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090442

September 9, 2009

VIA HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED--FPSC
09 SEP -9 AM 10: 27
COMMISSION
CLERK

Re: Utilities, Inc.;
Application for Transfer of Facilities to Governmental Authority
Our File No.: 30057.185

Dear Ms. Cole:

Enclosed for filing please find an original and seven (7) copies of an Application for Transfer of Facilities to a Governmental Authority for Miles Grant Water and Sewer Company, and an original and seven (7) Application for Transfer of Facilities to a Governmental Authority for Utilities, Inc. of Hutchinson Island. Pursuant to section 367.071(3) Florida Statutes, no filing fee is required for these Applications. Should you have any questions regarding this matter, please feel free to contact me.

Sincerely,



John R. Jenkins
For the Firm

COM
ECR JRJ/kem
GCL 2 Enclosures
OPC 1
RCP cc: Mr. Don Sudduth
SSC John Stover, Esq.
SGA Nathan E. Nason, Esq.
ADM
CLK *[Handwritten initials]*

DOCUMENT NUMBER-DATE
09321 SEP-9 8
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for Transfer of)
Water and Wastewater Facilities of)
Utilities, Inc. of Hutchinson Island)
to Martin County, Florida)
_____)

DOCKET NO. 090442-WS

WS 872

APPLICATION FOR TRANSFER OF FACILITIES TO A GOVERNMENTAL
AUTHORITY

Applicant, Utilities, Inc. of Hutchinson Island ("Applicant"), pursuant to § 367.071, Fla. Stat., files this Application for Transfer of Facilities to a Governmental Authority and in support thereof states as follows:

1. Applicant operates under Water Certificate No. 336 -W and Wastewater Certificate No. 291-S in Martin County, Florida.
2. The name and address of Applicant and its authorized representatives, for purposes of this application, are:

Utilities, Inc. of Hutchinson Island
200 Weathersfield Ave
Altamonte Springs, FL 32714

Authorized Representatives:
John R. Jenkins, Esq.
Kyle L. Kemper, Esq.
Rose, Sundstrom, & Bentley, LLP
2548 Blairstone Pines Dr.
Tallahassee, Florida 32301
850-877-6555
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jjenkins@rsbattorneys.com
kkemper@rsbattorneys.com

DOCUMENT NUMBER-DATE

09321 SEP-9 8

FPSC-COMMISSION CLERK

3. The name and address of Martin County and its authorized representatives, for purposes of this application, are:

Martin County Utilities
2378 SE Ocean Blvd
Stuart, Florida 34996

Authorized Representatives:

Stephen Fry, Esq.
Martin County Attorney
2401 SE Monterey Rd.
Stuart, Florida 34996
772-288-5925
sfry@martin.fl.us

John Polley
Environmental Services Director
2378 SE Ocean Blvd
Stuart, Florida 34996
772-221-1442
jpolley@martin.fl.us

4. A copy of the Utility Asset Purchase and Sale Agreement dated August 13, 2009 between Martin County and Miles Grant Water and Sewer Company, Utilities, Inc. of Hutchinson Island, and Acme Water Supply and Management Company, is attached hereto as Exhibit "A" ("Agreement"). The Agreement has been executed by the County Administrator, pending ratification and approval by the Martin County Board of County Commissioners scheduled for September 22, 2009 following the County's Chapter 125 Florida Statutes public interest hearing.

5. On September 22, 2009, Martin County will conduct a public hearing in accordance with § 125.3401, Fla. Stat., at which it will consider: (a) the most recent available income and expense statements for Applicant; (b) the most recent available balance sheet for Applicant, listing assets and liabilities and clearly showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon; (c) a statement of the existing rate base of Applicant for regulatory purposes; (d) the physical condition of Applicant's facilities being purchased; (e) the reasonableness of the purchase price and terms; (f) the impact of the purchase on utility customers,

both positive and negative; (g) any additional investment required and the ability and willingness of Martin County to make that investment; (h) the alternatives to the purchase and the potential impact on Applicant's customers if the purchase is not made; and (i) the ability of Martin County to provide and maintain high-quality and cost-effective utility service. Upon adoption of a resolution finding the transaction to be in the public interest and approving the Agreement, an executed copy will be filed as a late-filed exhibit in this docket.

