulations, the holdings of Bonds shall be proved in the manner specified in Subsection (b) of Section 9.02 and the appointment of any proxy shall be proved in the manner specified in Subsection (a) of Section 9.02.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Corporation or by Bondholders as provided in Section 10.03, in which case the party or parties calling the meeting shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Outstanding Bonds represented at the meeting and entitled to vote.

At any meeting each Bondholder or proxy or attorney-in-fact shall be entitled to one vote for each \$1,000 principal amount of Outstanding Bonds held by such Bondholder or by the Bondholder for whom such proxy or attorney-in-fact is acting; provided, however, that no vote shall be cast or counted at any meeting in respect of any Bonds challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Outstanding Bonds held by him on instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Bondholders. Any meeting of Bondholders duly called pursuant to the provisions of Section 10.02 or 10.03 may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

Section 10.06. Voting and Records.

The vote upon any resolution submitted to any meeting of Bondholders shall be by written ballot on which shall be subscribed the signatures of the holders of Bonds or of their proxies or attorneys-in-fact and the serial number or numbers of the Bonds held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes, who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Bondholders shall be prepared by the secretary of the meeting, and there shall be attached to such record the original reports of the inspectors of votes on any vote taken at such meeting, setting forth a copy of the notice of the meeting and showing that such notice was given as provided in Section 10.02. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be

delivered to the Corporation and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 10.07. Effect of Call of Meeting.

Nothing in this Article Ten contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Bondholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in exercise of any right or rights conferred upon or reserved to the Trustee or to the Bondholders under any of the provisions of this Indenture or of the Bonds.

ARTICLE ELEVEN

Supplemental Indentures

Section 11.01. Supplemental Indentures Without Consent of Bondholders.

In addition to any supplemental indenture otherwise authorized by this Indenture, the Corporation, when authorized by a Board Resolution, and the Trustee from time to time and at any time, may, without the consent of the holders of any Bond, enter into an indenture or indentures supplemental hereto, in form satisfactory to the Trustee, for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Corporation, or successive successions, and the assumption by any such successor corporation of the covenants, agreements and obligations of the Corporation pursuant to Article Twelve hereof;

(b) to add to the covenants of the Corporation and to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of the Bonds or any series of Bonds, such further covenants, restrictions, conditions or provisions for the protection of the holders of the Bonds or any series of Bonds, or to surrender any right or power herein conferred on the Corporation;

(c) to cure any ambiguity, to correct or supplement any provision contained herein or in any supplemental indenture that may be inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture shall not be inconsistent with the provisions of this Indenture and shall not adversely affect the interests of the holders of the Bonds;

(d) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture; and

(e) to modify, eliminate or add to the provisions of this Indenture to the extent necessary to effect the qualification of this Indenture under the Trust Indenture Act as that Act, or any similar Federal statute enacted in lieu thereof, is in effect at the time of the entering into any such supplemental indenture.

The Trustee is hereby authorized to join with the Corporation in the execution of any such supplemental indenture, and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 11.02. Modification of Indenture.

With the consent (evidenced as provided in Section 9.01) of the holders of not less than 66 2/3 percent in aggregate principal amount of all the Bonds at the time Outstanding that are adversely affected by such supplemental indenture (including not less than 66 2/3 percent in aggregate principal amount of all the Bonds of Series A at the time Outstanding if so affected), the Corporation, when authorized by a Board Resolution, and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Bonds; except that no such supplemental indenture shall, without the consent of the holder of each

Outstanding Bond adversely affected thereby, (i) extend the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon (including interest on overdue amounts to the extent provided for in this Indenture) or any premium payable upon the redemption thereof, or extend the time or reduce the amount of any sinking fund payments in respect thereof, or (ii) reduce either the aforesaid percentage in principal amount of Bonds, the holders of which are required to consent to any such supplemental indenture, or the percentages specified in Section 7.08 or (iii) modify any of the provisions of this Section 11.02 or Section 7.08, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the holder of each Bond adversely affected thereby; provided further, however, that without the consent of the holders of all Bonds of Series A then outstanding no such supplemental indenture shall authorize the creation of any additional series of Bonds.

Upon the request of the Corporation, accompanied by a copy of a Board Resolution authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Bondholders as aforesaid, the Trustee shall join with the Corporation in the execution of such supplemental indenture unless any such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion (but shall not be obligated to) enter into such supplemental indenture; provided, however, that the Trustee shall be so obligated with respect to a supplemental indenture entered into under Subsections (a) or (f) of Section 11.01, notwithstanding any such effect.

Except as provided in Section 4.01 hereof, it shall not be necessary for the consent of Bondholders under this Section 11.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 11.03. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture pursuant to the provisions of this Article Eleven, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under

this Indenture of the Trustee, the Corporation, and every holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments; and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 11.04. Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article Eleven shall conform to the requirements of the Trust Indenture Act, as in effect at the time of execution of such supplemental indenture, if this Indenture shall then be qualified under that Act.

Section 11.05. Notation of Changes on Bonds.

Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article Eleven may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Corporation or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Corporation's Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Corporation, authenticated and delivered by the Trustee in exchange for the Outstanding Bonds.

Section 11.06. Trustee's Reliance on Opinion of Counsel.

In executing any supplemental indenture permitted by this Article Eleven, the Trustee shall be entitled to receive and (subject to Section 8.01) shall be entitled to rely upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by, and conforms to, the terms of this Article Eleven.

ARTICLE TWELVE

Consolidation, Merger, Acquisition and SaleSection 12.01. Consolidations, Mergers, Acquisitions or Sales Permitted Only with Affiliated Utilities.

The Corporation shall not enter into any transaction which in form or substance is a consolidation, merger or acquisition of or with another business entity, or sale or purchase of substantially all the assets of another business entity (a "Restricted Transaction") unless the other corporation or business entity is a Utility controlled by the Parent Company. For this Section 12.01 the term "control" shall mean the power to direct or directly or indirectly to cause the direction of the management of such other corporation or business entity.

In any event, the Corporation shall not enter into any Restricted Transaction (i) if there shall have occurred and be continuing any Event of Default or event that, with notice or lapse of time or both, would become an Event of Default, (ii) if such transaction would violate any law or make the continued operation of the business of the Corporation or of any surviving corporation as a Utility unlawful or in violation of any lawful order, decree, judgment, regulation or binding agreement by which the Corporation or any surviving corporation is bound or (iii) in the case of a Restricted Transaction in which the Corporation is to acquire the outstanding shares of another corporation unless such other corporation will become a wholly owned Subsidiary of the Corporation.

No Restricted Transaction otherwise permitted by this Section 12.01 shall take place unless each of the following conditions is also met:

(a) For the 12-calendar-month period ending on the last day of the month preceding such Restricted Transaction the Corporation (if it be the surviving corporation in the case of a merger or acquisition) or the corporation which results from any such consolidation or which survives any such merger or which is the purchaser, grantee, transferee or recipient of such Mortgaged Property and other property and assets shall have had a Pro Forma Ratio of Earnings to Fixed Charges of at least 1.5 to 1.0, and shall meet the requirements of Section 5.11 such that it could

issue, immediately after giving effect to such Restricted Transaction, at least one dollar of Funded Debt without being in breach under such Section 5.11.

(b) The corporation formed by such consolidation, or into which the Corporation shall have been merged, or the corporation that acquires the Mortgaged Property, shall execute and deliver to the Trustee, simultaneously with such merger, consolidation or transfer, an indenture supplemental hereto in form recordable and satisfactory to the Trustee, containing:

(1) an assumption by such successor corporation of the due and punctual payment of the principal of (and premium, if any) and interest on all the Bonds and the performance and observance of every covenant and condition of this Indenture to be performed or observed by the Corporation, and

(2) a grant, conveyance, transfer and mortgage of the character described in Section 12.02,

(c) Immediately after giving effect to such Restricted Transaction, (i) no Event of Default, and no event that, with notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing and (ii) the corporation formed by such consolidation, or into which the Corporation shall have been merged, or the corporation that acquires the Mortgaged Property, shall be engaged in substantially the same business as the Corporation.

(d) The Corporation shall have delivered to the Trustee an officer's certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article Twelve and that all conditions precedent herein provided for relating to such transaction have been complied with, and, subject to the provisions of Section 8.01 hereof, the Trustee shall be entitled to rely upon such Officer's Certificate and Opinion of Counsel in executing any such supplemental indenture.

Section 12.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any conveyance or transfer of the Mortgaged Property and the

other properties and assets substantially as an entirety in accordance with Section 12.01, any successor corporation formed by such consolidation or into which the Corporation is merged or to which such sale, conveyance, transfer or other disposition is made, upon causing to be recorded the supplemental indenture hereinafter described, shall succeed to, and be substituted for, and may exercise every right and power of, the Corporation under this Indenture with the same effect as if such successor corporation had been named as the Corporation herein.

Such supplemental indenture shall contain a grant, conveyance, transfer and mortgage in terms sufficient to include and subject to the lien of this Indenture all property and franchises owned by such successor corporation at the time of such consolidation, merger, sale, conveyance, transfer or other disposition or that may be thereafter acquired by such successor corporation (other than Excepted Property). Thereupon and thereafter such successor corporation may cause to be executed, either in its own name or in the name of Deltona Utilities, Inc., and delivered to the Trustee for authentication, any Bonds issuable hereunder; and upon the order of such successor corporation, and subject to all the terms of this Indenture, the Trustee shall authenticate and deliver any Bonds that shall have been previously executed and delivered by the Corporation to the Trustee for authentication, and any Bonds that such successor corporation shall thereafter, in accordance with this Indenture, cause to be executed and delivered to the Trustee for such purpose. Such changes in phraseology and form (but not in substance) may be made in such Bonds as may be appropriate in view of such consolidation or merger or conveyance or transfer.

ARTICLE THIRTEEN

Possession, Use and Release of Mortgaged Property

Section 13.01. Possession and Use of Mortgaged Property.

Unless an Event of Default shall have occurred and be continuing, the Corporation shall be suffered and permitted to possess, use and enjoy all the Mortgaged Property, to receive and use the rents, issues, income and profits thereof and in the ordinary course of business to use and consume its materials and supplies all as if this Indenture had not been made.

Section 13.02. Disposition of Mortgaged Property
Without Release.

At any time and from time to time while in possession of the Mortgaged Property and not in default hereunder, the Corporation may without any release or consent by the Trustee:

(a) sell or otherwise dispose of free from the lien of this Indenture any machinery, equipment, or other property that has become worn out, obsolete, unserviceable, undesirable or unnecessary for use in the conduct of its business upon replacing the same with or substituting for the same new machinery, equipment or other property not necessarily of the same character but being of at least equal value and usefulness to the property so disposed of, which new property shall without further action become subject to the lien of this Indenture;

(b) abandon any property the use of which is no longer necessary or desirable in the proper conduct of the business of the Corporation and the maintenance of its earnings, provided that any required consent and approval of any governmental authority is first secured and a copy of any required order or certificate for authority so to abandon such property is filed with the Trustee;

(c) surrender or assent to the modification of any franchise, license, or permit which it may hold or under which it may be operating, provided that the Corporation shall still have the right, in the opinion of counsel, under the modified or some other franchise, license or permit, or without any franchise, license or permit, to conduct its business in the same or an extended territory during the same or any extended or indefinite period of time; and for the purposes of this subdivision, the right of any municipality to terminate a permit, license, or franchise by purchase shall not be deemed to abridge its duration;

(d) surrender, assent to or procure a modification of any franchise, license or permit under which it is operating that in the opinion of its Board of Directors is no longer necessary or desirable in the conduct of the Corporation's business and where the value and utility of the Mortgaged Property will not thereby be substantially impaired; or

(e) grant rights-of-way and easements over or in respect of any Mortgaged Property, provided that such grant will not, in the opinion of the Board of Directors, impair the usefulness of such property in the conduct of the Corporation's business, and will not be prejudicial to the interests of the Bondholders.

The Trustee shall, from time to time, execute any written instrument to confirm the propriety of any action taken by the Corporation under this Section 13.02, upon receipt by the Trustee of a Board Resolution requesting the same, together with an Officer's Certificate stating that such action was duly taken in conformity with a designated Paragraph of this Section 13.02 and an Opinion of Counsel stating that such action was duly taken by the Corporation in conformity with such Paragraph and that the execution of such written instrument is appropriate to confirm the propriety of such action under this Section 13.02.

Section 13.03. Release of Mortgaged Property.

The Corporation shall have the right, at any time and from time to time, to sell, exchange or otherwise dispose of any of the Mortgaged Property constituting less than all or substantially all of the Mortgaged Property (in addition to the property referred to in Section 13.02) subject to the lien of this Indenture, upon compliance with the requirements and conditions of this Section 13.03 and the Trustee shall release the same from the lien of this Indenture upon receipt by the Trustee of an application of the Corporation requesting such release and describing the property to be so released, together with (a) An officer's certificate, demonstrating that the disposition of such property is in compliance with Section 5.17 hereof, and (b) the cash or other consideration received by the Corporation in consideration of such sale, exchange or disposition.

Section 13.04. Eminent Domain and Other Governmental Takings.

Should all or any part of the Mortgaged Property be taken by eminent domain or be sold pursuant to the exercise by the United States of America or any state, municipality or other governmental authority of any right which it may then have to purchase, or to designate a purchaser or to order a sale of, all or any part of the Mortgaged Property, the Corporation forthwith shall notify the Trustee and, if the provisions of Section 3.03 are

applicable, shall comply with the notice provisions thereof. It shall deposit the award for any property so taken or the proceeds of any such sale with the Trustee, or, to the extent required in the Opinion of Counsel by the terms of a prior lien or Permitted Encumbrance on all or any part of any property so taken or purchased, with the trustee, mortgagee or other holder of such prior lien or Permitted Encumbrance. In the event of any such taking or sale, the Trustee shall release the property so taken or purchased, but only upon receipt by the Trustee of the following:

(a) a Board Resolution requesting such release and describing the property so to be released;

(b) an officer's certificate stating that such property has been taken by eminent domain and the amount of the award therefor, or that said property has been sold pursuant to a right vested in the United States of America, or a state, municipality or other governmental authority to purchase, or to designate a purchaser, or order a sale of such property and the amount of the proceeds of such sale, and that all conditions precedent herein provided for relating to such release have been complied with;

(c) the award for such property or the proceeds of such sale; provided, however, that, in lieu of all or any part of such award or proceeds, the Corporation shall have the right to deliver to the Trustee a certificate of the trustee, mortgagee or other holder of a prior lien or a Permitted Encumbrance on all or any part of the property to be released, stating that said award or proceeds, or a specified part thereof, has been deposited with such trustee, mortgagee or other holder pursuant to the requirements of such prior lien or Permitted Encumbrance, in which case the balance of the award, if any, shall be delivered to the Trustee; and

(d) an Opinion of Counsel stating

(1) that such property has been taken by eminent domain, or has been sold pursuant to the exercise of a right vested in the United States of America or a state, municipality or other governmental authority to purchase, or to designate a purchaser or order a sale of, such property;

(2) in the case of any such taking by eminent domain, that the award for the property so taken has become final or that an appeal from such award is not advisable in the interests of the Corporation or the holders of the Bonds;

(3) in the case of any such sale, that the amount of the proceeds of the property so sold is not less than the amount to which the Corporation is legally entitled under the terms of such right to purchase or designate a purchaser, or under the order or orders directing such sale, as the case may be;

(4) in case, pursuant to Subsection (c) of this Section, the award for such property or the proceeds of such sale, or a specified portion thereof, shall be certified to have been deposited with the trustee, mortgagee or other holder of a prior lien or a Permitted Encumbrance, that the property to be released, or a specified portion thereof, is or immediately before such taking or purchase was subject to such prior lien or Permitted Encumbrance, and that such deposit is required by such prior lien or Permitted Encumbrance; and

(5) that the instruments or the instruments and the award or proceeds of such sale which have been or are therewith delivered to and deposited with the Trustee conform to the requirements of this Indenture and that, upon the basis of such application, the Trustee is permitted by the terms of this Indenture to execute and deliver the release requested, and that all conditions precedent herein provided for relating to such release have been complied with.

In any proceedings for the taking or purchase or sale of any part of the Mortgaged Property, by eminent domain or by virtue of any such right to purchase or designate a purchaser or to order a sale, the Trustee may be represented by counsel who may be counsel for the Corporation.

Section 13.05. Pledged Securities.

(A) The securities granted in pledge by Granting Clause IV and Granting Clause V hereof and the shares of

stock pledged by the Parent Company as security for its Guaranty of the Sister Company Note pledged pursuant to said Granting Clause V and all other securities received by the Trustee pursuant to any provision of this Indenture (hereinafter collectively called the "Pledged Securities") shall be held by the Trustee as a part of the Mortgaged Property. All certificates representing shares of stock and all obligations so received by the Trustee unless already registered in the name of the Trustee shall be in negotiable form, or shall be accompanied by appropriate instruments of transfer to the Trustee and shall otherwise be in transferable form. The Trustee may from time to time, but prior to the happening of an Event of Default need not (unless requested by the holders of a majority in principal amount of the Bonds at the time Outstanding), transfer into its name or into the name of any nominee any Pledged Securities which are so transferable. The Trustee shall, upon Request, but under such arrangements as the Trustee shall deem expedient for the protection of the Trust Estate, permit the certificates representing any appropriate number of shares of stock pledged hereunder to be transferred into the name of nominees of the Corporation to qualify them as directors.

(B) There shall be paid, delivered, assigned, transferred and conveyed to the Trustee to be held as part of the Mortgaged Property:

(i) all distributions with respect to stock, (except distributions in cash made out of the Net Income of the corporation issuing such stock) which may become payable or distributable in respect of all shares of stock included in the Pledged Securities, including distributions in the course of dissolution, liquidation or winding up of the corporation issuing such stock, or in the event of the reduction of the capital of such corporation, or upon redemption or other acquisition or retirement of any shares of capital stock of such corporation; except that, prior to the occurrence of any default on the Sister Company Note and the failure of the Parent Company punctually to honor its guaranty thereof without demand, this clause (i) shall not apply with respect to any distributions made in respect of the shares of stock of United Florida Utilities Corporation pledged by the Parent Company to secure its guaranty of the Sister Company Note; and

(ii) all payments of principal on all obligations included in the Pledged Securities.

All moneys, shares of stock and obligations to be paid, delivered, transferred and assigned to the Trustee pursuant to the provisions of this Section 13.05 shall, if not received by the Trustee, be paid, delivered, transferred and assigned to the Trustee by the Corporation as and when received by the Corporation, and shall be held by the Trustee as provided in Paragraph A above.

(C) Unless and until an Event of Default shall occur and be continuing:

(i) the Corporation shall be entitled from time to time to collect and receive for its own use all cash distributions with respect to stock, paid out of the Net Income of the company issuing such stock, which may be made in respect of any shares of stock included in the Pledged Securities, and all sums which may be paid in cash for interest upon any obligations included in the Pledged Securities, other than any such interest which shall have been collected or paid out of the proceeds of any sale or condemnation or expropriation of any property covered by a mortgage or other lien securing such Pledged Securities; and the Trustee from time to time upon Corporation Request shall deliver to the Corporation suitable assignments and orders for the payment to it or upon its order of all such distributions and interest which from time to time may be declared or become payable; and the Trustee upon Corporation Request shall from time to time pay over to or upon the order of the Treasurer or an Assistant Treasurer of the Corporation all sums which may be received by the Trustee representing any such distribution or interest to which the Corporation shall be entitled; provided, however, that until actually paid or canceled, all such rights to distributions, coupons and rights to interest shall remain subject to the lien hereof;

(ii) the Corporation shall have the right from time to time to vote and to give consents with respect to Pledged Securities for all purposes not contrary to the provisions of this Indenture and to consent to and ratify action taken at or waive notice of any meeting with respect to any Pledged Securities with the same force and effect as though they were not Pledged Securities; and, with respect to shares of stock

registered in the name of the Trustee or its nominee, the Trustee shall from time to time upon Corporation Request give suitable waivers of notice and consents and deliver to the Corporation or its nominee suitable powers of attorney or proxies, with or without power of substitution, and either general or for such one or more purposes (including purposes specified in Paragraph D of this Section 16.05) as such Corporation Request may specify; and

(iii) except with the consent of the Corporation, the Trustee shall not enforce the collection or payment of the principal of, or interest on, any obligation included in the Pledged Securities, whether before or after the maturity thereof.

If any distributions or interest covered by any assignment or order delivered pursuant to the foregoing subparagraph (i) shall not be paid when due, the Corporation shall return such assignment or order forthwith to the Trustee. Whenever and so long as an Event of Default shall, to the knowledge of the Trustee, have occurred and be continuing, the Trustee shall revoke any assignment or order theretofore given by it for the payment of distributions or interest, and receive all distributions and interest in respect of all Pledged Securities; and all sums so received by the Trustee shall be held by it as additional security hereunder; but if any such Default shall have been remedied any portion of such sums then held by the Trustee shall be paid over by it to the Corporation upon Corporation Request and the right of the Corporation to receive such distributions and interest, and the duty of the Trustee to execute such assignments and orders, shall revive and continue as if no such Event of Default had occurred. Except as otherwise in this Indenture provided, the Trustee shall have and may exercise all the rights of an owner in respect to any Pledged Securities or may, in all respects not contrary to the provisions of this Indenture, permit such rights to be exercised by the Corporation.

The Corporation covenants that it will not sell, assign or transfer, and will not mortgage, pledge or otherwise encumber (except hereunder) any of its rights to distributions on, or payment of principal or interest in respect of, any Pledged Securities.

(D) Except as otherwise provided in this Indenture, nothing herein shall prevent any one or more of the following transactions:

(a) the merger or consolidation of any Subsidiary into or with the Corporation, or the conveyance or lease of all or any part of the assets of any Subsidiary to the Corporation; or

(b) the merger or consolidation of any Subsidiary or other corporation, stock of which shall be pledged hereunder, into or with any other corporation, or the merger or consolidation of any other corporation into or with any Subsidiary or other such corporation, or the conveyance of all or substantially all the assets of any Subsidiary or other such corporation to any other corporation; provided, however, that no such action involving a Subsidiary shall be taken unless the corporation resulting from such consolidation, or into which such merger shall be made, or which shall have acquired the assets of a Subsidiary, shall thereupon be a wholly owned Subsidiary.

(E) Unless an Event of Default shall have occurred and be continuing, the Trustee shall make any exchange or surrender or permit any substitution or cancelation of any Pledged Securities necessary or appropriate to effect any change in, or exchange of, or substitution for, or surrender of, any Pledged Securities authorized or permitted by Paragraph D hereof, but only upon the receipt by the Trustee of:

(i) a Board Resolution requesting such exchange, surrender, substitution or cancelation; and

(ii) an officers' certificate stating such facts as may be necessary to establish, to the satisfaction of the Trustee, that such exchange, surrender, substitution or cancelation is authorized or permitted by Paragraph D hereof and stating that no Event of Default has occurred and is continuing.

(F) If an Event of Default shall have occurred and be continuing, or if the Corporation shall give its consent evidenced by a Board Resolution, the Trustee in its discretion:

(i) may at any time vote or give consents in respect of any Pledged Securities, or authorize any

Pledged Securities to be voted or such consents to be given, and may take such other action as it in its discretion may deem desirable in order to protect the interests of the Trustee and of the Bondholders in respect of any Pledged Securities; and

(ii) in respect of any Pledged Securities, may join in and become a party to any plan of reorganization or readjustment, whether voluntary or involuntary, and may deposit any Pledged Securities under such plan or make any exchange or surrender or permit any substitution for or cancelation of Pledged Securities, as required by such plan, and may take such action with respect to any Pledged Securities as may be required by such plan; provided, however, that all securities issued or created under any such plan and exchanged for Pledged Securities shall be pledged hereunder.

The provisions of Clauses (i) and (ii) above shall be applicable with respect to the shares of United Florida Utilities Corporation referred to in Granting Clause V hereof only upon the occurrence and continuance of a default on the Sister Company Note and the failure of the Parent Company to honor punctually its Guaranty thereof, without demand.

(G) In the event of any default in respect of any obligation included in the Pledged Securities then, upon Corporation Request, the Trustee, as the holder of such obligation, may, in its discretion, exercise any and all rights under such obligation and cause any and all such proceedings as may be approved by the Trustee to be instituted and prosecuted to enforce the payment of the principal of and interest on such obligation and the performance of any of or all the covenants, terms and conditions contained in such obligation or in any agreement with respect thereto. In case an Event of Default shall have occurred and be continuing, then the Trustee may, in its discretion, without Corporation Request, exercise any of such rights and cause such proceedings to be instituted.

(H) If an Event of Default shall have occurred and be continuing, the Trustee shall be entitled to receive all payments made upon or with respect to any Pledged Securities and to vote and take any other action with respect thereto which the Corporation is herein authorized to receive or take prior to an Event of Default with the same force and effect as if the Trustee were the owner of such Pledged Securities.

(I) All moneys paid to the Trustee pursuant to this Section 16.05 shall, except as herein otherwise expressly provided, be applied from time to time as provided in Sections 16.02 and 16.09 hereof.

Section 13.06. Purchaser Protected.

In no event shall any purchaser or purchasers in good faith of any property purported to be released hereunder be bound to ascertain the authority of the Trustee to execute the release or to inquire as to the satisfaction of any conditions required by the provisions hereof for the exercise of such authority or to see to the application of any consideration given by such purchaser or other transferee; nor shall any purchaser or other transferee of any property or rights permitted by this Article Thirteen to be sold be under obligation to ascertain or inquire into the authority of the Corporation to make any such sale or other transfer.

Section 13.07. Powers Exercisable Notwithstanding Event of Default.

Subject to the provisions of Subsection (b) of Section 8.01, the Trustee may in its discretion (but shall not be bound to) execute any release or consent under the provisions of this Article Thirteen notwithstanding that at the time an Event of Default shall have happened and be continuing. The Application of the Corporation for such release or consent shall, instead of stating that no Event of Default exists, specify each Event of Default which shall, to the knowledge of the signers, have happened and be continuing.

Section 13.08. Powers Exercisable by Receiver or Trustee.

In case the Mortgaged Property shall be in the possession of a receiver or trustee, lawfully appointed, the powers conferred in this Article Thirteen upon the Corporation with respect to the release, sale or other disposition of property subject to the lien hereof may be exercised by such receiver or trustee, and an instrument signed by such receiver or trustee shall be deemed the equivalent of any similar instrument of the Corporation or of any officer or officers thereof required by the provisions of this Article Thirteen; and if the Trustee shall be in the possession of the Mortgaged Property under any provision of this Indenture, then such powers may be exercised by the Trustee.

ARTICLE FOURTEEN

Redemption of BondsSection 14.01. Redemption Price and Manner of Redemption.

The redemption price and the terms, place and manner of redemption of the Bonds shall be as stated in the respective Bonds and shall also be governed by this Article Fourteen, except in connection with the redemption of Series A Bonds through the sinking fund as provided for in Section 3.02 hereof and the redemption of Bonds of Series A at the election of the Holders thereof as provided for in Section 3.03, and in any supplemental indenture creating any other series of Bonds, with respect to such other series.

Section 14.02. Selection of Bonds to Be Redeemed.

If less than all of the Bonds are to be redeemed other than pursuant to Section 3.03, the Corporation shall select the particular series of Bonds which are to be redeemed, either in whole or in part, and the principal amount of Bonds which are to be redeemed, by written notice mailed to the Trustee at least 20 days in advance of the date fixed for the mailing of the notice of redemption.

If less than all of the Bonds of any series Outstanding hereunder are to be redeemed other than pursuant to Section 3.03, the particular Bonds to be redeemed shall be selected not more than 60 days prior to the redemption date by the Trustee from the Outstanding Bonds of such series not previously called for redemption by prorating, as nearly as may be, the principal amount of Bonds of such series to be redeemed among the registered holders of Bonds of the series according to the respective aggregate principal amounts of Bonds of such series held by such holders; provided, however, that, if a written consent of all the registered holders of Bonds of the series is filed with the Trustee specifying some other method of selecting the Bonds of such series to be redeemed, such selection shall be made by the Trustee in accordance therewith; and provided further that, if any series of Bonds shall have been sold by the Corporation pursuant to a public offering registered under the Securities Act of 1933, as amended, or any similar statute enacted in substitution or replacement thereof, the Trustee shall select by lot or in any other manner that it deems equitable the Bonds of such series then to be redeemed. In any proration pursuant to this Section, the Trustee shall make such adjustments as it shall deem

proper to the end that the principal amount of Bonds so redeemed shall be \$1,000 or a multiple thereof, by increasing or decreasing the amount which would be allocable to any Bondholder on the basis of exact proration by an amount not exceeding \$1,000. The Trustee may in its discretion determine the Bonds, if there are more than one, registered in the name of any Bondholder that are to be redeemed, in whole or in part.

Section 14.03. Notice of Redemption.

In case the Corporation shall desire to exercise such right to redeem all, or, as the case may be, any part of the Bonds in accordance with the right reserved so to do, it shall give written notice of such redemption to holders of the Bonds to be redeemed in whole or in part as herein-after in this Section 14.03 provided. Written notice of such redemption shall also be given the Trustee and shall be accompanied by an officer's certificate and a Board Resolution calling for redemption of the Bonds referred to in such notice.

Notice of redemption to holders of Bonds to be redeemed in whole or in part shall be given by sending, by certified mail, a notice of such redemption not less than 30 days and not more than 60 days before the date fixed for redemption to such holders at their last addresses as they shall appear upon the registration books. Any notice that is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the registered holder receives the notice. In any case, failure duly to give notice or any defect in the notice to the holder of any Bonds designated for redemption in whole or in part shall not affect the validity of the proceedings for the redemption of any other Bonds.

Each such notice of redemption shall specify the date fixed for redemption, the redemption price at which Bonds are to be redeemed, and shall state that payment of the redemption price of the Bonds to be redeemed will be made at the corporate trust office of the Trustee upon presentation and surrender of such Bonds, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that interest thereon will cease to accrue at the close of business on the date fixed for redemption. If less than all the Bonds of a series are to be redeemed, the notice which relates to each Bond shall state the portion of the principal amount thereof to be redeemed, and shall state that on and after the redemption

date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion thereof will be issued or, at the option of the holder, such Bond may be presented for notation thereon of the payment, as of the redemption date, of the redeemed portion of the principal thereof.

Section 14.04. Payment of Redemption Price.

If the giving of notice of redemption shall have been completed as above provided, the Bonds or portions of Bonds specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption. In such case and if moneys in the necessary amount to pay such Bonds or portions of Bonds at the redemption price, together with interest thereon to the date fixed for redemption, shall prior to the date fixed for redemption have been deposited in trust with the Trustee, interest on such Bonds or portions of Bonds shall cease to accrue on and after the date fixed for redemption. Interest on Bonds or portions of Bonds called for redemption as aforesaid shall cease to accrue on and after the date fixed for redemption, in any event, irrespective of whether or not any such deposit in trust or setting aside and segregation in trust shall have been made, except with respect to any Bond or portion thereof so called for redemption on which the Corporation shall default in the payment of the redemption price, together with interest accrued thereon to the date fixed for redemption. On presentation and surrender of such Bonds on or after the date fixed for redemption at the place of payment specified in the notice, such Bonds shall be paid and redeemed at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption.

Upon presentation of any Bond which is redeemed in part only, the Corporation shall execute and the Trustee shall authenticate and deliver to the holder thereof, at the expense of the Corporation, a new Bond or Bonds in principal amount equal to the unredeemed portion of the Bond so presented or, at the option of the holder, the same may be presented for notation thereon of the payment, as of the date fixed for redemption, of the redeemed portion of the principal thereof.

The provisions of this Section 14.04 shall apply, mutatis mutandis to Redemptions pursuant to Section 3.03.

Section 14.05. Notation on Bond for Partial Redemption.

Notwithstanding the provisions of Section 14.03 and 14.04, in the event of the payment of a portion of any Bond, the Trustee, in lieu of requiring the presentation of such Bond to be partially paid and redeemed and noting such payment thereon, may in its letter transmitting such payment to any such Bondholder instruct such holder to endorse such payment on such Bond, provided that the Corporation or the Trustee shall have first obtained a written undertaking from such Bondholder that such holder will not sell, transfer or otherwise dispose of any Bond so partially paid without first presenting such Bond to the Trustee in exchange for a new Bond or Bonds of aggregate principal amount equal to the unpaid portion thereof.

Section 14.06. Cancellation of Bonds.

All Bonds redeemed and paid under this Article Fourteen shall, except as provided in Section 14.05, be canceled by the Trustee and a certificate as to such cancellation shall be delivered by the Trustee to the Corporation.

ARTICLE FIFTEEN

Satisfaction and Discharge of Indenture;
Unclaimed Moneys

Section 15.01. Satisfaction and Discharge of Indenture.

If at any time

(a) either

(i) there shall have been canceled by the Trustee or delivered to the Trustee for cancellation all Bonds theretofore authenticated and delivered (other than any Bonds that are asserted to have been destroyed, lost or stolen and that shall have been replaced as provided in Section 2.11, or paid, or Bonds for whose payment money has theretofore been deposited in trust with the Trustee or segregated and held in trust by the Corporation), or

(ii) all such Bonds not theretofore canceled by the Trustee or delivered to the Trustee for

cancelation shall have become due and payable, or are by their terms to become due and payable within one (1) year, and the Corporation has deposited or caused to be deposited with the Trustee as trust funds the entire amount sufficient to pay at maturity or upon redemption all such Bonds not theretofore canceled by the Trustee or delivered to the Trustee for cancelation;

(b) the Corporation has paid or caused to be paid all other sums payable hereunder by the Corporation;

(c) the Corporation has delivered to the Trustee an officer's certificate stating that all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture have been complied with; and

(d) the Corporation has delivered an Opinion of Counsel stating that the documents and other items that have been or are therewith delivered to the Trustee conform to the requirements of this Indenture, and that, upon the basis of the Corporation Request and the accompanying documents and items specified in this Section, all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture have been complied with,

then, upon Corporation Request authorized by Board Resolution, this Indenture and the lien, rights and interests hereby created shall cease to be of further effect, and the Trustee, at the cost and expense of the Corporation, shall execute and deliver proper instruments acknowledging satisfaction of and discharging this Indenture. Such instruments shall be in form satisfactory for recording as a release of mortgage with the appropriate recording office. Forthwith upon such execution and delivery the estate, right, title and interest of the Trustee in and to all securities, cash (except cash deposited pursuant to this Section) and other personal property held by it as part of the Mortgaged Property shall cease to be of further effect and the Trustee shall transfer, deliver and pay the same to the Corporation.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Corporation to the Trustee under Section 8.06 shall survive.

Section 15.02. Funds Deposited for Payment of Bonds.

All moneys deposited with the Trustee pursuant to Section 15.01 shall be held in trust and shall be available for immediate payment, to the holders of the particular Bonds for the payment or redemption of which such moneys have been deposited with the Trustee.

Section 15.03. Moneys Held by Trustee.

Any moneys deposited with the Trustee in trust for the payment of the principal of (and premium, if any) or interest on any Bond that are not applied but remain unclaimed by the holder of such Bond for six (6) years after the date upon which the principal of (and premium, if any) or interest on such Bond shall have respectively become due and payable shall be repaid to the Corporation on Corporation Request; and thereupon the Trustee shall be released from all further liability with respect to such moneys, and the holder of such Bond entitled to receive such payment shall thereafter look only to the Corporation for the payment thereof; nevertheless, the Trustee, before being required to make any such repayment, may at the expense of the Corporation either mail to each Bondholder affected, at the address shown in the Bond Register, or cause to be published once a week for two (2) successive weeks (in each case on any regular business day) in an Authorized Newspaper a notice that such moneys have not been so applied and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Corporation.

ARTICLE SIXTEEN

Application, Investment and Withdrawal of Trust Moneys

Section 16.01. "Trust Moneys" Defined.

All moneys received by the Trustee

(a) upon the release of property from the lien of this Indenture, including the principal of all purchase money obligations, or

(b) as compensation for, or proceeds of sale of, any part of the Mortgaged Property taken by eminent domain or purchased by, or sold pursuant to an order

of, a governmental authority or otherwise disposed of,
or

(c) as proceeds of insurance upon any part of the
Mortgaged Property, or

(d) as a result of its holding Pledged Securities
(except to the extent any such moneys are distributable
to the Corporation pursuant to the provisions of
Section 13.05 hereof)

(e) elsewhere in this Indenture provided to be
held and applied under this Article, or required to be
paid to the Trustee and whose disposition is not
elsewhere herein otherwise specifically provided for,

(all such moneys being herein sometimes called "Trust
Moneys"), shall be held by the Trustee as a part of the
Mortgaged Property and, upon any sale of the Mortgaged
Property, or any part thereof, under Article Seven, said
Trust Moneys shall be applied in accordance with Sec-
tion 7.05; but, before any such sale, all or any part of the
Trust Moneys may be withdrawn, and shall be paid or applied
by the Trustee, from time to time as provided in
Section 16.02 through 16.06, inclusive and Section 16.09.

Section 16.02. Withdrawal on Basis of Bondable Property.

Subject to the provisions of Sections 16.04 and
16.08, Trust Moneys may be withdrawn by the Corporation and
shall be paid by the Trustee upon Corporation Order, at any
time and from time to time, upon receipt by the Trustee of
an application of the Corporation for such withdrawal,
together with the following:

(a) A Board Resolution requesting the withdrawal
and payment of a specified amount of Trust Moneys and
designating the source thereof.

(b) An officer's certificate dated not more than
thirty (30) days before the date of the application for
the withdrawal and payment of such Trust Moneys,
stating

(1) that no Event of Default has occurred
that has not been cured;

(2) that no part of such Trust Moneys has been, or is required to be, set aside under Section 16.08; and

(3) that all conditions precedent herein provided for relating to such withdrawal and payment have been complied with.

(4) that the Trust Moneys being withdrawn are being concurrently applied to the payment of Costs incurred within the 12-month period prior to the month in which such certificate is dated by the Corporation for the acquisition of tangible assets useful in its business as a utility.

(c) An Opinion of Counsel to the effect that the tangible assets referred to in such officer's certificate have been effectively subjected to the lien of this Indenture subject only to Permitted Encumbrances.

Wherever in this Indenture provision is made for the deposit of moneys with the Trustee that are Trust Moneys as provided in Section 16.01, such moneys need not actually be deposited if and to the extent that the Corporation shall at the time furnish to the Trustee evidence of its right to obtain the withdrawal of such Trust Moneys pursuant to this Section. In such event, however, such Trust Moneys shall, for the purposes of any references in this Indenture to moneys deposited with or received by the Trustee or withdrawn, be deemed to have been actually deposited with the Trustee and released and paid by it pursuant to this Section.

Section 16.03. Payment of Outstanding Bonds.

Trust Moneys shall be applied by the Trustee at any time and from time to time to the payment of the principal of outstanding Bonds, either at their stated maturity or upon redemption (including sinking fund redemptions and redemptions required by election of the Holders of Series A Bonds), as the Corporation shall be permitted and shall determine and request in accordance with Article Fourteen of this Indenture. In the case of Trust Moneys received as proceeds upon the Involuntary Conversion of Mortgaged Property, the excess of the amount so received used to redeem Bonds pursuant to Section 3.03 may be withdrawn by the Corporation.

Section 16.04. Withdrawal of Insurance Proceeds.

To the extent that any Trust Moneys are proceeds of insurance upon any part of the Mortgaged Property, they may be withdrawn by the Corporation and shall be paid by the Trustee upon Corporation Order to reimburse the Corporation for expenditures made to repair, restore or replace the property destroyed or damaged, upon the receipt by the Trustee of the following:

(a) An officer's certificate, dated not more than thirty days before the date of the application for the withdrawal and payment of such Trust Moneys, stating as follows:

(1) That expenditures have been made in a specified amount for the purpose of making certain repairs, restorations and replacements of the Mortgaged Property, which shall be briefly described, and stating the fair value thereof to the Corporation at the date of the acquisition thereof by the Corporation; except that it shall not be necessary under this Paragraph to state the fair value of any of such repairs, restorations or replacements that are separately described pursuant to Paragraph (4) of this Subsection and whose fair value is stated in the Independent Engineer's Certificate under the following Subsection (b) of this Section.

(2) That no part of such expenditures, in any previous or then pending application, has been or is being made the basis for the withdrawal of any Trust Moneys pursuant to this Section.

(3) That there is no outstanding indebtedness known, after due inquiry, to the Corporation, for the purchase price or construction of such repairs, restorations or replacements, or for labor, wages, materials or supplies in connection with the making thereof, that, if unpaid, might become the basis of the mechanics', laborers', materialmen's, statutory or other similar lien, upon such repairs, restorations or replacements, or any part thereof, that might, in the opinion of the signers of such Certificate, materially impair the security afforded by said repairs, restorations or replacements.

(4) Whether any part of such repairs, restorations or replacements has, within six months before the date of acquisition thereof by the Corporation, been used or operated by others than the Corporation, in a business similar to that in which such property has been or is to be used or operated by the Corporation, and whether the fair value to the Corporation, at the date of such acquisition, of such part of such repairs, restorations or replacements is at least \$50,000 and at least one percent of the aggregate principal amount of Bonds at the time Outstanding; and, if all of such facts are present, such part of said repairs, restorations or replacements shall be separately described, and it shall be stated that an Independent Engineer's Certificate as to the fair value to the Corporation of such separately described repairs, restorations or replacements will be furnished under the following Subsection (b) of this Section.

(5) That no Event of Default has occurred that has not been cured.