6. The transaction is scheduled to close on or before November 13, 2009.

7. This Application must be approved as a matter of right as a sale to a governmental authority pursuant to § 367.071(4)(a), Fla. Stat.

8. Subsequent to the closing of this transaction, Applicant will retain no assets that would constitute a system providing or proposing to provide water or wastewater service to the public for compensation.

9. Martin County obtained from Applicant its most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction.

10. Pursuant to the Agreement, and immediately prior to closing this transaction, Applicant will submit a final bill to its customers and will receive a credit for its accounts receivable at closing. Martin County will subsequently collect such receivables. Thereafter, the County shall be responsible to refund customer deposits, including accrued interest, to the extent it has received such deposits.

11. There are no fines owed relative to Applicant's water or wastewater facilities. Applicant will pay any and all outstanding regulatory assessment fees and file a final Regulatory

Assessment Fee Return with the Division of Administration of this Commission within the time period required by the rules of this Commission.

12. Applicant cannot currently locate original Water Certificate 336-W and Wastewater Certificate 291-S for cancellation, but is undertaking a diligent search for the certificates.

WHEREFORE, Applicant respectfully requests that this Commission approve the transfer of its water and wastewater facilities to Martin County as a matter of right, and cancel the water and wastewater certificates of Applicant.

ROSE, SUNDSTROM, & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

A handwritten signature in black ink, appearing to read 'JR Jenkins', written over a horizontal line.

John R. Jenkins, Esq.
Kyle L. Kemper, Esq.
Attorneys for Utilities, Inc. of Hutchinson Island

**UTILITY ASSET
PURCHASE AND SALE AGREEMENT**

THIS AGREEMENT, made and entered into this 3rd day of August, 2009, by and between Martin County, a political subdivision of the State of Florida ("County") and Miles Grant Water and Sewer Company, a Florida corporation, Utilities, Inc. of Hutchinson Island, a Florida Corporation, and Acme Water Supply and Management Company, a Florida Corporation, (jointly referred to as "Seller").

RECITALS

WHEREAS, Seller is the owner of water production, storage, treatment, transmission, and distribution systems, wastewater treatment, transmission, collection and effluent disposal systems, and an irrigation system (hereinafter referred to collectively as the "Systems"), that provide water, wastewater, and irrigation service to lands located in Martin County, Florida and known as Miles Grant and Indian River Plantation; and,

WHEREAS, pursuant to and in accordance with its governmental powers under Chapters 125 and 163, Florida Statutes, its home rule power under Florida Law, and the Martin County Comprehensive Growth Management Plan, Martin County has determined that the purchase of the Systems is in the public interest; and,

WHEREAS, the Martin County Board of County Commissioners will hold a public hearing and prepare a statement of public interest pursuant to Florida Statutes section 125.3401; and,

WHEREAS, Seller is willing to sell the Systems to the County and the County is willing to purchase those portions of the System on the terms and conditions set forth in this Agreement; and,

WHEREAS, the Parties intend to connect Seller's customers to the County's water and wastewater system; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto agree as follows:

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

SECTION 2. PURCHASE AND SALE OF PURCHASED ASSETS.

2.1 On the Closing Date, as hereinafter defined, Seller shall sell, assign, transfer, convey and deliver to the County all of its right, title and interest in and to such real and personal property hereinafter referred to as the "Purchased Assets," as more specifically set forth in **Exhibit "A"** attached hereto and by reference made a part hereof, and the



County shall purchase, accept and pay for all such rights, title, and interest in and to the Purchased Assets. Thereafter, the County shall have the sole right and responsibility to provide water and, wastewater and irrigation service to existing and future customers of the Sellers' service areas as set forth in **Exhibit "B"** attached hereto and by reference made a part hereof. The County acknowledges that the Purchased Assets are being sold in an "As Is, Where Is" condition without any representations or warranties except as specifically set forth in this Agreement, and subject to the Investigation Period as set forth in Section 8. The Purchased Assets consist of:

(1) Real Property. That certain real property owned by Seller in fee simple title the legal description for which is attached as **Exhibit "C"** (the "Property").