(6) That no part of such Trust Moneys has been, or is required to be, set aside under Section 16.08.

(7) That all conditions precedent herein provided for relating to such withdrawal and payment have been complied with.

(b) In case any part of such repairs, restorations or replacements is separately described pursuant to the foregoing Paragraph (4) of Subsection (a) of this Section, an Independent Engineer's Certificate stating the fair value to the Corporation, in such Engineer's opinion, of such separately described repairs, restorations or replacements at the date of the acquisition thereof by the Corporation.

(c) An Opinion of Counsel stating:

(1) that the instruments that have been or are therewith delivered to the Trustee conform to the requirements of this Indenture, and that, upon the basis of such application and the accompanying documents specified in this Section, all conditions precedent herein provided for relating to

such withdrawal and payment have been complied with, and the Trust Moneys whose withdrawal is then requested may be lawfully paid over under this Section;

(2) that the Corporation has acquired title to said repairs, restorations and replacements at least the equivalent of its title to the property destroyed or damaged, and that the same and every part thereof are free and clear of all mortgages, liens, charges or encumbrances prior to the lien of this Indenture, except (i) Permitted Encumbrances, (ii) easements and other similar encumbrances that, in the opinion of such counsel, do not materially impair the use of such repairs, restorations or replacements in the operation of the business of the Corporation, and (iii) any other prior liens, charges or encumbrances to which the property so destroyed or damaged shall have been subject at the time of such destruction or damage; and

(3) that all of the Corporation's right, title and interest in and to said repairs, restorations or replacements, or combination thereof, are then subject to the lien of this Indenture.

Upon compliance with the foregoing provisions of this Section the Trustee shall pay on Corporation Order an amount of Trust Moneys of the character aforesaid equal to the amount of the expenditures stated in the Officer's Certificate required by Paragraph (1) of Subsection (a) of this Section, or the fair value to the Corporation of such repairs, restorations and replacements stated in such Officer's Certificate (and in such Independent Engineer's Certificate, if required by Subsection (b) of this Section) whichever is less.

Section 16.05. Powers Exercisable Notwithstanding Event of Default.

In case an Event of Default shall have occurred and shall not have been cured, the Corporation, while in possession of the Mortgaged Property (other than cash, securities and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder or with the trustee, mortgagee or other holder of a prior lien or Permitted Encumbrance), may do any of the things

enumerated in Sections 16.02 to 16.04, inclusive, if the Trustee in its discretion, or the holders of a majority in principal amount of the Bonds then Outstanding, by appropriate action of such Bondholders, shall consent to such action, in which event any Certificate filed under any of such Sections shall omit the statement to the effect that no Event of Default has occurred that has not been cured. This Section shall not apply, however, during the continuance of an Event of Default of the type specified in Subsection (a), (b) or (c) of Section 7.01.

Section 16.06. Powers Exercisable by Trustee or Receiver.

In case the Mortgaged Property (other than cash, securities and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder or with the trustee, mortgagee or other holder of a prior lien or Permitted Encumbrance) shall be in the possession of a receiver or trustee lawfully appointed, the powers hereinbefore in this Article conferred upon the Corporation with respect to the withdrawal or application of Trust Moneys may be exercised by such receiver or trustee (subject to Section 16.05), in which case a written request or order signed by such receiver or trustee shall be deemed the equivalent of any Board Resolution or Corporation Request or Order required by this Article, and a certificate signed by such receiver or trustee shall be deemed the equivalent of any Officer's Certificate required by this Indenture. If the Trustee shall be in possession of the Mortgaged Property under Section 7.03, such powers may be exercised by the Trustee in its discretion.

Section 16.07. Disposition of Bonds Retired.

All Bonds received by the Trustee and on the basis of which Trust Moneys are paid over or for whose payment or redemption Trust Moneys are applied under this Article shall be canceled by the Trustee as provided in Article Fourteen of this Indenture.

Section 16.08. Investment of Trust Moneys.

All or any part of any Trust Moneys held by the Trustee hereunder (except such as may be held for account of any particular Bonds) shall from time to time at the written request of the Corporation, signed by the Treasurer or an Assistant Treasurer of the Corporation, be invested or reinvested by the Trustee in any bonds or other obligations of the United States of America or receipts therefor

designated by the Corporation, which as to principal and interest constitute direct obligations of the United States of America and will mature or become payable at the election of the holder within one year after acquisition by the Trustee. Until one or more of the Events of Default specified in Section 7.01 shall happen and be continuing, any interest or increment on such investments (in excess of any accrued interest paid at the time of purchase) which may be received by the Trustee shall be forthwith paid to the Corporation. Such investments shall be held by the Trustee as a part of the trust estate, subject to the same provisions hereof as the cash used by it to purchase such investments; but upon a like request of the Corporation, the Trustee shall sell all or any designated part of the same and the proceeds of such sale shall be held by the Trustee subject to the same provisions hereof as the cash used by it to purchase the investments so sold. If under the provisions of this Indenture any Trust Moneys held by the Trustee and so invested or reinvested shall be required to be applied to the redemption of Bonds, the Trustee shall forthwith sell such investments in an amount equivalent to the Trust Moneys so to be applied. In case the net proceeds (exclusive of interest) realized upon any such sale shall amount to less than the amount invested by the Trustee in the purchase of the investments so sold (after appropriate adjustment on account of any accrued interest paid at the time of purchase), the Trustee shall within five days after such sale notify the Corporation in writing thereof and within five days thereafter the Corporation shall pay to the Trustee the amount of the difference between such purchase price and the amount so realized, and the amount so paid shall be held by the Trustee in like manner and subject to the same conditions as the proceeds realized upon such sale.

Whenever application is made by the Corporation under any provisions of this Indenture to withdraw all or any part of Trust Moneys deposited or held by the Trustee, the Corporation shall accept investments held by the Trustee as a part of the Mortgaged Property pursuant to this Section 16.08 to the extent that such investments shall be tendered to it by the Trustee in lieu of cash; and such investments shall be accepted in lieu of such cash at the net cost thereof (exclusive of accrued interest) to the trust estate.

The Trustee shall not be liable or responsible for any loss resulting from any investment or reinvestment pursuant to this Section 16.08.

ARTICLE SEVENTEEN

Immunity of Incorporators, Stockholders,
Officers, and Directors

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Bond or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, past, present, or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or any such predecessor or successor corporation, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers, or directors of the Corporation or of any predecessor or successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Bonds or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer or director, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Bonds or implied therefrom, is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issuance of such Bonds. Notwithstanding any language of this Article Seventeen, or of any other provision of this Indenture or of the Bonds to the contrary, no such waiver, release, or exemption from individual liability of any incorporator, stockholder, officer or director, past, present or future, of the corporation, or of any predecessor or successor corporation, shall apply with respect to any claim based on fraud, misrepresentation or gross negligence.

ARTICLE EIGHTEEN

Miscellaneous ProvisionsSection 18.01. Certain Assignments of Bonds.

In the event that a holder of a Bond of any series shall assign such Bond without transferring ownership thereof on the Bond Register in accordance with Section 2.10 hereof, this Indenture shall secure payment of such Bond for the benefit of such registered holder, equally and ratably with all present and future holders of Bonds issued hereunder, and not for the benefit of any such assignee.

Section 18.02. Successors and Assigns.

All the covenants and agreements in this Indenture contained by or in behalf of the Corporation shall bind its successors and assigns, whether so expressed or not.

Section 18.03. Board and Other Action.

Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee, or officer of the Corporation shall and may be done and performed with like force and effect by the corresponding board, committee, or officer of any corporation that shall at the time be the lawful sole successor of the Corporation.

Section 18.04. Surrender of Powers.

The Corporation by Board Resolution may surrender any of the powers reserved to the Corporation and thereupon such power so surrendered shall terminate both as to the Corporation and as to any successor corporation.

Section 18.05. Service of Notices.

Any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by any Bondholder to or on the Corporation shall be sufficiently given if mailed, first-class postage prepaid, addressed (until another address is filed in writing by the Corporation with the Trustee), as follows: Deltona Utilities, Inc., 3250 Southwest Third Avenue, Miami, Florida 33129. Attention: Earle D. Cortright, Jr. Any notice, election, request or demand by the Corporation or any Bondholder to or upon the Trustee, shall be sufficiently

given or made, for all purposes, if given or made in writing at the principal corporate trust office of the Trustee, addressed as follows: Southeast Bank, N.A., 100 South Biscayne Boulevard, Miami, Florida 33131. Attention: Corporate Trust Department.

Section 18.06. Florida Law Applicable.

This Indenture and each Bond shall be governed by and construed in accordance with the law of the State of Florida.

Section 18.07. Certificates to Trustee.

Upon any application or demand by the Corporation to the Trustee to take any action under any of the provisions of this Indenture, the Corporation shall furnish to the Trustee an officer's certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel, based on such application and the accompanying documents and other items required by this Indenture, all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture including certificates of any Engineer or Appraiser, and delivered to the Trustee with respect to compliance with a condition or covenant in this Indenture shall include: (1) a statement that each person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion whether such covenant or condition has been complied with; and (4) a statement whether, in the opinion of such person, such condition or covenant has been complied with.

Section 18.08. Payments Coming Due on Saturday, Sunday or Legal Holiday.

In any case where the date of maturity of interest or principal of the Bonds or the date of redemption of any Bond shall be a Saturday or a Sunday or a legal holiday in the City of Miami, Florida, or a day on which banking institutions in such City are authorized by law to close, then payment of interest or principal (and premium, if any) may be made in such city on the next succeeding day not a Sunday or a legal holiday or a date on which banking institutions are authorized by law to close, with the same force and effect as if made on the nominal date of maturity or redemption, and no interest shall accrue for the period after such nominal date.

Section 18.09. Counterparts.

This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 18.10. Effect of Headings and Table of Contents.

The Article, Section and Subsection headings contained in this Indenture and the Table of Contents are for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 18.11. Acceptance of Trust by Trustee.

The Trustee hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

Section 18.12. Separability of Indenture Provisions.

In case any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired in any way.

IN WITNESS WHEREOF, Deltona Utilities, Incorporated has caused this Indenture to be signed in its corporate name by its Vice President and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, and Southeast Bank, N.A., as Trustee, has caused this Indenture to be signed in its corporate name by a Vice President and its corporate seal to be hereunto affixed and attested by a Vice President, as of the day and year first above written.

DELTONA UTILITIES, INCORPORATED

By:

Earle D. Cortright, Jr.
Vice President

(corporate seal)

ATTEST:

William I. Livingston
Assistant Secretary

SOUTHEAST BANK, N.A.

By:

Howard R. Straughan, Jr.
Vice President

(corporate seal)

ATTEST:

Nancy C. Robertson
Vice President

Legal Description

All of Tract "L" of SPRING HILL UNIT 1, according to the plat thereof recorded in Plat Book 7, Pages 53 through 64 inclusive of the Public Records of Hernando County, Florida.

Containing 5.29 acres more or less.

ALSO

All of Tract "B" of SPRING HILL UNIT 2, according to the plat thereof recorded in Plat Book 7, Pages 65 through 79 inclusive of the Public Records of Hernando County, Florida.

Containing 0.12 acres more or less.

ALSO

All of Tract "K" of SPRING HILL UNIT 7, according to the plat thereof recorded in Plat Book 8, Pages 11 through 24 inclusive of the Public Records of Hernando County, Florida.

Containing 4.43 acres more or less.

ALSO

All of Tract "D" of SPRING HILL UNIT 9, according to the plat thereof recorded in Plat Book 8, Pages 38 through 53 inclusive of the Public Records of Hernando County, Florida.

Containing 7.76 acres more or less.

ALSO

All of Tract "B" of SPRING HILL UNIT 13, according to the plat thereof recorded in Plat Book 8, Pages 84 through 100 inclusive of the Public Records of Hernando County, Florida.

Containing 4.54 acres more or less.

ALSO

All of Tract "R-C" of A REPLAT OF TRACT "E" OF SPRING HILL UNIT 20 AND "A REPLAT OF PORTIONS OF SPRING HILL UNITS 18, 19 & 20 AND A SECOND REPLAT OF SPRING HILL UNITS 18 & 19", according to the plat thereof recorded in Plat Book 17, Page 41 and 42 of the Public Records of Hernando County, Florida.

Containing 6.21 acres more or less.

ALSO

Tract "H" of SPRING HILL UNIT 25, according to the plat thereof recorded in Plat Book 10, Pages 61 through 76 inclusive of the Public Records of Hernando County, Florida,

LESS AND EXCEPT therefrom the following:

Begin at the Southeast corner of said Tract "H", being a point on the Westerly Right-of-Way line of that certain Florida Power Corporation Easement dated September 3, 1937 and recorded in Deed Book 97 at Page 418 of the Public Records of Hernando County, Florida for the POINT OF BEGINNING; thence run N89°24'29"W along the Southerly boundary of said Tract "H" a distance of 197.26 feet; thence leaving said Southerly boundary, run N00°35'31"E a distance of 200.00 feet; thence run S89°24'29"E a distance of 238.43 feet to a point on the aforesaid Westerly Right-of-Way line; thence run S12°15'06"W along said Westerly Right-of-Way line a distance of 204.21 feet to the Point of Beginning.

Containing 6.74 acres more or less.

ALSO

THAT PORTION OF:

Section 29; the S 1/2 of the SE 1/4 of Section 30; the N 1/2 of the NW 1/4, the NE 1/4 and the SE 1/4 of the NW 1/4 of Section 31, all being in Township 23 South, Range 17 East, Hernando County, Florida,

lying West of the Westerly right-of-way line of U.S. Highway No. 19 and South of the Southerly right-of-way line of State Road No. 595;

LESS AND EXCEPT the following described parcels of land:

That portion of the North 550 feet of the East 816 feet of the NE 1/4 of the NE 1/4 of Section 31, Township 23 South, Range 17 East, lying West of the Westerly right-of-way line of U.S. Highway No. 19;

ALSO LESS AND EXCEPT

That certain parcel of land lying in and being a part of Sections 29, 30 and 31, Township 23, South, Range 17 East, Hernando County, Florida, and being more particularly described as follows:

For the POINT OF BEGINNING of the parcel of land hereinafter described, begin at the common section corner of Sections 29, 30, 31 and 32, Township 23 South, Range 17 East; run thence S89°32'40"W, along the South line of said Section 30, for a distance of 191.45 feet to a point, said point being 300.00 feet, measured perpendicularly from the Westerly Right-of-Way Line of U.S. Highway No. 19; run thence N23°37'07"E, parallel to said Westerly Right-of-Way Line, for a distance of 475.45 feet to a point on the west boundary line of aforesaid Section 29; thence continue N23°37'07"E, parallel to aforesaid Westerly Right-of-Way Line of U.S. Highway No. 19, for a distance of 4277.28 feet to the point of curvature of a circular curve to the right, having a radius of 6129.63 feet, said curve being concentric to the aforesaid Westerly Right-of-Way Line of U.S. Highway No. 19; thence run Northerly along the arc of said curve, through a central angle of 06°21'18" for a distance of 679.87 feet to the end of said curve; thence run N12°25'23"W for a distance of 214.13 feet to a point on the South Right-of-Way Line of State Road No. 595; thence run N77°34'37"E, along said South Right-of-Way Line of State Road No. 595 for a distance of 200.00 feet; thence run S12°25'23"E, radial to the next described curve, for a distance of 10.00 feet to a point on a circular curve, concave in a Southerly direction, and having a radius of 250.00 feet; thence run Easterly along the South Right-of-Way Line of aforesaid State Road No. 595, and the arc of said curve, through a central angle of 46°19'40" for a distance of 202.14 feet to the point of tangency; thence run S56°05'43"E for a distance of 50.77 feet to the point of curvature of a circular curve to the right having a radius of 50.00 feet; thence run Southerly along the arc of said curve, through a central angle of 94°36'06" for a distance of 82.56 feet to a point of reverse curvature of a circular curve to the left having a radius of 5829.63 feet, said point being on the aforesaid Westerly Right-of-Way Line of U.S. Highway No. 19; thence run Southwesterly along said Westerly Right-of-Way Line and the arc of said curve, through a central angle, of 08°53'38" for a distance of 904.93 feet to the point

of tangency; thence run $S23^{\circ}37'07''W$, along said Westerly Right-of-Way Line for a distance of 4642.09 feet to a point on the South Line of aforesaid Section 29; thence continue along said Right-of-Way Line, $S23^{\circ}35'42''W$ for a distance of 354.72 feet to a point on the West line of aforesaid Section 32; thence, leaving said Right-of-Way Line, run $N00^{\circ}51'35''E$, along said West line of Section 32, for a distance of 324.01 feet to the Point of Beginning.

ALSO LESS AND EXCEPT

That certain parcel of land lying in and being a part of Section 31, Township 23 South, Range 17 East, Hernando County, Florida, and being more particularly described as follows:

Commence at the Northeast corner of said Section 31; thence run $S00^{\circ}51'35''W$, along the East boundary line of said Section, for a distance of 324.01 feet to a point on the Westerly Right-of-Way Line of U.S. Highway No. 19; thence run $S23^{\circ}35'42''W$, along said Westerly Right-of-Way Line, for a distance of 246.42 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S23^{\circ}35'42''W$, along said Westerly Right-of-Way Line, for a distance of 1700.00 feet; thence, leaving said Right-of-Way Line, run $N66^{\circ}24'18''W$ for a distance of 552.54 feet; thence run $N23^{\circ}35'42''E$, parallel to the aforesaid Westerly Right-of-Way Line of U.S. Highway No. 19, for a distance of 1453.41 feet; thence run $N89^{\circ}32'40''E$, parallel to the North line of aforesaid Section 31, for a distance of 605.07 feet to the Point of Beginning.

ALSO LESS AND EXCEPT

That certain parcel of land lying in and being a part of Section 31, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

Commence at the Northeast corner of said Section 31; thence run $S00^{\circ}51'35''W$, along the East boundary line of said Section 31, for a distance of 324.31 feet to a point on the Westerly Right-of-Way Line of U.S. Highway No. 19; run thence $S23^{\circ}35'42''W$, along said Westerly Right-of-Way Line, for a distance of 1946.42 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S23^{\circ}35'42''W$, along said Westerly Right-of-Way Line, for a distance of 2025.94 feet to a point on the South line of the N 1/2 of the SE 1/4 of said Section 31; run thence $N89^{\circ}57'43''W$, along the South line of the N 1/2 of the SE 1/4, for a distance of 327.28 feet, said point being 300.00 feet, measured perpendicularly, from the Westerly Right-of-Way Line of U.S. Highway No. 19; thence run $N23^{\circ}35'42''E$, parallel to said Right-of-Way Line, for a distance of 2156.75 feet; thence run $S66^{\circ}24'18''E$ for a distance of 300.00 feet to the Point of Beginning.

ALSO LESS AND EXCEPT

A parcel of land lying in the NE 1/4 of Section 31, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 31; run thence $S00^{\circ}52'03''W$ along the East section line thereof for a distance of 324.70 feet to a point on the Northwesterly Right-of-Way Line

of U.S. Highway No. 19; thence run $S23^{\circ}35'47''W$ along said Northwesterly Right-of-Way Line, for a distance of 3972.32 feet to a point on the South line of the N 1/2 of the SE 1/4 of said Section 11; thence run $S89^{\circ}58'24''W$, along said South line, for a distance of 327.44 feet, said point being 300.00 feet, measured perpendicularly, from the Northwesterly Right-of-Way Line of U.S. Highway No. 19; thence run $N23^{\circ}35'47''E$, parallel to said Right-of-Way Line, for a distance of 1779.95 feet to the POINT OF BEGINNING of the parcel of land hereinafter described, said point being the point of curvature of a circular curve to the left having a radius of 270 feet; thence run Northerly along the arc of said curve, through a central angle of $45^{\circ}00'00''$, a distance of 212.06 feet to a point of tangency; thence run $N21^{\circ}24'13''W$ for a distance of 108.62 feet to the point of curvature of a circular curve to the right having a radius of 330 feet; thence run Northerly along the arc of said curve, through a central angle of $22^{\circ}52'46''$, for a distance of 131.78 feet to the end of said curve; thence run $S66^{\circ}24'13''E$ for a distance of 228.25 feet to a point being 300.00 feet, measured perpendicularly, from the aforementioned Northwesterly Right-of-Way Line of U.S. Highway No. 19; thence run $S23^{\circ}35'47''W$, parallel to said Right-of-Way Line, for a distance of 376.80 feet to the Point of Beginning.

ALSO LESS AND EXCEPT

A parcel of land lying in Section 29, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

Commence at the NE corner of said Section 29; run thence $S89^{\circ}58'37''W$ along the North line thereof for a distance of 2983.33 feet; thence leaving said North line, $S77^{\circ}34'37''W$ for a distance of 137.90 feet to a point on the centerline of State Road No. 595; thence continue $S77^{\circ}34'37''W$ along said centerline for a distance of 200.00 feet; thence leaving said centerline, $S12^{\circ}25'23''E$ for a distance of 50 feet to a point on the Southerly Right-of-Way line of said State Road No. 595 and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S12^{\circ}25'23''E$ for a distance of 214.15 feet to a point of intersection with a circular curve concave to a Southeasterly direction having a radius of 6129.63 feet, said point bears $N64^{\circ}58'28''W$ from the center of said curve; thence Southwesterly along the arc of said curve through a central angle of $04^{\circ}56'53''$ for a distance of 529.35 feet; thence $S77^{\circ}34'37''W$ for a distance of 1160.65 feet; thence $N12^{\circ}25'23''W$ for a distance of 688.74 feet to a point on aforesaid Southerly Right-of-Way line of State Road No. 595; said point being on a circular curve concave in a Southerly direction having a radius of 2809.79 feet; run thence the following courses along said Southerly Right-of-Way line; thence Easterly along the arc of said curve through a central angle of $00^{\circ}31'00''$ for a distance of 25.34 feet to the end of said curve; thence $N86^{\circ}41'54''E$ for a distance of 102.40 feet to the point of curvature of a circular curve concave in a Northerly direction having a radius of 1692.02 feet; thence Easterly along the arc of said curve through a central angle of $00^{\circ}53'05''$ for a distance of 15.00 feet to a point on a circular curve concentric to aforesaid curve; thence Easterly along the arc of said curve having a radius of 1707.02 feet through a central angle of $08^{\circ}14'12''$ for a distance of 245.30 feet to the end of said curve; thence $N77^{\circ}34'37''E$ for a distance of 106.95 feet; thence $N66^{\circ}16'01''E$ for a distance of 101.98 feet; thence $N77^{\circ}34'37''E$ for a distance of 701.48 feet to the Point of Beginning.

ALSO

A parcel of land lying in Section 29, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

Commence at the NE corner of said Section 29; run thence $S89^{\circ}58'37''$ along the North line thereof for a distance of 2983.33 feet; thence leaving said North line, $S77^{\circ}34'37''W$ for a distance of 137.90 feet to a point on the centerline of State Road No. 595; thence continue $S77^{\circ}34'37''W$ along said centerline for a distance of 200.00 feet; thence leaving said centerline, $S12^{\circ}25'23''E$ for a distance of 50 feet to a point on the Southerly Right-of-Way line of said State Road and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S12^{\circ}25'23''E$ for a distance of 214.15 feet to a point of intersection with a circular curve concave to a Southeasterly direction having a radius of 6129.63 feet; said point bears $N64^{\circ}58'28''W$ from the center of said curve; thence Southwesterly along the arc of said curve through a central angle of $04^{\circ}56'53''$ for a distance of 529.35 feet; thence $S77^{\circ}34'37''W$ for a distance of 1160.65 feet; thence $N12^{\circ}25'23''W$ for a distance of 688.24 feet to a point on aforesaid Southerly Right-of-Way line of State Road No. 595; said point being on a circular curve concave on a Southerly direction having a radius of 2809.79 feet; run thence the following courses along said Southerly Right-of-Way line: thence Easterly along the arc of said curve through a central angle of $00^{\circ}31'00''$ for a distance of 25.34 feet to the end of said curve; thence $N86^{\circ}41'34''E$ for a distance of 302.40 feet to the point of curvature of a circular curve concave on a Northerly direction having a radius of 1692.02 feet; thence Easterly along the arc of said curve through a central angle of $00^{\circ}53'05''$ for a distance of 15.00 feet to a point on a circular curve concentric to aforesaid curve; thence Easterly along the arc of said curve having a radius of 1707.02 feet through a central angle of $08^{\circ}14'12''$ for a distance of 245.30 feet to the end of said curve; thence $N77^{\circ}34'37''E$ for a distance of 106.95 feet; thence $N66^{\circ}16'01''$ for a distance of 101.98 feet; thence $N77^{\circ}34'37''E$ for a distance of 701.48 feet to the Point of Beginning.

LESS AND EXCEPT:

A parcel of land lying on Section 29, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

Commence of the NE corner of said Section 29; run thence $S89^{\circ}58'37''W$ along the North line thereof for a distance of 2983.33 feet; thence leaving said North line, $S77^{\circ}34'37''W$ for a distance of 137.90 feet to a point on the centerline of State Road No. 595; thence continue $S77^{\circ}34'37''W$ along said centerline for a distance of 200.00 feet; thence leaving said centerline, $S12^{\circ}25'23''E$ for a distance of 50.00 feet to a point on the Southerly Right-of-Way Line of said State Road and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S12^{\circ}25'23''E$ for a distance of 214.15 feet to a point of intersection with a circular curve concave to a Southeasterly direction and having a radius of 6129.63 feet; said point bears $N60^{\circ}01'35''W$ from the center of said curve; thence Southwesterly along the arc of said curve, through a central angle of $02^{\circ}44'34''$ for a distance of 294.02 feet to a point on said curve; thence run radial to the above mentioned curve $N62^{\circ}46'29''W$ a distance of 200.00 feet to a point of intersection with a circular curve, said curve being concentric to the aforementioned curve and having a radius of 6329.63; thence Northeasterly along the arc of said curve, through a central angle of $02^{\circ}02'29''$ for a distance of 225.52 feet; thence $N12^{\circ}25'23''W$ a distance of 137.30 feet to the aforesaid Southerly Right-of-Way Line of State Road No. 595; thence $N77^{\circ}34'37''E$ along said Southerly Right-of-Way Line a distance of 200.00 feet to the Point of Beginning.

Containing 17.90 acres, more or less.

ALSO
Sheet 5 of 7

That certain parcel of land lying in and being a part of Section 29, Township 23 South, Range 17 East, Hernando County, Florida, and being more particularly described as follows:

Commence at the common section corner of Sections 29, 30, 31 and 32, Township 23 South, Range 17 East; run thence $S89^{\circ}32'40''W$, along the South line of Section 30, for a distance of 191.43 feet to a point, said point being 100.00 feet, measured perpendicularly from the Westerly Right-of-Way line of U.S. Highway No. 19; run thence $N23^{\circ}37'07''E$, parallel to said Westerly Right-of-Way line, for a distance of 475.45 feet to a point on the West boundary line of aforesaid Section 29, thence continue $N23^{\circ}37'07''E$, parallel to aforesaid Westerly Right-of-Way line of U.S. Highway No. 19, for a distance of 2786.56 feet to the Point of Beginning of the parcel of land hereinafter described, thence continue $N23^{\circ}37'07''E$ a distance of 1490.72 feet to the point of curvature of a circular curve to the right, having a radius of 6129.63 feet, said curve being concentric to the aforesaid Westerly Right-of-Way line of U.S. Highway No. 19; thence run Northerly along the arc of said curve, through a central angle of $06^{\circ}21'18''$ for a distance of 679.87 feet to the end of said curve; thence run $N12^{\circ}25'23''W$ for a distance of 214.15 feet to a point on the South Right-of-Way line of State Road No. 595; thence run $N77^{\circ}34'37''E$, along said South Right-of-Way line of State Road No. 595 for a distance of 200.00 feet; thence run $S12^{\circ}25'23''E$, radial to the next described curve, for a distance of 10.00 feet to a point on a circular curve, concave in a Southerly direction, and having a radius of 250.00 feet; thence run Easterly along the South Right-of-Way line of aforesaid State Road No. 595, and the arc of said curve, through a central angle of $46^{\circ}19'40''$ for a distance of 202.14 feet to the point of tangency; thence run $S56^{\circ}05'43''E$ for a distance of 50.77 feet to the point of curvature of a circular curve to the right having a radius of 50.00 feet; thence run Southerly along the arc of said curve, through a central angle of $94^{\circ}36'06''$ for a distance of 82.56 feet to a point of reverse curvature of a circular curve to the left having a radius of 5829.63 feet, said point being on the aforesaid Westerly Right-of-Way line of U.S. Highway No. 19; thence run Southwesterly along said Westerly Right-of-Way line and the arc of said curve through a central angle of $08^{\circ}53'38''$ for a distance of 904.93 feet to the point of tangency; thence run $S23^{\circ}37'07''W$, along said Westerly Right-of-Way line for a distance of 1510.64 feet; thence run $N66^{\circ}22'53''W$ a distance of 300.00 feet to the Point of Beginning.

LESS AND EXCEPT the following described parcels of land:

Commence at the NE corner of said Section 29; run thence $S89^{\circ}52'37''W$ along the North line thereof for a distance of 2984.21 feet; thence leaving said North line, $S77^{\circ}34'37''W$ for a distance of 137.90 feet to a point on the centerline of State Road No. 595; thence continue $S77^{\circ}34'37''W$ along said centerline for a distance of 200.00 feet; thence leaving said centerline, $S12^{\circ}25'23''E$ for a distance of 50 feet to a point on the Southerly Right-of-Way line of said State Road No. 595 and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $S12^{\circ}25'23''E$ for a distance of 214.15 feet to a point of intersection with a circular curve concave on a Southeasterly direction having a radius of 6129.63 feet; said point bears $N60^{\circ}35'21''W$ from the center of said curve; thence run Southwesterly along the arc of said curve through a central angle of $00^{\circ}33'46''$ for a distance of 60.21 feet; thence leaving said curve, $S60^{\circ}35'21''E$ a distance of 100 feet to a point on the Westerly Right-of-Way line

of U.S. Highway No. 19, said point being on the arc of a circular curve concentric to the last described curve and having a radius of 5829.63 feet; thence run Northerly along said Westerly Right-of-Way line and the arc of said curve through a central angle of $03^{\circ}26'36''$ for a distance of 150.91 feet to a point of reverse curvature of a circular curve concave on a Westerly direction having a radius of 50.00 feet; thence run Northerly along the arc of said curve through a central angle of $89^{\circ}57'18''$ for a distance of 77.63 feet to the point of tangency, said point being on aforesaid Southerly Right-of-Way line of State Road No. 595; thence run the following courses along said Southerly Right-of-Way line, $N56^{\circ}05'43''W$ for a distance of 65.29 feet to the point of curvature of a circular curve concave on a Southerly direction having a radius of 250.00 feet; thence run Westerly along the arc of said curve through a central angle of $46^{\circ}19'40''$ for a distance of 202.14 feet; thence $N12^{\circ}25'23''W$, radial to said curve, for a distance of 10.00 feet; thence $S77^{\circ}34'37''W$ for a distance of 200.00 feet to the POINT OF BEGINNING

ALSO LESS AND EXCEPT

Commencing at the Northeast corner of said Section 29, run Westerly along the North boundary of said Section $S89^{\circ}58'09''W$ for a distance of 3310.28 feet to Point "A", being a point on said North boundary; run thence Southeasterly $S12^{\circ}26'13''E$ for a distance of 339.00 feet to Point "B"; run thence Southwesterly $S29^{\circ}57'28''W$ for a distance of 60.36 feet to the POINT OF BEGINNING; Run thence $S60^{\circ}36'39''E$, a radial line, for 300.00 feet to the curved Northwesterly Right-of-Way of U.S. 19; thence Southwesterly for an arc distance of 300.00 feet along said Right-of-Way being a curve concave to the Southeast and having a radius of 5129.60 feet; run thence $N63^{\circ}33'31''E$ a radial line, for a distance of 300.00 feet; run thence Northeasterly for an arc distance of 315.45 along a curve concentric to the above said Right-of-Way and having a radius of 6129.60 feet to the POINT OF BEGINNING.

ALSO

A parcel of land lying in the NE 1/4 of Section 31, Township 23 South, Range 17 East, Hernando County, Florida, being more particularly described as follows:

COMMENCE at the Northeast corner of said Section 31; run thence $S00^{\circ}52'03''W$ along the East section line thereof for a distance of 324.70 feet to a point on the Northwesterly Right-of-Way Line of U.S. Highway No. 19; thence run $S23^{\circ}35'47''W$ along said Northwesterly Right-of-Way Line, for a distance of 3972.32 feet to a point on the South line of the NE 1/4 of said Section 31; thence run $S89^{\circ}58'24''W$, along said South line, for a distance of 327.44 feet, said point being 300.00 feet, measured perpendicularly, from the Northwesterly Right-of-Way Line of U.S. Highway No. 19; thence run $S23^{\circ}35'47''E$, parallel to said Right-of-Way Line, for a distance of 2156.75 feet; thence run $N66^{\circ}24'13''W$ for a distance of 228.25 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue $N66^{\circ}24'13''W$ for a distance of 24.29 feet; thence run $N23^{\circ}35'47''W$ for a distance of 124.26 feet to the point of cusp with a circular curve concave in an Easterly direction and having a radius of 330 feet; thence run Southerly along the arc of said curve through a central angle of $22^{\circ}07'24''$, for a distance of 127.40 feet to the Point of Beginning.

Containing 0.023, acres more or less.

EXHIBIT "A"

Legal Description

All of Tract "A" of REPLAT OF TRACT "I" AND "H", DELTONA LAKES UNIT THREE, according to the plat thereof recorded in Plat Book 25, Page 227 of the Public Records of Volusia County, Florida.

Containing 2.08 acres more or less.

ALSO

All of Tract "A" of DELTONA LAKES UNIT SIX, according to the plat thereof recorded in Plat Book 25, Pages 139 through 142 inclusive of the Public Records of Volusia County, Florida.

Containing 4.44 acres more or less.

ALSO

All of Tract "A" of REPLAT OF DRAINAGE RETENTION AREA, BLOCK 385, DELTONA LAKES UNIT ELEVEN, according to the plat thereof recorded in Plat Book 27, Page 297 of the Public Records of Volusia County, Florida.

Containing 0.24 acres more or less.

ALSO

That certain parcel of land lying in and being a part of Tract "G" of DELTONA LAKES UNIT ELEVEN, according to the plat thereof recorded in Plat Book 25, Pages 193 through 206 inclusive of the Public Records of Volusia County, Florida, being more particularly described as follows:

Commencing at the centerline intersection of Agatha Drive and St. Johns (Saxon) Blvd. as shown on said plat, run S17°30'00"E, along the centerline of St. Johns (Saxon) Blvd. for 30 feet; thence S52°30'00"W for 35.00 feet to a point on the Westerly Right-of-Way line of St. Johns (Saxon) Blvd. and the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue S52°30'00"W for 437.89 feet; thence N00°09'11"E for 551.64 feet; thence S88°16'02"W for 102.00 feet; thence N01°23'58"W for 60.00 feet to the Point of Curvature of a circular curve to the right having a radius of 84.43 feet; thence Northeasterly along the arc of said curve through a central angle of 53°53'58" for 79.43 feet; thence N52°30'00"E for 54.77 feet to the Point of Curvature of a circular curve to the right having a radius of 25 feet; thence Southeasterly along the arc of said curve through a central angle of 90°00'00" for 39.27 feet; thence S17°30'00"E for 555.00 feet to the Point of Beginning.

Containing 3.17 acres more or less.

ALSO

All of Tract "B" of DELTONA LAKES UNIT TWELVE, according to the plat thereof recorded in Plat Book 25, Pages 207 through 209 inclusive of the Public Records of Volusia County, Florida.

Containing 9.00 acres more or less.

ALSO

That certain parcel of land lying in and being a part of Tract "B" of DELTONA LAKES UNIT THIRTY, according to the plat thereof recorded in Plat Book 27, Pages 92 through 95 inclusive of the Public Records of Volusia County, Florida, being more particularly described as follows:

Commence at the centerline intersection of Rockhill Street and East Lombardy Drive as shown on said plat of DELTONA LAKES UNIT THIRTY; thence run N30°15'01"W, along the northwesterly projection of said centerline of Rockhill Street, a distance of 30.00 feet to a point on the Northwesterly Right-of-Way Line of East Lombardy Drive; thence continue N30°15'01"W for a distance of 150.00 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence continue N30°15'01"W for a distance of 73.03 feet; thence run N00°05'03"E for a distance of 184.23 feet; thence run S89°34'57"E for a distance of 150.00 feet; thence run S00°05'03"W for a distance of 110.39 feet; thence run S30°15'01"E for a distance of 176.04 feet to a point on the aforementioned Northwesterly Right-of-Way Line of East Lombardy Drive, said point being on a circular curve to the right having radius of 415.00 feet; thence run Southwesterly, along said Right-of-Way Line and the arc of said curve, through a central angle of 02°58'58" for a distance of 21.60 feet to the end of said curve; thence leaving said Right-of-Way Line, run N30°15'01"W for a distance of 150.00 feet; thence run S49°23'34"W for a distance of 149.18 feet to the Point of Beginning.

Containing 0.77 acres more or less.

ALSO

All of Tract "G" of DELTONA LAKES UNIT THIRTY-TWO, according to the plat thereof recorded in Plat Book 27, Pages 101 through 118 inclusive of the Public Records of Volusia County, Florida.

Containing 3.69 acres more or less.

ALSO

All of Tract "A" of DELTONA LAKES UNIT THIRTY-SIX, according to the plat thereof recorded in Plat Book 27, Pages 164 through 170 of the Public Records of Volusia County, Florida.

Containing 2.66 acres more or less.

ALSO

That Drainage Retention Area consisting of approximately 1.04 acres, lying in Block 1183, DELTONA LAKES UNIT FORTY-TWO, as recorded in the Public Records of Volusia County, Florida, at Plat Book 27, Pages 262-266.

ALSO

All of Tract "G" of DELTONA LAKES UNIT SEVENTY-FOUR, according to the plat thereof recorded in Plat Book 29, Pages 28 through 44 inclusive of the Public Records of Volusia County, Florida.

Containing 1.17 acres more or less.

EXHIBIT "A"

Legal Description

That certain parcel of land lying in and being part of Tract "D" of MARCO BEACH UNIT FOUR, according to the map or plat thereof as recorded in Plat Book 6, Pages 32 through 37 inclusive of the Public Records of Collier County, Florida.

Being more particularly described as follows:

Begin at the intersection of the centerline of Windward Drive, as shown on said plat of MARCO BEACH UNIT FOUR, and the Southwesterly boundary of said Tract "D" for the POINT OF BEGINNING of the parcel of land hereinafter described; run thence N33°43'23"W, along said Southwesterly boundary a distance of 30.00 feet; thence N20°52'10"W along the Westerly boundary of said Tract "D" a distance of 230.00 feet; thence leaving said boundary, N58°49'31"E a distance of 344.72 feet; thence N31°10'29"W a distance of 92.97 feet; thence N58°49'31"E a distance of 92.13 feet; thence S25°42'29"E a distance of 490.78 feet; thence S36°20'57"E a distance of 129.66 feet; thence N53°39'03"E a distance of 50.00 feet to a point on the Northeastly boundary of aforesaid Tract "D", thence S36°20'57"E along said Easterly boundary a distance of 170.60 feet; thence S00°17'48"W along the East boundary of said Tract "D" a distance of 120.00 feet; thence S50°03'34"W along the Southerly boundary of said Tract "D" a distance of 150.22 feet; thence leaving said Southerly boundary, N53°47'14"W a distance of 388.67 feet; thence S45°00'00"W a distance of 100.00 feet to a point on aforesaid Southwesterly boundary of Tract "D"; thence N45°00'00"W along said Southwesterly boundary a distance of 200.00 feet; thence N33°43'23"W along said Southwesterly boundary a distance of 30.00 feet to the Point of Beginning.

Containing 6.79 acres more or less.

ALSO

A tract of land lying in and being part of Tract "F" as shown on the plat of MARCO BEACH UNIT FOUR, recorded in Plat Book 6, Pages 32 through 37 of the Public Records of Collier County, Florida.

Being more particularly described as follows:

Begin at the intersection of the Southeastly Right-of-Way line of Windward Drive, as shown on said plat of MARCO BEACH UNIT FOUR, and the Northeastly boundary of said Tract "F" for the POINT OF BEGINNING; run thence S45°00'00"E along said Northeastly boundary for 209.00 feet; thence S45°00'00"W for 159.77 feet, to a point on the Northeastly Right-of-Way line of Elkcam Circle; thence N45°00'00"W along said Northeastly Right-of-Way line of Elkcam Circle for 80.02 feet to the beginning of a circular curve concave to the Northeastly having a radius of 960.00 feet; thence Northwestly continuing along said Northeastly Right-of-Way line and the arc of said curve through a central angle of 07°54'17" a distance of 132.44 feet to the end of said curve and the beginning of a circular curve concave to the Easterly having a radius of 25.00 feet; thence Northerly along the arc of said curve through a central angle of 93°22'20" a distance of 40.74 feet to the end of said curve; thence N56°16'37"E along the Southeastly Right-of-Way line of aforesaid Windward Drive, a distance of 123.38 feet to the Point of Beginning.

Containing 0.81 acres more or less.