(2) Utility Facilities. (a) All wastewater collection, transmission, treatment and disposal facilities of every kind and description whatsoever including without limitation, all lift stations, pumps, generators, ponds, controls, pipes, valves, meters, and service connections; (b) all water production, transmission, treatment, storage, and distribution facilities of every kind and description whatsoever including without limitation, all wells, pumps, generators, tanks, controls, pipes, valves, meters, and service connections; and (c) all non-potable water irrigation facilities of every kind and description whatsoever including without limitation, all wells, pumps, tanks, controls, pipes, valves, meters, and service connections, all of which are in use in connection with the operation of the Systems.

(3) Equipment. All equipment, tools, parts, laboratory equipment, and other personal property owned by Seller and located on the Property and/or utilized by Seller exclusively in connection with the operation of the Systems, as described on the Inventory attached hereto as **Exhibit "D"** and made a part hereof.

(4) Other Rights. All rights, privileges, easements, licenses, prescriptive rights and rights to use private roads and other areas owned and/or used by Seller in connection with the construction, reconstruction, installation, maintenance and operation of the Systems and the Purchased Assets more particularly described in **Exhibit "E"** (the "Easements"). The County recognizes that a portion of the Purchased Assets may be located within easements generally available to utility companies and that said easements are not owned by Seller.

(5) Customer and Supplier Lists; Other Records. All current customer records and supplier lists, as-built surveys and water, wastewater and irrigation plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, accounting and customer records in the possession of Seller that relate to the operation of the Systems as described in **Exhibit "F"**. Seller may make copies of its books and records, at its expense, before transferring the original or (if the original is not available) copies of the books and records to the County. Said customer and supplier lists and other records will be provided by Seller to Buyer upon execution of this Purchase and Sale Agreement.

(6) Permits and Approvals. All existing permits and other governmental authorizations and approvals of any kind necessary to operate and maintain the Systems in accordance with all governmental requirements, as more specifically described in

Exhibit "G" to this Agreement. The County and Seller agree to execute necessary forms required by governmental agencies to transfer said permits and approvals at Closing.

(7) Contracts. All contracts, licenses, and agreements used exclusively in connection with Seller's ownership or use of the Purchased Assets or System and identified in **Exhibit "H"** (the "Assigned Contracts"). Unless otherwise objected to during the Investigation Period, the County agrees to assume the items listed in **Exhibit "H."**

(8) Customer Deposits. All customer deposits made to Seller in connection with the operation of the Systems as evidenced by the current customer records at the time of the Closing ("Customer Deposits").

2.2 Excluded Assets. Certain assets shall be excluded from the sale including, but not limited to, cash on hand, deposits made by Seller with third party providers, the corporations and names: "Miles Grant Water and Sewer Company", "Utilities Inc. of Hutchinson Island" and "Acme Water Supply and Management Company" all as more specifically set forth in **Exhibit "I"**.

SECTION 3: PURCHASE PRICE AND PAYMENT.

3.1 Purchase Price. The County agrees to pay Seller on the Closing Date, and Seller agrees to accept as the purchase price for the Purchased Assets, Seven Million Five Hundred Thousand Dollars (\$7,500,000.00), subject to the adjustments as contemplated herein (as so adjusted, the "Purchase Price"). The Purchase Price shall be paid at Closing by a County check or other immediately available funds by wire transfer to a bank and bank account designated by Seller. Prior to Closing, Seller shall deliver written wiring instructions to the County if Seller desires a wire transfer.

3.2 Adjustments and Proration. At the time of Closing, the parties covenant and agree that the following adjustments shall be made:

(1) Real and personal property taxes for 2009, or a proration thereof, on all real and personal property which is being conveyed by Seller to the County, shall be paid by Seller and shall be deposited in escrow with the Martin County Tax Collector, pursuant to the provisions of Section 196.295, Florida Statutes.

(2) Within five days prior to the Closing Date, Seller and County shall jointly cause the meter reading for each customer's water and/or wastewater and/or irrigation account to be read. Seller will final bill, to include all receivables, all their water and/or wastewater customers based on this joint meter reading and issue said bills prior to the Closing Date. Seller will instruct their customers to make payment for this final bill to Martin County Utilities. On the Closing Date, the County will pay Seller ninety-eight percent (98%) of the amount of such billings, less any receivables from the joint meter reading date that are more than 60 days in arrears. Based on this final billing, at Closing Seller will assign to Martin County Utilities all outstanding receivables. Seller shall furnish to the County, prior to the Closing, a listing of all its accounts receivable, by customer, address, outstanding balances on accounts, the

age of the outstanding balances and any other customer information available as part of Seller's customer account information.

In the event Seller receives any payments from customers after the Closing Date for any amounts included on the final bill, Seller shall pay all such amounts, by endorsed checks or otherwise, to the County within five (5) business days of receipt of the payment.

(3) Seller shall request all of its suppliers and vendors to submit final invoices for services, materials, and supplies, including electricity for the period up to and including the Closing Date. Seller shall be responsible for, and shall provide to the County, upon request, evidence of the payment of all such invoices. Seller shall receive a credit for prepaid goods or services which will benefit County following closing; provided such credit shall not exceed \$3,000.

(4) All adjustments and proration shall be calculated as of 11:59 p.m. of the Closing Date. Credits and charges for the Closing Date shall belong to, and be borne by Seller.

3.3 Closing Expenses. Documentary stamps and surtax on the Deed shall be paid by Seller, as the non-exempt party, pursuant to Florida Statute 201.01, provided that Seller shall receive a credit (addition) to the Purchase Price in the amount of one-half (1/2) of the amount paid for documentary stamps and surtax on the Deed. The cost of recording the Deed, the Assignment of Easements, and any other document required to consummate this transaction shall be paid by Seller. Title commitment and title insurance costs shall be paid by the County.

SECTION 4. ENVIRONMENTAL DUE DILIGENCE. Within forty-five (45) days of the date of this Agreement, County may undertake a phase one environmental audit on the Property. Such phase one audit shall be performed at County's expense. If the phase one audit shows the presence of hazardous waste (as hereafter defined) in either the soil or groundwater, or a phase two audit is recommended by the County's consultant, County may, at its sole cost and expense, cause a phase two environmental audit to be performed. If the phase two audit shows the presence of hazardous waste in either the soil or the groundwater that requires remedial action, County shall provide notice to Seller advising of the need for such remedial action. If the estimated cost of required remedial action is, as estimated by the County's consultant, \$50,000 or less, Seller shall take prompt action as necessary to expeditiously remediate the reported hazardous waste and provide the County with copies of all documentation verifying that all remediation has occurred and applicable regulatory requirements have been satisfied. If the estimated cost of required remedial action is greater than \$50,000, as estimated by the County's consultant, Seller, in its sole option, shall: (i) expeditiously remediate the reported hazardous waste and provide the County with copies of all documentation verifying that all remediation has occurred and applicable regulatory requirements have been satisfied; (ii) attempt to negotiate an adjustment to the Purchase Price with County (subject to approval by the Martin County Board of County Commissioners) and proceed to Closing; or (iii) to rescind and terminate this Agreement without liability by either party to the other.

SECTION 5. TITLE & SURVEY.