ALSO

All of Tract "G" of MARCO BEACH UNIT TWENTY-FIVE, according to the plat thereof recorded in Plat Book 12, Pages 2 through 5, inclusive of the Public Records of Collier County, Florida;

LESS AND EXCEPT:

That part of said Tract "G" being more particularly described as follows:

BEGIN at the Northeast boundary of said Tract "G", said corner also being common with the Southeast corner of A Replat of a Portion of Marco Beach Unit Twenty-Five, according to the plat thereof, as recorded in Plat Book 12, Pages 86 through 89, inclusive of the Public Records of Collier County, Florida; thence $S80^{\circ}14'37''W$ a distance of 570.06 feet to the Southeast boundary corner of said Tract "G"; thence $S89^{\circ}33'45''W$ a distance of 213.75 feet; thence $N00^{\circ}04'31''E$ a distance of 571.97 feet; thence $S89^{\circ}55'29''E$ a distance of 215.42 feet to the Point of Beginning.

Containing 4.87 acres, more or less.

ALSO

The Southeast 1/4 of SECTION 35, TOWNSHIP 50 SOUTH, RANGE 27 EAST, Collier County, Florida.

Containing 160 acres, more or less.

the Corporation to Southeast Bank, N.A., Miami, Florida (herein called the Trustee) dated December 1, 1984, [reference to supplemental indentures] [the (Original Indenture, as so supplemented and amended, is hereinafter referred to as the Indenture)] to which Indenture reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the terms and conditions upon which the Bonds are and are to be secured and the rights of the holders or registered owners thereof and of the Trustee in respect of such security. As provided in the Indenture, such Bonds may be issued in series, for various principal sums, may bear different dates and mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided or permitted.

This Bond is one of the Bonds described in the Indenture and designated therein as the First Mortgage Bonds, 15.5% Series A due 1994 (hereinafter referred to as the Series A Bonds). The Series A Bonds are entitled to the benefits of, and are subject to redemption by operation of, the Sinking Fund for the Series A Bonds (hereinafter called the Sinking Fund) provided for in the Indenture and pursuant to which the Corporation is obligated to retire on December 1, of each year, beginning December 1, 1989, \$3,000,000 aggregate principal amount of Series A Bonds at 100% of the principal amount thereof, plus accrued interest.

Subject to the provisions of the Indenture, all Series A Bonds (other than those redeemed for the Sinking Fund above referred to) are subject to the right of the Holders of such Bonds who are Institutional Purchasers to elect to require the redemption thereof by the Corporation, upon the occurrence of an Involuntary Conversion of a Division of the Corporation's assets, for 100% of the principal amount thereof plus a premium to be determined in accordance with Section 3.04 of the Indenture, together in any case with interest accrued thereon to the date of redemption. This Bond may not be redeemed other than by operation of the Sinking Fund or by Election as indicated above. If this Bond is called for redemption and payment duly provided, whether or not by operation of the Sinking Fund, this Bond shall cease to bear interest from and after the date fixed for such redemption.

Upon any partial redemption of this Bond, at the option of the registered holder hereof, this Bond may be either (a) surrendered to the Trustee in exchange for one or more new Bonds of this Series, of authorized denominations,

registered in the name of such holder, in an aggregate principal amount equal to the principal amount remaining unpaid upon this Bond, or (b) submitted to the Trustee for notation hereon of the payment of the portion of the principal hereof paid upon such redemption.

As provided in the Indenture, (a) if and to the extent authorized by the consent (evidenced as provided in Section 11.01 of the Indenture) of the holders of not less than 66 2/3% in aggregate principal amount of all Bonds then Outstanding (including 66 2/3% of the Outstanding principal amount of the Bonds of Series A) that are adversely affected thereby, such changes in, additions to or eliminations from the Indenture as such holders and the Corporation may deem necessary or advisable may be made by supplemental indenture; provided that no such change shall be made without the consent of the holder of each Outstanding Bond that is adversely affected that would (i) extend the stated maturity of the principal of, or any installment of interest on, any Bond, or (ii) reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or other amounts payable with respect thereto or other amounts payable with respect thereto or (iii) extend the time or reduce the amount of any sinking fund payment in respect thereof, or (iv) reduce the percentage of the principal amount of Bonds the consent of the holders of which is required for the authorization of any such change, addition or elimination, or (v) modify certain other provisions of the Indenture, and (b) if and to the extent authorized by the consent of the holders of at least a majority in aggregate principal amount of the Bonds then Outstanding (including a majority of the Outstanding principal amount of the Bonds of Series A), compliance with certain covenants and conditions of the Indenture may be waived.

In case an Event of Default (as defined in the Indenture) shall occur and be continuing, the principal of all the Bonds outstanding may be declared and may become due and payable in the manner and with the effect provided in the Indenture.

This Bond is a registered Bond without coupons and is transferable by the registered holder thereof in person or by the duly authorized attorney of such holder on the Bond Register to be kept for the purpose at the principal office of the Trustee, Bond Registrar and Transfer Agent for the Bonds, in the City of Miami, Florida. Any request for transfer shall be accompanied by a written opinion of

counsel addressed to the Company and the Trustee to the effect that the proposed transfer is in compliance with the Securities Act of 1933, as amended. Upon surrender of this Bond accompanied by written instruments of transfer in form approved by the Trustee, duly executed by the registered holder in person or by such attorney, and upon cancelation hereof, one or more new Bonds of the same series and maturity, in authorized denominations, in an aggregate principal amount equal to the principal amount remaining unpaid upon this Bond, shall be issued to the transferee in exchange herefor, as provided in the Indenture. The Corporation and the Trustee may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment hereon, and on account hereof and for all other purposes.

No recourse shall be had for the payment of the principal of or interest on this Bond, or in respect of this Bond or the Indenture, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation, by virtue of any constitution, statute or rule of law or by enforcement of any assessment or penalty or otherwise, any and all such liability of incorporators, stockholders, officers and directors being released by the holder hereof by the acceptance of this Bond and being likewise waived and released by the terms of the Indenture.

This Bond shall not be valid or become obligatory for any purpose until the certificate endorsed hereon shall be signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, DELTONA UTILITIES, INC., has caused these presents to be signed in its name by its President or a Vice President, and its corporate seal to be affixed hereto and attested by its Secretary or an Assistant Secretary.

Dated:

DELTONA UTILITIES, INC.

By _____

[Vice] President

Attest:

[Assistant] Secretary

[TRUSTEE'S CERTIFICATE TO BE ENDORSED ON ALL BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the series designated herein, described in the within-mentioned Indenture.

Southeast Bank, N.A.,
as Trustee

By _____
Authorized Officer

THIS AGREEMENT, made and entered into as of the first day of December, 1984, by and among THE DELTONA CORPORATION ("Deltona"), DELTONA UTILITY CONSULTANTS, INC. ("DUCI"), DELTONA UTILITIES, INC. ("DUI") for itself and as receiver for ENTERPRISE UTILITIES, INC. ("Enterprise"), and SEABOARD UTILITIES CORPORATION ("SEABOARD"), "DUCI", Enterprise, and Seaboard being hereinafter collectively referred to as the "Utilities" and singularly referred to as a "Utility".

R E C I T A L S

A. DUI, a wholly-owned subsidiary of Deltona, provides water, sewer, and LP gas services at the communities of Deltona Lakes, Spring Hill, and Marco Island, Florida, through the Deltona Lakes Utilities Division, Spring Hill Utilities Division, and Marco Island Utilities Division, respectively.

B. DUI is also acting as receiver in bankruptcy for Enterprise, an abandoned private utility which provides water and sewer utility services to an area in Volusia County, Florida.

C. Seaboard, a wholly-owned subsidiary of DUI, provides water and sewer services to an area of East Tampa, Florida.

D. DUCI, a wholly-owned subsidiary of Deltona, is staffed by managerial, engineering, accounting, construction, and support personnel, through whom DUCI provides consulting and management services to water, sewer, and LP gas utility companies.

E. The Utilities, DUCI, and Deltona mutually desire to enter into an agreement whereby DUCI will perform administrative and management services and certain engineering and construction activities for the Utilities and whereby Deltona will provide certain other administrative support and services to the Utilities.

F. On December 12, 1984, DUI issued \$30,000,000.00 principal amount of its 15.50% First Mortgage Bonds (the "Bonds") under and secured by its First Mortgage Indenture dated as of

December 1, 194 (the "Indenture") to Southeast Bank, N.A., as Trustee.

A G R E E M E N T

NOW, THEREFORE, in consideration of the premises and mutual covenants, agreements, and undertakings herein contained, and in further consideration of the mutual benefits to accrue to each of the parties hereto, the Utilities, DUCI, and Deltona have agreed and do hereby agree as follows:

1. Term of Agreement: The term of this Agreement shall commence on the date hereof and shall end, unless sooner terminated pursuant to any provision hereof, at such time as the Bonds, and all interest thereon, have been paid in full in accordance with the terms thereof and all other obligations of the Indenture have been fully performed; provided, the term of this Agreement may be extended beyond such period by written agreement of the parties.

2. Obligations of DUCI: Subject to any limitations imposed upon DUCI pursuant to this Agreement, DUCI shall be obligated to perform or cause to be performed the following services on behalf of the Utilities:

A. Perform all engineering work as directed by the Utilities in connection with the installation and construction of water lines, wells, storage, and treatment facilities; sewage lines and treatment and disposal facilities; and LP gas lines and storage facilities.

B. File all applications with appropriate governmental agencies as necessary to permit the installation and construction of the items described in A of this Section.

C. Supervise, administer, and perform all installation and construction of the items described in A of this Section, including providing any labor and equipment that is not otherwise available to perform the work.

D. Maintain financial records and such other records as are customary and usual for the business and operations of the nature engaged in by the Utilities.

E. From time to time as directed by the Utilities, file all applications with appropriate governmental agencies for the approval of increased rates and other charges and to extend the Utilities' service areas.

F. File all periodic reports with governmental agencies on behalf of the Utilities as required by law or regulation.

G. Service the billing and collection of all deposits and payments due from the customers of the Utilities, and cause the payments made thereunder to be forwarded to the Utilities or a designated financial institution.

H. Supervise and administer the purchasing and procurement of all materials and equipment required by the Utilities in connection with construction, repairs, and operations.

I. Perform such other work and services as may from time to time be requested by the Utilities, provided DUCI has the expertise and capacity to perform same.

J. Retain and employ attorneys and other professionals as required by DUCI to perform the services described in A - I of this Section.

3. Obligations of Deltona: Deltona shall be obligated to perform or cause to be performed the following services on behalf of the Utilities:

A. Maintain coverage for the property and employees of the Utilities under its policies for comprehensive liability insurance, casualty insurance, group health and life insurance, worker's compensation insurance and such other insurance as Deltona may from time to time maintain in the ordinary course of business for its property and employees.

B. Provide office space for use by the Utilities at the prevailing rental rate in the area.

C. Perform data processing services for the Utilities.

D. Cause legal services to be performed on behalf of the Utilities.

E. Cause independent auditing services to be performed on behalf of the Utilities.

F. Perform such other services as may from time to time be requested by the Utilities, provided Deltona determines at its sole discretion that it can provide such requested services more efficiently or economically than the Utilities.

4. Obligations of the Utilities: In connection with the doing of the work referred to in Section 2, and its accompanying subsections, the Utilities shall be obligated to, and do hereby authorize DUCI in their behalves and in their names, or cause DUCI's designee to:

A. Use such of the Utilities' equipment, labor, and facilities as needed to carry out and support DUCI's activities on behalf of the Utilities.

B. Execute all applications for permits, certificates and other approvals as required by DUCI to perform the services provided for in this Agreement.

C. Award all contracts with contractors, sub-contractors and materialmen, and place all necessary purchase orders and execute leases, as required by DUCI to perform the services provided for in this Agreement.

5. Diligence: The services to be performed by DUCI and Deltona under this Agreement shall be commenced as quickly as feasible and should be carried through expeditiously and continuously to completion as rapidly as proper performance and the availability of labor and materials permit. In no event shall DUCI or Deltona ever be deemed liable to the Utilities or any other party for delays in the completion of any services caused by an Act of God or the public enemy or by casualty or the inability of the Utilities, DUCI, or Deltona to obtain all permits, certificates and governmental authorizations and approvals for the performance of the services or by strike or by governmental restriction upon the availability or use of labor or materials or by reason of any other fact which shall not have been caused by the act or default of DUCI or Deltona or any employee or agent of DUCI or Deltona.

6. Payment to DUCI: The Utilities shall be obligated to pay DUCI for the work and services performed under this Agreement as follows:

A. Except as provided for in B of this Section, the Utilities shall pay DUCI for services performed by DUCI's employees at hourly rates determined on a monthly basis as follows for each employee: multiply the total of all costs attributable to the employee (whenever used herein, "the total of all costs attributable to an employee" shall include, but not be limited to, salary, payroll burden, and a proportionate share of rent and other office costs) for the month times a fraction the denominator of which is the total of all hours entered on the employees' time sheet during the month and the numerator of which is the number of hours entered on the employee's time sheet during the month for the Utility whose bill is being computed.

B. The Utilities shall pay DUCI for services performed by the following employees of DUCI as determined on a monthly basis as indicated for each:

President: Multiply the total of all costs attributable to the president for the month times a fraction the denominator of which is the estimated total of all hours worked by the president during the month and the numerator of which is the projected or estimated number of hours devoted by the president to matters concerning the Utility whose bill is being computed.

Billing Office "Coordinator": Multiply the total of all costs attributable to the Coordinator for the month times a fraction the denominator of which is the total number of customer bills for which the Coordinator had responsibility during the month and the numerator of which is the number of such bills attributable to customers of the Utility whose bill is being computed.

Chief Engineer and Utility Controller and Their Respective Secretaries (separately for each): Multiply the total of all costs attributable to the employee for the month times a fraction the denominator of which is the total of all labor costs of the employee's department for the month and the numerator of

which is such labor costs for the month which are attributable to the Utility whose bill is being computed.

C. For all construction (including maintenance, repairs, and restoration) performed by DUCI in accordance with this Agreement, the Utilities shall pay DUCI a sum equivalent to 100% of all construction costs, including but not limited to, the cost of equipment, labor (excluding managerial and supervisory employees that are on DUCI's staff and who will be billed as provided in A or B of this Section), materials and surveying and other special services required in connection with the construction. DUCI shall not be entitled to any compensation to the extent it utilizes the Utilities' own labor force, equipment and materials in connection with construction activities. If DUCI rents equipment, DUCI's cost will be the amount it pays to rent the equipment. If DUCI owns equipment, then it will charge a rental rate for the use of the equipment equal to the actual cost incurred by DUCI in the use of the equipment, including but not limited to, the cost of fuel, repairs, and a reasonable amount for depreciation.

D. If DUCI pays or advances any monies on behalf of the Utilities, although DUCI is not obligated to make such advances or payments, Utilities will reimburse DUCI all sums it has advanced or paid for the Utilities within thirty (30) days following written request by DUCI for such reimbursement.

E. DUCI will be reimbursed by the Utilities for all direct out-of-pocket expenses incurred by DUCI in performing its services in accordance with this Agreement.

F. DUCI will render its bills, with detailed statements attached thereto, commencing on March 1, 1985 for the month of January, 1985, and thereafter on the first of each succeeding month, including the two (2) months following the termination of this Agreement, for all fees, compensation, expenses, advances, and other sums due DUCI pursuant to the terms of this Agreement, and the Utilities shall pay DUCI the total amount billed within thirty (30) days after DUCI has submitted such bills to the Utilities.

7. Payment to Deltona: The Utilities shall be obligated to

pay Deltona for the services performed under this Agreement as follows:

A. The Utilities shall pay Deltona a sum equivalent to 100% of all costs incurred by Deltona on behalf of the Utilities.

B. If Deltona pays or advances any monies on behalf of the Utilities, although Deltona is not obligated to make such advances or payments, Utilities will reimburse Deltona all sums it has advanced or paid for the Utilities within thirty (30) days following written request by Deltona for such reimbursement.

C. Deltona will be reimbursed by the Utilities for all direct out-of-pocket expenses incurred by Deltona in performing its services in accordance with this Agreement.

D. Deltona will render its bills, with detailed statements attached thereto, commencing on March 1, 1985 for the month of January, 1985, and thereafter on the first of each succeeding month, including the two (2) months following the termination of this Agreement, for all costs, expenses, advances, and other sums due Deltona pursuant to the terms of this Agreement, and the Utilities shall pay Deltona the total amount billed within thirty (30) days after the Deltona has submitted such bills to the Utilities.

8. Default by the Utilities:

A. If the Utilities, or any of them (i) default on the payment of any monies required to be paid to DUCI or Deltona pursuant to this Agreement, and such default shall have continued for a period of sixty (60) days after written notice thereof shall have been given to the Utilities by DUCI or Deltona, or (ii) default in the performance of any other covenant or condition on their part in this Agreement contained, other than the non-payment of money, and such default shall have continued uncurred for ninety (90) days after written notice thereof shall have been given to the Utilities by DUCI or Deltona, or (iii) permit a trustee, receiver or liquidator to be appointed for them or their properties and such trustee, receiver, or liquidator is not discharged or dismissed within thirty (30) days after the

appointment, or (iv) file a petition in bankruptcy or for an arrangement or for reorganization pursuant to the federal bankruptcy laws or any similar law, federal or state, or if, by decree of a court of competent jurisdiction, the Utilities shall be adjudicated bankrupt, or declared insolvent or make an assignment for the benefit of creditors, or admit in writing their inability to pay their debts generally as they become due, or shall consent to the appointment of a receiver or receivers of all or any part of their businesses or properties, or (v) permit any of their creditors to file a petition in bankruptcy against them or for reorganization pursuant to the federal bankruptcy law or any similar law, federal or state, and such petition shall not be discharged or dismissed within thirty (30) days after the date such petition was filed, then, and in any of such events, DUCI or Deltona may, at their option, terminate this Agreement by giving the Utilities sixty (60) days written notice of its option to cancel this Agreement, and with such termination being effective as to the party giving notice as of the last day of the month following the expiration of the sixty (60) days covered by such written notice. The Utilities shall be obligated to continue to pay DUCI and Deltona the compensation hereinabove provided for subsequent to the effective cancellation date as to that compensation earned during the term hereof. Neither DUCI nor Deltona may terminate this Agreement for the defaults referred to in (iii) or (iv) or (v) if (a) a court of competent jurisdiction orders and directs the officer (receiver, trustee, or other party) of such court to continue to pay DUCI and Deltona the amounts required under this Agreement at the times provided for herein and such officer, within sixty (60) days from the date of his appointment pursuant to order of court, accepts this Agreement or (b) the Utilities or any of them institute any of such proceedings and remain in possession of their properties and businesses, and continue to pay DUCI and Deltona the amounts required under this Agreement at the times provided for herein, and within sixty (60) days from the date of the institution of such proceedings procure the entry of an order of court authorizing the acceptance of this Agreement. Termination of

this Agreement by DUCI or Deltona shall not cause a simultaneous termination by the other.

9. Default by DUCI or Deltona: If DUCI or Deltona defaults under the terms and conditions contained in this Agreement on its part to be kept and performed, then the Utilities may terminate this Agreement as to the defaulting party by giving ten (10) days written notice of its decision to cancel this Agreement, and with such termination being effective as of the day following the expiration of the ten (10) days covered by such written notice. The Utilities shall be obligated to continue to pay DUCI and Deltona the compensation provided for in this Agreement subsequent to the effective cancellation date, as to that compensation earned by DUCI and Deltona prior to such cancellation. Termination of this Agreement by the Utilities as to DUCI or Deltona shall not cause a simultaneous termination as to the other.

10. General Covenants: The parties hereto mutually covenant and agree, each with the other, as follows:

A. The Utilities shall be obligated to continue to pay DUCI and Deltona the compensation provided for in this Agreement subsequent to the expiration or termination date of this Agreement as to services performed during the term of this Agreement. In the event there is any uncompleted construction pending on the expiration or termination date of this Agreement, DUCI shall be obligated to complete the construction and the Utilities shall be obligated to pay DUCI the compensation provided for in this Agreement for all work completed subsequent to the expiration or termination date of this Agreement.

B. The Utilities shall be responsible for daily operations and shall employ such utility project managers, plant operators, maintenance personnel, meter readers, and secretarial, clerical, and labor support personnel as they deem necessary for the proper conduct of their ongoing businesses. The Utilities shall also maintain such administration and billing offices and maintenance and storage compounds as they deem necessary for the conduct of their ongoing businesses. DUCI's and Deltona's

employees are located at their offices in Miami and Deltona Lakes, Florida and neither DUCI nor Deltona shall be required to maintain employees at the location of any of the Utilities' operations except to the extent that DUCI uses its own employees to conduct construction activities and to the extent that DUCI deems it advisable to assign certain of its employees on a temporary basis to provide assistance or consulting services to the operational employees of one or more of the Utilities.

C. The Utilities shall have no claims against DUCI or Deltona or their officers, and directors for any actions taken or work performed pursuant to the provisions of this Agreement unless DUCI or Deltona shall have been guilty of gross mismanagement or negligence.