5.1 Seller shall convey good and marketable title to the Property by special warranty deed free of claims, liens, easements and encumbrances of record or known to Seller, but, subject to the Permitted Exceptions, provided there exists at Closing no violation of the foregoing and none of them prevents County's intended use of the Property. At Closing, Seller shall assign any and all of its interests in the Easements to the County, regardless of whether such interests are listed on **Exhibit "E"**. Such form of assignment of easements shall be satisfactory to the County.

5.2 Title Commitment. Within thirty (30) days of the date of this Agreement, County, at County Expense, shall obtain an ALTA Form B title insurance commitment (the "Commitment"), issued by a title insurance company acceptable to County (the "Title Company"), together with copies of all instruments described in Schedule B of the Commitment, and, upon Closing, an ALTA owner's policy in the amount of the Purchase Price without standard exceptions, subject only to exceptions as stated above and including such other endorsements as the County shall reasonably require.

5.3 Exception of Title. The Commitment shall show Seller to be: (i) vested with fee simple title to the Property, and (ii) vested with valid easement interests for the Easements, subject only to the following (the "Permitted Exceptions"):

(1) Ad valorem real estate taxes and assessments for the year 2008 and subsequent years;

(2) Restrictions set out in the recorded plats of subdivisions covered by the System, provided, however, that none of the restrictions set out in such recorded plats of subdivisions shall prevent, or materially hinder or restrict, the operation of the Systems, either in whole or in part;

(3) Easements for utilities and drainage set out in such recorded plats of subdivisions; provided, however, that none of the restrictions or easements set out in such recorded plats of subdivisions shall prevent, hinder or restrict the intended use of the Property or prevent, or materially hinder or restrict, the operation of the Systems either in whole or in part;

(4) Restrictions of record (except liens, encumbrances, or mortgages) that (i) do not impair, restrict, or inhibit the intended use of or improvement to the Property as permitted by applicable zoning and land use regulations presently in effect, or (ii) that are not coupled with a forfeiture or reversionary provision or that prevent, or materially hinder or restrict, the operation of the Systems, either in whole or in part; and,

(5) All laws, ordinances, and governmental regulations, including, but not limited to, all applicable building, zoning, land use and environmental ordinances, regulations, restrictions, prohibitions and other requirements, none of which will prevent or hinder the intended use of the Property.

5.4 Survey. Within forty-five (45) days of the Date of this Agreement, the County shall obtain a survey (the "Survey") of the Property, at County's expense, which Survey: (i) shall have been prepared in accordance with ALTA standards by a licensed surveyor or engineer; (ii) shall be certified to the County, the Title Company and any other person or entity designated by the County; (iii) shall be sufficient for removal of the standard survey exception from the policy of title insurance to be issued pursuant to the Commitment; and (iv) shall be in form and content acceptable to the County, including delivery of a computer disk and shall show all matters disclosed in the Commitment. If the Survey reveals encroachments on the Property or that the improvements on the Property encroach on the property of another, such encroachments shall constitute a title defect as referenced in Paragraph 5 above. Not earlier than fifteen (15) days prior to the Closing Date, the Survey shall be updated and re-certified in the manner provided above.

5.5 County shall, within sixty (60) days from the date of this Agreement, deliver written notice to Seller of title defects. Title shall be deemed acceptable to County if: (a) County fails to deliver notice of defects within the time specified, or (b) County delivers notice and Seller cures the defects within thirty (30) days from the receipt of notice (the "Curative Period"). Seller shall use best efforts to cure the defects within the Curative Period, provided however, that in no event shall Seller be required to bring suit or to expend any sum in excess of fifty thousand dollars (\$50,000.00) in the aggregate to cure title defects, exclusive of mortgages or other monetary liens against the Property which are in a liquidated amount and which Seller has the obligation to discharge on or before Closing under the terms of this Agreement. In the event that after exercising all reasonable efforts, Seller cannot cure title defects prior to the Closing Date, Seller shall provide thirty (30) day written notice to County that such title defects cannot be cured prior to the Closing Date and then, in that event, the County shall have the right: (i) to extend the Curative Period for up to 90 days, or (ii) to purchase the Property in its then existing condition of title with a reduction not to exceed \$50,000 in Purchase Price based upon the cost to cure the title defect; or (iii) to rescind and terminate this Agreement without liability by either party to the other.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller represents and warrants to the County as of the Date of this Agreement, and as of the Closing Date, the following, with the understanding that each of the following representations and warranties are material, have been relied on by the County, and shall survive the Closing:

6.1 Organization, Standing and Power. Each Seller is a corporation, duly organized, validly existing, and in good standing under the laws of the State of Florida. Each Seller has all requisite power and authority to own and operate its properties, the Purchased Assets, and the System, and to conduct its business as it is currently being conducted.

6.2 Authority for Agreement. Each Seller owns the Property and has the legal capacity and authority to convey the Property in accordance with this Agreement. Each Seller has the power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. This Agreement has been duly authorized by all action required to be taken by each

Seller, has been duly executed and delivered by each Seller, and constitutes a valid and binding obligation of each Seller, enforceable in accordance with its terms.

6.3 Leases or Agreements. Seller has not and will not from and after the Date of this Agreement enter into any lease, lease renewal, option, agreement to sell or otherwise encumber the Property, except for agreements in place as of the date of this Agreement that are listed on **Exhibit "H"**.

6.4 Violations. Seller has not violated, has not received any notices of violation, and has no knowledge of any violation, or of any existing facts or conditions which may result in any violation of any zoning, land use, or related codes, laws, ordinances or regulations with respect to the Property. Seller is operating its Systems in accordance with its permits, is not in violation of its permits and has not received any notice that it is violating the terms of its permits.

6.5 Material or Adverse Information. Seller is not aware of any information or fact which would materially or adversely affect the Property or the development thereof which has not been disclosed to the Purchaser in writing.

6.6 No Liens or Encumbrances. To the best of Seller's knowledge, there are no liens or encumbrances, other than those which will be released at Closing, and other than the Permitted Exceptions, which would affect the County's ownership or use of the Purchased Assets and there are no off-record or undisclosed legal or equitable interests in the Purchased Assets owned or claimed by any other person, firm, corporation or other entity.

6.7 Litigation. There are no actions, suits, notices of violation or proceedings at law or in equity, pending against Seller before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect any of the Purchased Assets or Seller's right and ability to enter into, make and perform this Agreement; nor is Seller aware of any facts which to its knowledge are likely to result in any such action, suit or proceedings. Seller is not in default with respect to any order or decree of any court or of any administrative or governmental agency or instrumentality affecting the System or any of the Purchased Assets. There are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy (or under any other debtor relief laws) contemplated by or threatened against Seller or the Purchased Assets which would adversely affect Seller's interest in the Purchased Assets or the County's title to the Purchased Assets subsequent at Closing.

6.8 Developer Agreements. There are no Developer Agreements for, nor is Seller holding any capacity reservation charges pertaining to, the Miles Grant or Hutchinson Island Systems.

6.9 Absence of Changes. After the date of the execution of this Agreement, Seller shall not:

(1) undertake any change in its condition or properties, assets, liabilities, business or operations other than changes in the ordinary course of business which are not, either in any case or in the aggregate, materially adverse to the operation of the System;

(2) dispose of any of the **Exhibit "D"** equipment with a cumulative value in excess of \$5,000 except with the County's consent, which shall not be unreasonably withheld;

(3) fail to seek any and all necessary permit extensions or renewals so that all such permits are valid, reissued or extended as of the Closing Date.

6.10 FIRPTA. Seller is not a "foreign person" within the meaning of the United States tax laws and to which reference is made in Section 1445 (b) (2) of the Internal Revenue Code. On the Closing Date, Seller shall deliver to the County a certificate to such effect.