D. Neither DUCI nor Deltona will assign this Agreement.

E. DUCI will cause all work required under this Agreement to comply with all applicable laws, and will cause such work to be performed in a good and workmanlike fashion. However, the Utilities acknowledge that DUCI shall not make or provide any warranties whatsoever, express or implied, in connection with any construction performed in accordance with this Agreement.

F. If any dispute should arise between the parties as to the manner of computing the amounts or fees due DUCI or Deltona under this Agreement, and such dispute remains unresolved for a period of sixty (60) days, then the same shall be resolved by whatever firm is then serving as Independent Auditors for Deltona. Any fees to be paid to the Independent Auditors, as herein provided for, shall be borne equally by the parties hereto.

G. The parties to this Agreement agree that prior to the expiration date of this Agreement they will use their best efforts to extend the terms of this Agreement beyond its present expiration date.

H. DUCI and Deltona agree that upon termination of this Agreement they will: (i) within thirty (30) days from the effective date of termination, deliver to the Utilities all documents and other writings, including without limitation,

accounting records, contracts, licenses, permits, rate making files, and construction plans which were prepared, acquired and/or utilized in connection with the performance of their obligations under this Agreement; and (ii) on the effective date of termination, deliver to the Utilities any monies held by them pursuant to this Agreement other than sums paid as compensation or reimbursement of costs and expenses pursuant to this Agreement.

DUCI and Deltona agree further that they will assist the Utilities to the fullest extent reasonable in making any transition which may be required in the management and operation of the Utilities as a result of the termination of this Agreement. DUCI and Deltona shall be reimbursed by the Utilities for any expenses incurred by DUCI and Deltona in assisting the Utilities to make such transition in management.

I. Neither DUCI nor Deltona will, in the performance of its obligations under this Agreement, violate the terms of any financing agreement or arrangement entered into by the Utilities.

J. The Utilities shall not assign this Agreement without first obtaining the written consent of DUCI and Deltona.

K. The relationship under this Agreement between the Utilities, and both DUCI and Deltona is that of owner and contractor and this Agreement shall not be construed to in any way make DUCI or Deltona an obligor or guarantor of the Utilities obligations to third parties nor shall DUCI or Deltona be deemed agents of the Utilities, and the law relating to such owner-contractor relationship shall govern the rights of the parties hereto.

L. When either party desires to give notice to the other in connection with and according to the terms of this Agreement, such notice shall be given by certified mail, return receipt requested or hand delivered with acknowledgement thereon of receipt, and if mailed, it shall be deemed given when deposited in the U.S. certified mails, with sufficient postage prepaid thereon to carry it to its address, destination, and the notice shall be addressed as follows:

FOR DCI: Deltona Utilities, Inc.
1244 Coral Way
Miami, Florida 33145

FOR ENTERPRISE: Enterprise Utilities, Inc.
C/O Deltona Utilities, Inc.
1244 Coral Way
Miami, Florida 33145

FOR SEABOARD: Seaboard Utilities Corporation
8230 Causeway Boulevard
Tampa, Florida 33619

FOR DDCI: Deltona Utilities Consultants, Inc.
1244 Coral Way
Miami, Florida 33145

FOR DELTONA: The Deltona Corporation
3250 S.W. Third Avenue
Miami, Florida 33129

or at such other place or places as the parties hereto may, from time to time, designate in writing to the other, provided the same shall be given in accordance in accordance with the terms of this paragraph.

M. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto, and subject to any limitations contained herein as to assignments, their respective successors and permitted assigns.

N. This Agreement in all respects including matters of its validity, shall be governed by the laws and judicial decisions of the State of Florida.

O. This Agreement contains the entire agreement between the parties, and supercedes, cancels, and extinguishes all previous agreements, contracts, and undertakings heretofore existing between the parties, if any.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers who are duly authorized, and their corporate seals to be affixed hereto, all

.....

of which has been done on the day and year first above written.

Signed, sealed and delivered
in the presence of:

DELTONA UTILITIES, INC.

BY: _____

ENTERPRISE UTILITIES, INC.
by Deltona Utilities, Inc.
as Receiver for Enterprise
Utility, Inc. pursuant to
order of the Circuit Court
of the Seventh Judicial
Circuit in and for Volusia
County, Florida.

BY: _____

SEABOARD UTILITIES CORPORA-
TION

BY: _____

DELTONA UTILITY CONSULTANTS,
INC.

BY: _____

THE DELTONA CORPORATION

BY: _____

12/5/84

CONSOLIDATED INCOME TAX AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of December, 1984, between THE DELTONA CORPORATION, a Delaware corporation qualified to do business in the State of Florida (the "Company") and DELTONA UTILITIES, INC., a Florida corporation (the "Subsidiary").

WHEREAS, as of the date of this Agreement, the Company owns 100% of the voting power of all classes of stock of the Subsidiary, and there is no nonvoting stock or other stock of the Subsidiary outstanding within the meaning of Section 1504(a) of the Internal Revenue Code (the "Code"); and

WHEREAS, the Subsidiary has been a member of an "affiliated group" filing a consolidated federal income tax return, of which the Company has been the "common parent" within the meaning of Section 1504 of the Code; and

WHEREAS, the Company expects to file consolidated federal income tax returns with the Subsidiary for each period of time during which the Subsidiary is an includible corporation qualified to file consolidated federal income tax returns with the Company as a member of an "affiliated group"; and

WHEREAS, it is desirable for the Company and the Subsidiary to enter into this Agreement to provide for the amounts and time of payment by the Subsidiary to the Company, and the amounts and time of granting of credits by the

Company to the Subsidiary, with respect to their federal income taxes;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. This Agreement shall be effective the day of _____, 198 (the "effective date").
2. Commencing with the taxable year of the Company in progress on the effective date of this Agreement and for each period thereafter during which the Subsidiary is included in a consolidated federal income tax return with the Company, the Subsidiary will pay to the Company an amount equal to the federal income tax liability of the Subsidiary (including its subsidiaries that would qualify as "includible corporations" with the Subsidiary under Section 1504 of the Code) based on financial statement income before taxes computed at the maximum statutory rate (currently 46%) less any investment tax credit which such Subsidiary would have been able to apply in reduction of such liability were it not an "includible corporation"). Subject to the provisions of Paragraph 6 hereof, the Subsidiary shall pay to the Company the income tax liability so computed, on the 20th day of the month following the close of each calendar quarter. Each election made, each deduction and/or credit taken, and the method of reporting income and expenses by

the Subsidiary shall be binding on the Subsidiary in accordance with the provisions of the Code.

3. Nothing contained herein shall be construed so as to limit the right of the Company, in its sole discretion, to make such elections, take such deductions and/or credits, and adopt such methods of reporting income and expenses in the consolidated federal income tax returns to be filed by it as is most beneficial to the affiliated group, provided, however, that in the event the Company shall, in any consolidated federal income tax return filed, make any election, take any deduction and/or credit or utilize any method of reporting income and expenses with respect to the Subsidiary which differs from the manner in which the Subsidiary reported or treated such item, as provided in Paragraph 2 hereof, then, whether or not the Subsidiary is at the time a member of an affiliated group of which the Company is the parent, the Subsidiary shall pay to the Company or the Company shall credit to the Subsidiary, an amount equal to the difference between the tax liability attributable to the method of reporting such items elected by the Subsidiary and that filed by the Company. Such payment or credit shall be made only at such time as the Subsidiary would have reported the income or taken the deduction and/or credit of such item as elected by the Subsidiary.

4. In the event the Subsidiary generates operating losses and federal income tax benefit in accordance with the provisions of Paragraph 2 hereof, the Company will credit to the account of the Subsidiary an amount equal to the refund which the Subsidiary would have been entitled to obtain from the Internal Revenue Service if the tax benefit were payable. Such credit shall be made to the account of the Subsidiary at the time that the payment would have been made by the Internal Revenue Service if the Subsidiary had filed a timely claim for refund.

5. If adjustments are made to a consolidated federal income tax return in which the Company and the Subsidiary are included that results in a final deficiency or overpayment which would have required a different payment by the Subsidiary to the Company than actually made, or which would have resulted in the granting of credit by the Company to the Subsidiary, if made on the original return in accordance with the method of computation described in Paragraphs 2, 3 or 4 hereof, the Company shall credit to the Subsidiary or the Subsidiary shall pay to the Company an appropriate amount to reflect such overpayment or deficiency. In the event any such adjustment is made in respect of a period prior to the effective date of this Agreement in which the Subsidiary would qualify as an "includible corporation", then, in computing the credit or payment due, it

shall be assumed that this Agreement was in effect during such prior period. The supplemental payment to reflect the deficiency or the supplemental credit to reflect the overpayment shall be made at the time that any payments are made by the Company to the Internal Revenue Service, or refunds are recovered by the Company from the Internal Revenue Service, and shall include interest and penalty equal to the amount that is actually paid in respect of any such deficiency or overpayment. With respect to all years that the Subsidiary would qualify as an "includible corporation", the Company is hereby authorized and empowered, in its sole discretion, to make a final settlement of any proposed underpayment or overpayment of taxes with representatives of the United States government on a basis that is most beneficial to the affiliated group.

6. Any credits which are made by the Company to the account of the Subsidiary pursuant to the provisions of Paragraphs 3, 4 and 5 hereof may be applied against payments due under Paragraph 2 hereof after the date that such credit is made. If, at any quarterly payment date, the Subsidiary shall have a net credit to its account which has been outstanding for more than one (1) year, the Company shall pay to the Subsidiary an amount equal to such net credit or, at its option, the Company may defer payment of such amount for a period not to exceed four (4) years from the date upon

which such net credit balance becomes payable, provided that interest at the rate of 15-1/2% per annum shall be payable on each quarterly payment date thereafter on any net credit balance outstanding for more than one (1) year, each credit made by the Company to the Subsidiary in respect of a given tax year shall first be applied to offset payments due from the Subsidiary to the Company in respect of such tax year, such that if, for example, there were a net credit balance outstanding in respect of 1985, credits in respect of two quarters of 1986 and payments in respect of two quarters in 1986, the 1986 credits would be applied to offset the 1986 payments before the 1985 credits were so applied, such that if there remained thereafter a net credit balance which did not exceed the credit in respect of 1985, the entire remaining net credit balance would be deemed to have been outstanding for more than one year. Notwithstanding anything to the contrary contained herein, no payments made by the Company to the Subsidiary in respect of a net credit balance in the Subsidiary's account shall exceed the aggregate amount that shall theretofore have been paid by the Subsidiary to the Company hereunder, as reduced by any previous payments by the Company to the Subsidiary pursuant to this Paragraph 6.

7. If the effective date of this Agreement falls after the passage of one or more quarters in which the Subsidiary (and its subsidiaries) shall have qualified as an

"includible corporation", the amount of the payment and the due date of the payment by the Subsidiary in respect of such year shall be as follows:

A. If the effective date of this Agreement shall fall in one of the first three quarters of the Company's taxable year then in progress, the payment or credit shall be made on the 20th day following such quarter and shall be calculated in accordance with Paragraphs 2, 4 and 6 for the period beginning with the first day of such taxable year that the Subsidiary is an "includible corporation" and ending with the last day of th quarter in which the effective date of the Agreement occurs.

B. If the effective date of this Agreement shall fall in the fourth quarter of the Company's taxable year then in progress, the payment or credit shall be made on or prior to the close of such quarter and shall be calculated in accordance with Paragraphs 2, 4 and 6 on an estimated basis for the period beginning with the first day of such taxable year that the Subsidiary is an "includible corporation" and ending with the last day of the Company's taxable year. If any payments due from the Subsidiary to the Company under the circumstances contemplated in the preceding sentence are not paid by the date indicated, interest shall accrue from

such date on the unpaid amounts at the prime rate of interest in effect in Miami, Florida, on the date such payment is due.

8. If any payments required to be made by the Subsidiary to the Company or by the Company to the Subsidiary hereunder are not timely paid, interest shall accrue on the unpaid amount at the prime rate of interest in effect in Miami, Florida on the date payment is due.

9. In the event the Company or any other members of the affiliated group are required to elect to file combined or consolidated state, local or foreign income tax returns with the Subsidiary or any of its subsidiaries, the provisions of Paragraphs 1 through 8 shall be applicable to the amount and time of payment by the Subsidiary to the Company or the issuance of a credit by the Company to the Subsidiary.

10. The Subsidiary may enter into such arrangements as it deems appropriate with its subsidiaries for the purpose of carrying out this Agreement.

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

Attest:

THE DELTONA CORPORATION

By:

Michelle R. Garbis
Secretary

Donald O. McNelley
Treasurer

Attest:

DELTONA UTILITIES, INC.

By:

Michelle R. Garbis
Secretary

Arsenio Milian
President

EXHIBIT C-3

GUARANTEE AND PLEDGE AGREEMENT

Miami, Florida
December 1, 1984

WHEREAS, DELTONA UTILITIES, INC., a Florida corporation, having an office at 1244 Coral Way, Miami, Florida 33145 ("DUI") has from time to time advanced funds in the aggregate amount of Four million three hundred two thousand eight hundred fifty-two Dollars (\$4,302,852.00) (the "Advances") to UNITED FLORIDA UTILITIES CORPORATION, a Florida corporation, having an office at 3250 S.W. Third Avenue, Miami, Florida 33129 ("UFUC").

WHEREAS, UFUC has made request to DUI to hereafter regard the Advances as a loan (the "Loan"), which Loan will be evidenced a certain promissory note in the principal sum of the Advances, to be given by UFUC to DUI (the "Note").

WHEREAS, the UFUC is a wholly owned subsidiary of The Deltona Corporation, a Delaware corporation, having an office at 3250 S.W. Third Avenue, Miami, Florida 33129 ("Guarantor").

WHEREAS, DUI is willing to make the loan only if the Guarantor executes and delivers this Guarantee and Pledge Agreement and thereby guarantees and secures payment to DUI under the Note pursuant to the terms hereof.

GUARANTEE OF PAYMENT

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, receipt of which

is hereby acknowledged, and in order to induce DUI to make the Loan, the Guarantor hereby guarantees, absolutely and unconditionally, to DUI the payment of the obligations under the Note and covenants and agrees with DUI as follows (and such guaranty is hereinafter referred to as the "Guaranty of Payment"):

The term "Debt" as used in this Guarantee and Pledge Agreement shall mean the principal sum evidenced by the Note, or so much thereof as may be outstanding from time to time, together with interest thereon at the rate of interest specified in the Note and all other sums other than principal or interest which may or shall become due and payable pursuant to the provisions of the Note.

All monies available to DUI for application in payment or reduction of the Debt may be applied by DUI in such manner and in such amounts and at such time or times and in such order and priority as DUI may see fit to the payment or reduction of such portion of the Debt as DUI may elect.

The Guarantor hereby waives (a) notice of acceptance of this Guarantee and Pledge Agreement and of the execution and delivery of the Note; (b) presentment and demand for payment of the Debt or portion thereof; (c) protest and notice of dishonor or default to the undersigned or to any other person or party with respect to the

Debt or any portion thereof; (d) all other notices to which the undersigned might otherwise be entitled; and (e) any demand for payment under this Guarantee and Pledge Agreement. Notwithstanding anything else contained herein to the contrary, DUI shall provide written notice to the undersigned in the event any payment is not made in accordance with the payment schedule contained in the Note. DUI shall take no action against the undersigned under this Guarantee and Pledge Agreement, unless a default under a Note remains uncured following expiration of thirty (30) days from the date DUI forwards written notice to the Guarantor as provided herein.

Each reference herein to DUI shall be deemed to include its successors and assigns (including security assignees), in whose favor the provisions of this Guarantee and Pledge Agreement shall also inure. Each reference herein to the undersigned shall be deemed to include the heirs, executors, administrators, legal representatives, successors and assigns of the Guarantor, all of whom shall be bound by the provisions of this Guarantee and Pledge Agreement.

No delay on the part of DUI in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of such rights; no notice to or demand on the Guarantor shall be deemed to be a waiver of the

obligation of the Guarantor or of the right of DUI to take further action without notice or demand as provided herein; nor in any event shall any modification or waiver of the provisions of this Guarantee and Pledge Agreement be effective unless in writing nor shall any such waiver be applicable except in the specific instance for which given.

Notwithstanding any payments made by the Guarantor pursuant to the provisions of this Guarantee and Pledge Agreement, the Guarantor shall have no right of subrogation in and to the Note or any security held by or available to DUI for the Debt or the payment thereof until the Debt has been paid in full to DUI.

This Guarantee and Pledge Agreement is, and shall be deemed to be, a contract entered into under and pursuant to the laws of the State of Florida and shall be in all respects governed, construed, applied and enforced in accordance with the laws of said state; and no defense given or allowed by the laws of any other state or country shall be interposed in any action or proceeding hereon unless such defense is also given or allowed by the laws of the State of Florida. The Guarantor acknowledges that it is subject to personal jurisdiction in the State of Florida in any action or proceeding arising out of this Guarantee and Pledge Agreement and, in furtherance of such agreement, the Guarantor hereby agrees and consents that without limiting

other methods of obtaining jurisdiction, personal jurisdiction over the Guarantor in any such action or proceeding may be obtained within or without the jurisdiction of any court located in Florida and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon the Guarantor by registered mail to or by personal service at the last known address of the Guarantor, whether such address be within or without the jurisdiction of any such court.

STOCK PLEDGE

1. Creation of Security Interest: As security for the Guarantee of Payment, the Guarantor hereby grants a security interest pursuant to Section 679, Fla. Stats., to DUI in the ten (10) shares of the Common Capital Stock of UFUC standing in the name of the undersigned on the books of UFUC represented by Certificate No. One (1) (the "Securities"), which have been sold, signed, and transferred unto DUI and herewith delivered on the instruction of DUI to Southeast Bank, N.A., as Trustee under DUI's Indenture of Mortgage and Deed of Trust, dated as of December 1, 1984, and registered in the name of such Trustee.

2. Obligation Secured: DUI shall hold the Securities as security for the repayment of the Debt in accordance with the terms of the Guarantee of Payment.

3. Transfer of Securities to DUI: DUI may exercise all of the rights and privileges in connection with the Securities to which a transferee may be entitled as the record holder thereof, together with rights and privileges otherwise granted hereunder. DUI shall be under no obligation to exercise any of such rights or privileges.

4. Collection of Dividends and Interest: During the term of this Guarantee and Pledge Agreement, DUI is authorized to collect all dividends, interest payments, and other amounts that may be, or become, due on the Securities. Such amounts collected shall be applied to the Debt, or interest due thereon. DUI is, furthermore, authorized to give receipts in the name of the Guarantor for any amounts so received. DUI shall be under no obligation to collect any such amounts.

5. Voting Rights: So long as no default shall have occurred under this Guarantee and Pledge Agreement, the Guarantor shall have the right, where applicable, to vote the Securities on all corporate questions, and DUI shall execute or cause said Trustee to execute due and timely proxies in favor of the Guarantor for this purpose.

6. Warrants and Options: In the event that during the term of this Guarantee and Pledge Agreement subscription warrants or any other rights or options shall be issued in connection with the Securities, such warrant, rights, and options shall be immediately assigned by DUI to the Guarantor. If any such warrants, rights, or options are exercised by the Guarantor, all new Securities so acquired by the Guarantor shall be immediately assigned to DUI to be held under the terms hereof in the same manner as the Securities originally pledged hereunder.

7. Default: Occurrence of any of the following events shall constitute a default hereunder:

A. Nonpayment by the undersigned in accordance with the terms of the Guarantee of Payment.

B. Failure in, or suspension of business by the Guarantor for any reason.

C. Insolvency or bankruptcy of the Guarantor from any cause whatever.

8. Remedies: On any default hereunder, all the Debt, at the option of DUI, shall become immediately due and payable, notwithstanding any credit or extension of time allowed to the Guarantor by an instrument evidencing any of the Debt, and DUI shall thereupon have all the rights and remedies of a secured party under Chapter 679, Fla. Stats. and any other law of the State of Florida. Without limiting

Securities or such other collateral; and to release or substitute any of the endorsers or guarantors of the Debt or any part thereof, or any other parties thereto.

This Guarantee and Pledge Agreement is executed by the Guarantor and DUI in triplicate original all of which instruments shall remain valid and subsisting so long as the Debt remains outstanding, and until the surrender to the Guarantor of this instrument and the duplicate and triplicate original hereof.

IN WITNESS WHEREOF, the Guarantor and DUI have executed this Agreement at Miami, Florida, the day and year first above written.

Signed, sealed and delivered in the presence of:

THE DELTONA CORPORATION

By:

EARLE D. CORTRIGHT, JR.
Senior Vice President

DELTONA UTILITIES, INC.

By:

EARLE D. CORTRIGHT, JR.
Vice President

EXHIBIT C-4

THE DELTONA CORPORATION
3250 South West Third Avenue
Miami, Florida 33145

As of December 1, 1984

Southeast Bank N.A.
as Trustee,
100 South Biscayne Boulevard,
Miami, Florida 33131

Attention:

Gentlemen:

This letter is being provided to you as Trustee for the Bondholders under the Indenture of Mortgage and Deed of Trust dated as of December 4, 1984 (the "Mortgage") between Deltona Utilities, Inc. ("DUI"), and you as Trustee. All capitalized terms used herein and not otherwise defined shall have the meanings given in the Mortgage:

In order to induce the Institutional Purchasers to purchase the Bonds to be issued by DUI under the Mortgage and pursuant to the Series A Purchase Agreements and for the benefit of such Purchasers and their successors as holders of Bonds, and intending to be legally bound hereby, The Deltona Corporation (the "Parent Company") and United Florida Utilities Corporation (the "Sister Company") agrees, represents, consents and covenants as follows:

1. Representations. The Parent Company represents to you in your capacity as Trustee under the Mortgage,

for the benefit of the Institutional Purchasers and all other Bondholders, that:

(a) each of the Parent Company, DUI and the Sister Company is a duly incorporated, validly existing corporation in good standing under the laws of its state of incorporation, qualified to do business in every jurisdiction in which such qualification is necessary, with corporate power and authority to own its properties and conduct its business as such properties and business are now owned and conducted and to enter into this letter agreement;

(b) each of this letter agreement and the Guaranty and Pledge Agreement dated _____ from the Parent Company to DUI has been duly authorized by all necessary corporate action on the part of the Parent Company, and duly executed and delivered by the Parent Company, and is a legal, valid and binding agreement, enforceable according to its terms;

(c) the Parent Company owns 100% of the capital stock of DUI;

(d) no other person owns any capital stock of DUI, or any security, convertible into such capital stock, or any warrant or other right to purchase or otherwise acquire such capital stock or convertible security;

(e) the Sister Company Note is a legal, valid and binding obligation of the Sister Company, and the Guaranty and Pledge Agreement is a legal, valid and binding obligation of the Parent Company and each is enforceable by DUI or you according to its terms;

(f) in order to induce the Institutional Purchasers to purchase the Bonds and for other valid and sufficient consideration, receipt of which is hereby acknowledged, the Parent Company has pledged the stock of the Sister Company (the "Pledged Stock") to DUI and created a security interest in such stock for the benefit of DUI to secure the performance by the Parent Company of its guaranty of the payment in full of the entire principal of and interest on the Sister Company Note when due, and that such pledge and such security interest are valid, attached and perfected under the laws of the State of Florida and enforceable against the Parent Company or any other party according to the terms of the Sister Company Note; and

2. Consent. The Parent Company consents to the Assignment of the Sister Company Note and the Guaranty and Pledge Agreement by DUI to you as Trustee for the benefit of the Bondholders under the trust created by the Mortgage, and acknowledges that you as Trustee are entitled to exercise and enjoy all the rights, titles and interests of DUI in and

to the Pledged Stock and the security interest therein, pursuant to the terms and upon the conditions of the Mortgage.

3. Covenants. The Parent Company covenants with you in your capacity as Trustee under the Mortgage, for the benefit of the Institutional Purchasers and all other Bondholders, that:

(a) the Parent Company shall not sell, assign, convey or otherwise transfer (nor permit any sale, assignment, conveyance or any other transfer of) any shares of the capital stock of DUI (or any security convertible into capital stock or any warrant or other right to purchase or otherwise acquire such stock or convertible security) to any other person without the prior written consent of the Holders of 66-2/3% of the principal amount of the Bonds (including the consent of the Holders of 66-2/3% of the principal amount of the Series A Bonds); provided, however, that such consent shall not be required for (i) any transfer which is required by law or (ii) any transfer of 100% of the capital stock of DUI, in which the person acquiring such capital stock is the surviving corporation in any bona fide merger, consolidation or acquisition with or of the Parent Company and such person agrees to be bound by the terms of this letter agreement, the

Utility Management Agreement, and the Consolidated Income Tax Agreement; and

(b) the Parent Company shall not cause or permit DUI to issue any capital stock, any security convertible into capital stock or any warrant or other right to purchase or otherwise acquire any such stock or convertible security to any other person without the prior written consent of the Holders of 66-2/3% of the principal amount of the Bonds (including the consent of the Holders of 66-2/3% of the principal amount of the Series A Bonds.

4. This letter agreement (a) shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns and (b) shall be enforceable by you as Trustee under the Mortgage.

5. This letter agreement shall be governed by and construed in accordance with the laws of the State of New York.

Very truly yours,

THE DELTONA CORPORATION,

by

Name:

Title:

UNITED FLORIDA UTILITIES CORPORATION,

by

Name:
Title:

The foregoing Agreement is hereby acknowledged and accepted as of the date first above written.

SOUTHEAST BANK N.A.,
as Trustee

by

Name: Howard R. Straughan, Jr.
Title: Vice President

EXHIBIT B
REPRESENTATIONS

PART ONE--REPRESENTATIONS BY THE COMPANY

SECTION B-1. Good Standing of the Company and Seaboard; Authorization. Each of the Company and Seaboard is duly incorporated, organized and existing in good standing in its state of incorporation and is not required to be qualified as a foreign corporation in any other jurisdiction, and has the corporate power to own its properties and possesses adequate material licenses, permits and franchises to carry on its business as now conducted. The execution, delivery and performance of (a) this Agreement, the Intercompany Agreements, the Indenture and the Bonds have been duly authorized by all necessary proceedings on the part of the Company and (b) the Parent Company Agreement and the Guaranty and Pledge Agreement have been duly authorized by all necessary proceedings on the part of the Parent Company and all such instruments will constitute legal, valid and binding obligations of the Company or the Parent Company, as the case may be, enforceable in accordance with their terms, except to the extent enforceability is limited by applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally.

SECTION B-2. Compliance with Other Instruments.

The execution, delivery and performance (i) by the Company of this Agreement, the Intercompany Agreements, the Indenture and the Bonds and (ii) by the Parent Company of the Parent Company Agreement and the Guaranty and Pledge Agreement will not result in any breach of, constitute a default under or result in the creation of any Encumbrance (other than the lien of the Indenture and the pledge created by the Guaranty and Pledge Agreement) in respect of any property of the Company or its Subsidiary or in respect of any property of the Parent Company pursuant to the charter or by-laws of the Company or of the Parent Company as the case may be, or any agreement, instrument, judgment, decree, order, statute, rule or regulation applicable to the Company or its Subsidiary, or to the Parent Company as the case may be. Neither the Company nor Seaboard nor the Parent Company is in violation of any term of its charter or by-laws or of any material term of any agreement, instrument, judgment, decree, order, statute, rule or regulation applicable to it, the violation of which might materially adversely affect the business, operations, properties or position (financial or otherwise) of the Company or Seaboard as the case may be.

SECTION B-3. Business, Properties, Financial and Other Information Regarding the Company. The Company has

delivered to the Purchaser true, correct and complete copies of the following:

(1) all annual reports to the shareholders of the Parent Company since December 31, 1980, and all reports on Form 10-K required to be filed by the Parent Company with the SEC since December 31, 1980, and, as of their respective dates, none of such reports contained any untrue statement of a material fact with respect to the Company or omitted to state any material fact necessary to make the statements therein with respect to the Company not misleading; and

(2) audited consolidated balance sheets of the Company as of December 31, 1982 and December 31, 1983, and related consolidated statements of income and retained earnings and changes in financial position for the five years ending December 31, 1983, and unaudited consolidated statements of income, retained earnings and changes in financial position of the Company for the nine months ended September 30, 1984, each prepared in accordance with GAAP on a consistent basis (except as noted therein) throughout the periods covered thereby, and, as of their respective dates, all such financial statements and the related schedules and notes are true, complete and correct (subject in the case of interim statements to changes resulting from

year-end audit adjustments), show all material liabilities, direct or contingent, of the Company as of the dates thereof, and fairly present the financial position of the Company, and the results of its operations and its sources and application of funds.

SECTION B-4. Taxes. Neither the Company nor Seaboard nor the Parent Company is delinquent in payment of any income, property or other tax, except for any delinquency which is the subject of Good Faith Contest. There are no years prior to the fiscal year ended December 31, 1981, for which the statute of limitations remains open for the institution of a proceeding by the Internal Revenue Service with respect to the redetermination of Federal income tax liabilities of the Company or Seaboard and the Federal income tax liabilities of the Company and Seaboard have been paid through such date.

SECTION B-5. Encumbrances. Each of the Company and Seaboard has good and marketable title to its real properties and good and merchantable title to each of its other properties as are reflected in the most recent audited balance sheet referred to in Section B-3 except such thereof as have been disposed of in the ordinary course of business, and, except as created or permitted by the Indenture, all properties of the Company and Seaboard are free and clear of all Encumbrances (other than the Encumbrance created

pursuant to the Amended and Restated Secured Loan Agreement, dated as of April 30, 1981, among the Company, its Subsidiary and Citibank, N.A., as heretofore further amended). Neither the Company nor Seaboard is, in the ordinary course of business or as disclosed in the financial statements contained in the reports and registration statements referred to in Section B-3, obligated as surety for any obligation of any other Person, except for guarantees and other contingent liabilities not prohibited by the Indenture.

SECTION B-6. Material Adverse Changes. Since the end of the Company's most recent fiscal year or shorter fiscal period position shown in the financial statements contained in the reports and registration statements referred to in Section B-3, there has not been any material adverse change in the business, operations, properties or position (financial or otherwise) of the Company other than normal seasonal variations. The Company does not know of any fact (other than matters of a general economic or political nature) which materially adversely affects or, so far as the Company can now foresee, will materially adversely affect the business, operations, properties or position (financial or otherwise) of the Company or the performance by the Company of its obligations under this Agreement, the Indenture or the Bonds which has not been set

forth in (i) this Agreement, (ii) the Private Placement Memorandum dated July, 1984, from Bear, Stearns & Co. to the Purchaser, (iii) any document supplied to the Purchaser for purposes of this Agreement, which document is listed in a letter dated December 11, 1984, from the Company to the Purchaser, or (iv) the letter referred to in clause (iii) hereof.

SECTION B-7. Offering of Bonds. Neither the Company nor any Person acting on its behalf has offered the Bonds or any securities that would be aggregated by the SEC as part of this offering for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchaser, the Other Purchasers and eight (8) other Persons. Neither the Company nor anyone acting on its behalf has taken or will take any action which would subject the issuance or sale of the Bonds to Section 5 of the Securities Act of 1933, as amended.

SECTION B-8. Use of Proceeds. The Company will apply the net proceeds of the sale of the Bonds hereunder to discharge certain indebtedness of the Company, including indebtedness of the Company to its Parent Company and indebtedness of the Company to Citibank, N.A., and as working capital.

SECTION B-9. Compliance with Federal Reserve Board Regulations. No part of the proceeds of the sale of the Bonds hereunder will be used, and no part of the proceeds of any loan repaid with the proceeds of the sale of the Bonds hereunder was used, directly or indirectly, for the purpose of purchasing or carrying any "margin security" within the meaning of Regulation G of the Board of Governors of the Federal Reserve System (12 C.F.R. 207), or for the purpose of purchasing or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 C.F.R. 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 C.F.R. 220). The assets of the Company do not include any margin securities, and the Company has no present intention of acquiring any margin security.

SECTION B-10. ERISA. No employee benefit plan established or maintained, or to which contributions have been made, by the Company or Seaboard which is subject to Part 3 of Subtitle B of Title I of ERISA has any material accumulated funding deficiency (as defined in ERISA), and neither the Company nor Seaboard has incurred any material liability to the Pension Benefit Guaranty Corporation with respect to any such plan.

The execution, delivery and performance of this Agreement, the Indenture and the Bonds will not involve any transaction which is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax could be imposed pursuant to Section 4975 of the Internal Revenue Code of 1954, as amended. The representation by the Company in the preceding sentence is made in reliance upon and subject to the accuracy of the representation of the Purchaser in Section B-17 as to the source of the funds used to pay the purchase price of the Bonds purchased by the Purchaser. The Company is not a party in interest with respect to any employee benefit plan whose name has been disclosed to the Company pursuant to Section B-17 and securities of the Company are not employer securities with respect to any such plan. As used in this Section, the terms "employee benefit plan" and "party in interest" have the respective meanings specified in Section 3 of ERISA and the term "employer securities" has the meaning specified in Section 407(d)(1) of ERISA.

SECTION B-11. Investment Company Act. The Company is not, and is not directly or indirectly controlled by, or acting on behalf of any Person which is, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION B-12. Foreign Assets Control Regulations.

Neither the sale of the Bonds by the Company hereunder nor its use of the proceeds thereof will violate the Foreign Assets Control Regulations, the Cuban Assets Control Regulations, the Iranian Assets Control Regulations, the Foreign Funds Control Regulations or the Transaction Control Regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended).

SECTION B-13. Pending Litigation. Except as disclosed in a letter dated December 11, 1984, from the Company to the Purchaser, there are no actions, suits, proceedings or investigations pending, or, to the knowledge of the Company, threatened, against or affecting the Company, Seaboard or the Parent Company before any court, arbitrator or administrative or governmental body which, in the aggregate, might adversely affect any action taken or to be taken by the Company under this Agreement, the Indenture or the Bonds or by the Parent Company under the Parent Company Agreement or the Guaranty and Pledge Agreement or which, in the aggregate, might materially adversely affect the business, operations, properties or position (financial or otherwise) of the Company.

SECTION B-14. Public Utility Holding Company Act.

The Company and the Parent Company are exempt from all

provisions of the Public Utility Holding Company Act of 1935.

SECTION B-15. Disclosure. Neither this Agreement nor any certificate or written statement furnished to the Purchaser by or on behalf of the Company in connection with the transactions contemplated hereby (including without limitation the financial statements, reports and registration statements of the Parent Company referred to in Section B-3 hereof), considered together, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements herein and therein, in light of the circumstances under which they were made, not misleading. There is no fact known to the Company (other than matters of a general economic or political nature) which materially and adversely affects, or so far as the Company can now foresee, may reasonably be expected to materially and adversely affect, the business, operations, properties or position (financial or otherwise) of the Company or the ability of the Company to perform this Agreement and the transactions contemplated hereby and its obligations under the Indenture and the Bonds which has not been set forth in (i) this Agreement, (ii) the Private Placement Memorandum dated July, 1984, from Bear, Stearns & Co. to the Purchaser, (iii) any document supplied to the Purchaser for purposes of this Agreement, which document is

listed in a letter dated December 11, 1984, from the Company to the Purchaser, or (iv) the letter referred to in clause (iii) hereof.

SECTION B-16. Subsidiary. The Company does not own any shares of capital stock of any other corporation except Seaboard and it owns all the outstanding shares of capital of such Subsidiary. No other person has any right to acquire any shares of capital stock of such Subsidiary.

PART TWO--REPRESENTATION BY THE PURCHASER

SECTION B-17. Acquisition of Bonds for Investment. The Purchaser will acquire the Bonds for its own general account and/or for one or more separate accounts maintained by it, for investment and not with a view to any distribution of the Bonds or with any present intention of distributing or selling any of the Bonds, but subject, nevertheless, to the disposition of the Bonds being at all times within its control. The Purchaser further represents that at least one of the following statements is an accurate representation as to the source of funds to be used by the Purchaser to pay the purchase price of the Bonds purchased by the Purchaser hereunder:

(a) no part of such funds constitutes assets allocated to any separate account maintained by the

Purchaser in which any employee benefit plan (or its related trust) has any interest; or

(b) to the extent that any part of such funds constitutes assets allocated to any separate account maintained by the Purchaser, the Purchaser has disclosed to the Company the name of each employee benefit plan whose assets in such separate account exceed 5% of the total assets (and for the purposes of this subdivision (b), all employee benefit plans maintained by the same employer or employee organization are deemed to be a single plan).

As used in this Section, the terms "employee benefit plan" and "separate account" shall have the respective meanings specified in Section 3 of ERISA.

EXHIBIT C
CLOSING CONDITIONS

SECTION C-1. Representations and Warranties True.

All representations and warranties of the Company made in Exhibit B or otherwise under or pursuant to this Agreement shall (except as affected by the transactions hereby contemplated) be true as though made on the Closing Date.

SECTION C-2. No Merger, etc. The Company shall not have consolidated with, merged into, or sold, leased or otherwise disposed of its properties as an entirety or substantially as an entirety to, any Person.

SECTION C-3. No Default. No Default shall have occurred and be continuing.

SECTION C-4. Instruments and Proceedings To Be Satisfactory. All instruments and corporate proceedings relating to the issuance and sale of the Bonds hereunder by the Company shall be satisfactory to the Purchaser and its Special Counsel named in Section C-12.

SECTION C-5. Compliance Certificate. The Company shall have delivered to the Purchaser an officers' certificate, dated the Closing Date, certifying to the effect set forth in Sections C-1 through C-3.

SECTION C-6. Execution of Indenture, Parent Company Agreement and Intercompany Agreement. The Indenture, Parent Company Agreement, Intercompany Agreements and Guaranty and Pledge Agreement shall have been duly executed and delivered by the intended parties thereto.

SECTION C-7. Discharge of Existing Indebtedness and Encumbrance. All indebtedness due under the Amended and Restated Secured Loan Agreement, dated as of April 30, 1981, among the Company, its Subsidiary and Citibank, N.A., as heretofor further amended, shall have been paid in full and properly executed releases and satisfactions of all Encumbrances created pursuant thereto in recordable form shall have been irrevocably delivered to Special Florida Counsel for the Purchaser.

SECTION C-8. Recordings. The Company shall have delivered to the Purchaser satisfactory evidence of the recordings and filings specified in Section 4.4.

SECTION C-9. Opinion of General Counsel for the Company. The Purchaser shall have received from William I. Livingston, Esq., general counsel for the Company, an opinion, dated the Closing Date, in scope and substance satisfactory to the Purchaser and its special counsel, in substantially the form attached hereto as Exhibit D-1.

SECTION C-10. Opinion of Special Florida Counsel for the Company. The Purchaser shall have received from

Moore, Williams & Bryant, Special Florida Counsel to it and the Other Purchasers an opinion, dated the Closing Date, in scope and substance satisfactory to the Purchaser, in substantially the form attached hereto as Exhibit D-2.

SECTION C-11. Opinion of Purchaser's Special Counsel. The Purchaser shall have received from Cravath, Swaine & Moore, Special Counsel to it and the Other Purchasers, an opinion, dated the Closing Date, satisfactory in scope and substance to the Purchaser, in substantially the form attached hereto as Exhibit D-3.

SECTION C-12. Legality of Investment. On the Closing Date, each Bond to be purchased by the Purchaser shall be a legal investment for the Purchaser under the laws of each jurisdiction to which it may be subject without resort to any basket provision of said laws such as New York Insurance Law § 1405(a)(8) and the Purchaser shall have received such certificates or other evidence as it may reasonably request demonstrating the legality of such purchase under such laws.

SECTION C-13. Other Purchase Agreements. The Closing under each Other Purchase Agreement shall occur concurrently.

EXHIBIT D-1

FORM OF OPINION -- GENERAL COUNSEL FOR THE COMPANY

I have acted as counsel for Deltona Utilities, Inc. (the "Company"), The Deltona Corporation, Seaboard Utilities Corporation, United Florida Utilities Corporation and Deltona Utilities Consultants, Inc. (collectively, the "Deltona Companies") in connection with the issuance and sale by the Company of \$30,000,000 principal amount of its 15.50% First Mortgage Bonds, due 1994 (the "Bonds"), and the other agreements and transactions contemplated by the several Bond Purchase Agreements, each dated as of December 1, 1984 (collectively, the "Bond Purchase Agreements"), between the Company and each of you.

This opinion is delivered to each of you pursuant to Section C-10 of the Bond Purchase Agreements. Except as the context shall otherwise indicate, the terms defined, or the definitions of which are directly or indirectly incorporated by reference, in the Bond Purchase Agreements are hereinafter used with the same meanings.

I am of the opinion that:

(i) each Deltona Company is a corporation duly organized, validly existing and in good standing under the laws of its State of incorporation and each has the corporate power and authority to conduct its business

and to own or lease its properties as contemplated in the Bond Purchase Agreements, the Indenture, the Bonds, the Intercompany Agreements, the Parent Company Agreement and the Guaranty and Pledge Agreement (collectively, the "Financing Agreements") and in the Private Placement Memorandum referred to in clause (ii) of Section B-15 of the Bond Purchase Agreements; the outstanding shares of the capital stock of the Company Seaboard and the Sister Company are validly issued, fully paid and nonassessable; and the outstanding shares of the capital stock of the Company and of the Sister Company are owned by the Parent Company free and clear of any mortgage, lien, pledge, charge, security interest or other encumbrance (except in the case of the capital stock of the Sister Company the lien of the Guaranty and Pledge Agreement);

(ii) each Deltona Company is duly qualified to do business as a foreign corporation and is in good standing in all jurisdictions in which the character of the properties owned or held under lease, or the nature of the business conducted, by it makes such qualification necessary;

(iii) each Deltona Company has the corporate power and authority to execute, deliver and perform the Financing Agreement or Agreements to which it is a

party and has taken all necessary corporate action to authorize the execution, delivery and performance thereof;

(iv) the execution, delivery and performance by each Deltona Company of the Financing Agreement or Agreements to which it is a party (1) will not violate any provision of any law or regulation applicable to it, or any provision of any order, writ, judgment or decree of any court or governmental instrumentality applicable to it, (2) will not violate any provision of its charter or by-laws and (3) will not violate any provision of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance on or security interest in (other than as contemplated by the Indenture and the Guaranty and Pledge Agreement) any of its assets pursuant to the provisions of, any mortgage, indenture, contract, agreement or other undertaking to which it is a party or which purports to be binding upon it or upon any of its assets;

(v) there is no action, suit, proceeding or investigation (whether or not purportedly on its behalf) pending or (to the best of my knowledge, having made due inquiry with respect thereto) threatened against or affecting any Deltona Company which

questions the validity of any Financing Agreement or any action taken or to be taken pursuant thereto; and, except as disclosed in any materials delivered to you pursuant to clauses (iii) and (iv) of the Bond Purchase Agreements, there is no action, suit, proceeding or investigation (whether or not purportedly on its behalf) pending or (to the best of my knowledge, having made due inquiry with respect thereto) threatened against or affecting any Deltona Company, or its assets, which, individually or in the aggregate with other such actions, suits, proceedings or investigations, would, in our opinion, have a materially adverse effect on the financial condition, business or operations of any Deltona Company;

(vi) each of the Financing Agreements other than the Indenture, the Bonds and the Guaranty and Pledge Agreement has been duly authorized, executed and delivered by each Deltona Company which is a party thereto and constitutes legal, valid and binding obligations of such Deltona Company enforceable in accordance with its respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally);

(vii) each of the Indenture and the Guaranty and Pledge Agreement has been duly authorized, executed and delivered by the parties thereto and is a legal, valid and binding obligation of the Company in the case of the Indenture and of the Parent Company in the case of the Guaranty and Pledge Agreement and is enforceable in accordance with its terms (except as enforceability may be limited by laws with respect to or affecting the remedies to enforce the security provided by the Indenture or the Guaranty and Pledge Agreement, which laws do not, in our opinion, make inadequate the remedies necessary for the realization of the benefits of such security, and by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally);

(viii) the Bonds delivered to you on the date hereof have been duly authorized, executed and delivered by the Company and duly authenticated by the Trustee and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally) and are entitled to the

benefits and security afforded by the Indenture in accordance with their and its terms (except as set forth in paragraph (vii) above);

(ix) no approval, authorization, order, license, permit, franchise or consent of or registration, declaration or filing (including any action by or before the Florida Public Service Commission) with any governmental authority is required in connection with (a) the execution and delivery by the parties thereto of any Financing Agreement, (b) the issuance and sale of the Bonds and (c) the performance by any Deltona Company of the Financing Agreement or Agreements to which it is a party (except the following filings and recordings with respect to the Indenture [to be specified] all of which filings and recordings have been duly made);

(x) the Company has acquired and has good and marketable title, subject to no liens, charges or encumbrances other than the lien of the Indenture and encumbrances permitted by Section 5.10 of the Indenture, to the fee simple interest in and to all real property and the interests in real property described in Exhibit A to the Indenture; the real property and interests in real property described in Exhibit A to the Indenture are sufficient and adequate

for the operation by the Company of its present businesses; and the Company has good title, subject to no liens, charges or encumbrances other than the lien of the Indenture and Permitted Encumbrances, to the other properties described as owned by it in, and as subject to the lien of, the Indenture;

(xi) the descriptions contained and incorporated by reference in the granting clauses of the Indenture are adequate for the purpose of subjecting to the lien of the Indenture all properties and interests in properties described or referred to therein and not excepted from the lien of the Indenture by the provisions thereof;

(xii) the recordings of the Indenture referred to in paragraph (ix) above and the filing of Uniform Commercial Code financing statements covering the personal property and fixtures described in the Indenture as subject to the lien thereof referred to in said paragraph (ix), and the filing of continuation statements within six months prior to the expiration of each five year period from the date of original filing with respect to such financing statements, are the only recordings, filings, rerecordings and refilings required by law in order to perfect and maintain the lien of the Indenture on any of the property described

therein as subject thereto; and all taxes, fees and other charges in connection with the issue of the Bonds delivered to you on the date hereof and the execution, delivery and recording of the Indenture and filing of the above financing statements have been fully paid;

(xiii) as a result of the recording and filings referred to in paragraph (xii) above, (a) the Indenture creates as security for the Bonds (i) a valid lien on all real property and interests in real property and the improvements thereon specifically described in the granting clauses of the Indenture (and not excepted from the lien of the Indenture by the provisions thereof) and (ii) a perfected security interest in all personal property, interests in personal property and fixtures specifically described in the granting clauses of the Indenture (and not excepted from the lien of the Indenture by the provisions thereof), in each case subject to no liens, charges or encumbrances, other than Permitted Encumbrances; (b) upon the recordation of the satisfactions and releases referred to in Section C-8 of the Bond Purchase Agreements such lien and such security interest will be a first lien and a first security interest; (c) the delivery to the Trustee of the shares of Seaboard, the Sister Company Note, the Security and Pledge Agreement and the shares

of the Sister Company pursuant to granting clauses IV and V of the Indenture are sufficient to effect a first pledge thereon in favor of the Trustee; and (d) the provisions of the Indenture are effective to extend the lien thereof to all properties and interests in properties which the Company may acquire after the date of the Indenture, which are of the type referred to in the Indenture as intended to be mortgaged thereby when acquired, and the lien of the Indenture will extend to all such properties and interests in properties and will constitute a valid, first lien on all such real property and interests therein and a first perfected security interest in all such personal property and interests therein, subject in each case to no lien, charge, encumbrance or security interest other than Permitted Encumbrances, upon the execution and delivery of any supplemental indenture or other instrument specifically extending the lien to such real property or interests therein but without the taking of any other action specifically extending the lien of the Indenture to such personal property or interests therein, other than the filing of continuation statements within six months prior to the expiration of each five year period from the date of original filing with

respect to the financing statements as described above;
and

(xiv) it is not necessary in connection with the sale of the Bonds delivered to you on the date hereof, under the circumstances contemplated by the Bond Purchase Agreements, to register such Bonds under the Securities Act of 1933, as amended, or to qualify the Indenture under the Trust Indenture Act of 1939, as amended, and any future sale of such Bonds, which you do not now intend, would not require registration of such Bonds under said Securities Act or qualification of the Indenture under said Trust Indenture Act provided either that such future sale does not involve any public offering of such Bonds or at the time of such future sale neither you nor, if you are at that time an affiliate of the Company, any person through or to whom such future sale is made by you is an underwriter of such Bonds as defined in said Securities Act.

I am a member of the Florida Bar and do not hold myself out as expert on the laws of jurisdiction other than those of Florida and the United States of America. Accordingly, as to matters involving the laws of the State of New York, I have, with your consent, relied upon the opinion of your special Counsel delivered to you today pursuant to Section C-12 of the Bond Purchase Agreements

EXHIBIT D-2

FORM OF OPINION -- PURCHASERS SPECIAL FLORIDA COUNSEL

We have acted as special Florida counsel for you in connection with the issuance and sale by Deltona Utilities, Inc. (the "Company") of \$30,000,000 principal amount of its 15.50% First Mortgage Bonds, due 1994 (the "Bonds"), and the other agreements and transactions contemplated by the several Bond Purchase Agreements, each dated as of December 1, 1984 (collectively, the "Bond Purchase Agreements"), between the Company and each of you.

This opinion is delivered to each of you pursuant to Section C-11 of the Bond Purchase Agreements. Except as the context shall otherwise indicate, the terms defined, or the definitions of which are directly or indirectly incorporated by reference, in the Bond Purchase Agreements are hereinafter used with the same meanings.

We are of the opinion that:

(i) the execution, delivery and performance by each Deltona Company of the Financing Agreement or Agreements to which it is a party will not violate any provision of any law or regulation applicable to it.

(ii) each of the Financing Agreements other than the Indenture, the Bonds and the Guaranty and Pledge Agreement, assuring due authorization, execution and

delivery by each Deltona Company which is a party thereto, constitutes a legal, valid and binding obligation of such Deltona Company enforceable in accordance with its respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally);

(iii) each of the Indenture and the Guaranty and Pledge Agreement, assuming due authorization, execution and delivery by the parties thereto, is a legal, valid and binding obligation of the Company in the case of the Indenture and of the Parent Company in the case of the Guaranty and Pledge Agreement and is enforceable in accordance with its terms (except as enforceability may be limited by (a) laws with respect to or affecting the remedies to enforce the security provided by the Indenture or the Guaranty and Pledge Agreement, which laws do not, in our opinion, make inadequate the remedies necessary for the realization of the benefits of such security, and (b) by applicable bankruptcy, insolvency, receivership, arrangement, moratorium, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally and (c) the authority or power of the

relevant regulatory or governing body over the transfer of a franchise or certificate for a utility, including the authority of the Florida Public Service Commission to approve the sale, assignment or transfer of (1) any such certificate; (2) the facilities or any portion thereof or (3) majority organizational control of a water or sewer utility which is required to possess a certificate issued by the Florida Public Service Commission and the authority of any franchising body to approve the sale, assignment or transfer of a franchise and including the authority of any franchising body to terminate a franchise in the event of bankruptcy, reorganization, dissolution or similar proceeding);

(iv) the Bonds delivered to you on the date hereof, assuring due authorization, execution and delivery by the Company and due authentication by the Trustee, constitute legal, valid and binding obligations of the Company enforceable in accordance with their terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally) and are entitled to the benefits and security afforded by the Indenture in accordance with their and its terms (except as set forth in paragraph (iii) above);

(v) no approval, authorization, order, license, permit, franchise or consent of or registration, declaration or filing (including any action by or before the Florida Public Service Commission) with any governmental authority is required in connection with (a) the execution and delivery by the parties thereto of any Financing Agreement, (b) the issuance and sale of the Bonds and (c) the performance by any Deltona Company of the Financing Agreement or Agreements to which it is a party (except the following filings and recordings with respect to the Indenture [to be specified] all of which filings and recordings have been duly made);

(vi) the descriptions contained and incorporated by reference in the granting clauses of the Indenture are adequate for the purpose of subjecting to the lien of the Indenture all properties and interests in properties described or referred to therein and not excepted from the lien of the Indenture by the provisions thereof;

(vii) the recordings of the Indenture referred to in paragraph (v) above and the filing of Uniform Commercial Code financing statements covering the personal property and fixtures described in the Indenture as subject to the lien thereof referred to in said

paragraph (v), and the filing of continuation statements within six months prior to the expiration of each five year period from the date of original filing with respect to such financing statements, are the only recordings, filings, rerecordings and refilings required by law in order to perfect and maintain the lien of the Indenture on any of the property described therein as subject thereto; and all taxes, fees and other charges in connection with the issue of the Bonds delivered to you on the date hereof and the execution, delivery and recording of the Indenture and filing of the above financing statements have been fully paid;

(viii) as a result of the recording and filings referred to in paragraph (vii) above, (a) the Indenture creates as security for the Bonds (i) a valid lien on all real property and interests in real property and the improvements thereon specifically described in the granting clauses of the Indenture (and not excepted from the lien of the Indenture by the provisions thereof) and (ii) a perfected security interest in all personal property, interests in personal property and fixtures specifically described in the granting clauses of the Indenture (and not excepted from the lien of the Indenture by the provisions thereof), in each case subject to no liens, charges or encumbrances, other

than Permitted Encumbrances; (b) upon the recordation of the satisfactions and releases referred to in Section C-8 of the Bond Purchase Agreements such lien and such security interest will be a first lien and a first security interest; (c) the delivery to the Trustee of the shares of Seaboard, the Sister Company Note, the Security and Pledge Agreement and the shares of the Sister Company pursuant to granting clauses IV and V of the Indenture are sufficient to effect a first pledge thereon in favor of the Trustee; and (d) the provisions of the Indenture are effective to extend the lien thereof to all properties and interests in properties which the Company may acquire after the date of the Indenture, which are of the type referred to in the Indenture as intended to be mortgaged thereby when acquired, and the lien of the Indenture will extend to all such properties and interests in properties and will constitute a valid, first lien on all such real property and interests therein and a first perfected security interest in all such personal property and interests therein, subject in each case to no lien, charge, encumbrance or security interest other than Permitted Encumbrances, upon the execution and delivery of any supplemental indenture or other instrument specifically extending the lien to such real property

or interests therein but without the taking of any other action specifically extending the lien of the Indenture to such personal property or interests therein, other than the filing of continuation statements within six months prior to the expiration of each five year period from the date of original filing with respect to the financing statements as described above; and

[As to matters set forth above relating to the Trustee, I have, with your consent, relied upon an opinion of even date herewith of
counsel to the Trustee.]

We are members of the Florida Bar and do not hold ourselves out as experts on the laws of jurisdictions other than those of Florida and the United States of America. Accordingly, as to matters involving the laws of the State of New York, I have, with your consent, relied upon the opinion of your special Counsel delivered to you today pursuant to Section C-12 of the Bond Purchase Agreements.

EXHIBIT D-3

FORM OF OPINION -- PURCHASERS' SPECIAL COUNSEL

We have acted as counsel for you in connection with the issuance and sale by Deltona Utilities, Inc. (the "Company") of \$30,000,000 principal amount of its 15.50% First Mortgage Bonds, due 1994 (the "Bonds"), and the other agreements and transactions contemplated by the several Bond Purchase Agreements, each dated as of December 1, 1984 (collectively, the "Bond Purchase Agreements"), between the Company and each of you.

This opinion is delivered to each of you pursuant to Section C-12 of the Bond Purchase Agreements. Except as the context shall otherwise indicate, the terms defined, or the definitions of which are directly or indirectly incorporated by reference, in the Bond Purchase Agreements are hereinafter used with the same meanings.

We of the opinion that:

(i) each of the Financing Agreements other than the Indenture, the Bonds and the Guaranty and Pledge Agreement, has been duly authorized, executed and delivered by each Deltona Company which is a party thereto, and constitutes a legal, valid and binding obligation of such Deltona Company enforceable in accordance with its respective terms (except as

enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally);

(ii) each of the Indenture and the Guaranty and Pledge Agreement, have been duly authorized, executed and delivered by the parties thereto and is a legal, valid and binding obligation of the Company in the case of the Indenture and of the Parent Company in the case of the Guaranty and Pledge Agreement and is enforceable in accordance with its terms (except as enforceability may be limited by laws with respect to or affecting the remedies to enforce the security provided by the Indenture or the Guaranty and Pledge Agreement, which laws do not, in our opinion, make inadequate the remedies necessary for the realization of the benefits of such security, and by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally);

(iii) the Bonds delivered to you on the date hereof, have been duly authorized, executed and delivered by the Company and duly authenticated by the Trustee and constitute legal, valid and binding obligations of the Company enforceable in accordance with their terms

(except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' and mortgagees' rights generally) and are entitled to the benefits and security afforded by the Indenture in accordance with their and its terms (except as set forth in paragraph (ii) above);

(iv) no approval, authorization, order, license, permit, franchise or consent of or registration, declaration or filing (including any action by or before the Florida Public Service Commission) with any governmental authority is required in connection with (a) the execution and delivery by the parties thereto of any Financing Agreement, (b) the issuance and sale of the Bonds and (c) the performance by any Deltona Company of the Financing Agreement or Agreements to which it is a party (except the following filings and recordings with respect to the Indenture [to be specified] all of which filings and recordings have been duly made);

(v) it is not necessary in connection with the sale of the Bonds delivered to you on the date hereof, under the circumstances contemplated by the Bond Purchase Agreements, to register such Bonds under the Securities Act of 1933, as amended, or to qualify the

Indenture under the Trust Indenture Act of 1939, as amended, and any future sale of such Bonds, which you do not now intend, would not require registration of such Bonds under said Securities Act or qualification of the Indenture under said Trust Indenture Act provided either that such future sale does not involve any public offering of such Bonds or at the time of such future sale neither you nor, if you are at that time an affiliate of the Company, any person through or to whom such future sale is made by you is an underwriters of such Bonds as defined in said Securities Act.

We are members of the New York Bar and do not hold our selves out as expert on the laws of jurisdictions other than, those of New York, the United States of America and the general corporation law of Release. Accordingly, as to matters involving the laws of the State of Florida, we have, with your consent, relied upon the opinion of your Special Florida Counsel delivered to you today pursuant to Section C-12 of the Bond Purchase Agreements and the opinion of the Company's General Counsel delivered to you today pursuant to Section C-10 of the Bond Purchase Agreements.

SCHEDULE I

A. Pursuant to Section 3 of this Agreement, the Purchaser agrees to purchase the aggregate principal amount of Bonds listed opposite its name. The Purchaser instructs the Company to issue one or more Bonds to the Purchaser, in the denominations listed opposite its name.

<u>Purchaser</u>	<u>Denomination</u>	<u>Aggregate Principal Amount</u>
1. Aetna Life Insurance Company	\$ 3,600,000	
Aetna Life Insurance Company	<u>3,400,000</u>	\$ 7,000,000
2. The Aetna Casualty and Surety Company	<u>1,600,000</u>	1,600,000
3. The Equitable Life Assurance Society of the United States	7,600,000	
The Equitable Life Assurance Society of the United States	<u>1,000,000</u>	8,600,000
4. The Mutual Benefit Life Insurance Company	<u>8,600,000</u>	8,600,000
5. Continental Assurance Company	<u>4,200,000</u>	<u>4,200,000</u>
	<u>\$30,000,000</u>	<u>\$30,000,000</u>

B. Pursuant to Section 6 of this Agreement, the Purchaser instructs the Company to make all payments in respect of the Bonds by (i) transferring such payments by Federal wire transfer of immediately available funds to the account or accounts listed under its name below, and (ii) providing with such transfer information sufficient to identify the source and application of the funds and making reference to such Bonds.

1. Aetna Life and Casualty Company
 - a. Aetna Life Insurance Company
Account No. 000-45-764
Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015
Attention of the Money Transfer Department
 - b. Aetna Casualty and Surety Company
Account No. 000-42-948
Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015
Attention of the Money Transfer Department
2. The Equitable Life Assurance Society
of the United States
Account No. 037-1-000233
The Chase Manhattan Bank, N.A.
110 West 57th Street
New York, New York 10019

Payments made to this account shall be accompanied with instructions to give advice of payment by telephone to the Banking Division of its Bank Service Department.

3. The Mutual Benefit Life Insurance Company
Account No. 50-012-210
Bankers Trust Company
16 Wall Street
New York, New York 10015

Payments made to this account shall be accompanied with advice of payment by telephone to the Cashier at telephone number (201) 481-8629.

4. Continental Assurance Company Pension
Investment Fund (GIF)
Trust Account No. 10-83121
First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Attention of Trust Department

C. Pursuant to Section 6 of this Agreement, the Purchaser instructs the Company to address all communications to the Purchaser to the appropriate address listed under its name below:

1. Aetna Life Insurance Company

- a. In the case of all notices in respect of payment:

Aetna Life Insurance Company
CityPlace
Hartford, Connecticut 06156
Attention: Securities Operations YF44

- b. In the case of all notices in respect of quarterly and annual financial statements:

Aetna Life Insurance Company
CityPlace
Hartford, Connecticut 06156
Attention: Records Unit, Bond Investment
Dept. YFC4

- c. In the case of all other communications:

Aetna Life Insurance Company
CityPlace
Hartford, Connecticut
Attention: Bond Investment Department YFC4

2. Aetna Casualty and Surety Company

- a. In the case of all notices in respect of payment:

The Aetna Casualty and Surety Company
CityPlace
Hartford, Connecticut 06156
Attention: Securities Operations YF44

- b. In the case of all notices in respect of quarterly and annual financial statements:

The Aetna Casualty and Surety Company
CityPlace
Hartford, Connecticut 06156
Attention: Records Unit, Bond Investment
Department, YFC4

c. In the case of all other communications:

The Aetna Casualty and Surety Company
CityPlace
Hartford, Connecticut 06156
Attention: Bond Investment Department, YFC4

3. The Equitable Life Assurance Society of the United States

a. In the case of all notices with respect to payment:

The Equitable Life Assurance Society of the
United States
1285 Avenue of the Americas
New York, New York 10019
Attention of Securities Services Division,
Investment Services Department

b. In the case of all other notices:

The Equitable Life Assurance Society of the
United States
1285 Avenue of the Americas
New York, New York 10019
Attention of Corporate Finances Department

4. The Mutual Benefit Life Insurance
520 Broad Street
Newark, New Jersey 07101
Attention of Capital Markets Division

5. Continental Assurance Company
CNA Plaza
Chicago, Illinois 60685
Attention of Investments/Private Placements 41S