6.11 Hazardous Wastes. As of the date of this Agreement, the Purchased Assets are being operated in compliance with all environmental laws and Seller has not disposed of any Hazardous Waste on the Property, nor has Seller removed Hazardous Waste from the Property, except as provided by law. For purposes of this Agreement, Hazardous Waste shall include "Hazardous Wastes", "Hazardous Substances", "Hazardous Material", (as such terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation Recovery Act, the Toxic Substances Control Act, the Clean Air Act, as amended, the Federal Water Pollution and Control Act, as amended, or their Florida equivalents).

6.12 Customer Deposits. Seller has properly accounted for and maintained all Customer Deposits.

6.13 Assigned Contracts. The Assigned Contracts have not been altered, modified, amended, terminated or renewed nor have any of the terms and conditions of the Assigned Contracts been waived. There are no defaults under any of the Assigned Contracts and, to Seller's knowledge, there exists no state of facts which would constitute a default under any of the Assigned Contracts as of the date hereof.

6.14 No Encroachments. All of the physical assets of the Systems are located within the Property, within the Easements or are otherwise properly and permissibly located within rights of way for which the owner of such rights of way has allowed the construction, operation and maintenance of such part of the Systems as are located therein. The physical assets of the Systems do not encroach upon the property rights of any other person or entity.

6.15 Survival of Covenants, Indemnification. Seller agrees that all the representations and warranties set forth herein are true and correct as of the date of the execution hereof and shall survive closing. Seller further agrees to revalidate all representations and

warranties as of the Closing Date provided that, in the event circumstances prevent Seller from making any material representation or warranty as of the Closing Date, County shall have the option to terminate this Agreement with no further liability of either party to the other. Except to the extent caused by actions or negligence of the County, Seller shall indemnify the County from and hold the County harmless against any and all claims, demands, costs, losses or liabilities, damages and expenses, including legal fees, paid or incurred by the County as a result of Seller's representations or warranties being false, Seller's failure to adequately and timely perform any covenant.

SECTION 7. REPRESENTATIONS AND WARRANTIES OF THE COUNTY. The County represents and warrants to Seller, as follows:

7.1 Organization, Standing and Power of the County. The County is a political subdivision of the State of Florida, validly existing under the laws of the State of Florida and has all requisite power and authority to enter into, execute and deliver this Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

7.2 Authority for Agreement. Within sixty (60) days of the date of this Agreement, the County will hold a public interest hearing under section 125.3401 Florida Statutes and Board of County Commissioners ("BCC") meeting to ratify and confirm the County's purchase of the System pursuant to and in accordance with the terms of this Agreement (the "Public Hearing"). Should the County fail to approve this Agreement at the Public Hearing, or should the County be unable to satisfy any contingencies set forth in the BCC resolution approving the purchase within thirty (30) days following the end of the Investigation Period, then this Agreement shall be null and void, and neither party shall have any further obligations under this Agreement to the other party.

7.3 Disclosure. No representation or warranty made by the County, to the best of the County's knowledge, in this Agreement contains or will contain any untrue statement or material facts or omits or will omit to state any material fact required to make the statements herein contained not misleading.

7.4 Litigation. There are no actions, suits, or proceedings at law or in equity, pending against the County before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affects the County's ability to enter into and perform this Agreement. The County shall have the continuing duty to disclose up to and including the Closing Date the existence and nature of all pending judicial or administrative suits, actions, proceedings, and orders which in any way relate to its ability to perform its obligations under the Agreement.

7.5 Survival of Covenants, Indemnification. The County agrees that its representations and warranties set forth herein are true and correct as of the date of the execution hereof and shall survive closing. County further agrees to update all representations and warranties as of the Closing Date provided that, in the event circumstances prevent County from making any representation or warranty as of the Closing Date, County shall have the option to terminate

this Agreement with no further liability of either party to the other. To the extent permitted by Section 768.28, Florida Statutes, as applicable, and except to the extent caused by actions or negligence of Seller, the County shall indemnify Seller from and hold Seller harmless against any and all claims, demands, costs, losses or liabilities, damages and expenses, including legal fees, paid or incurred by Seller as a result of the County's representations or warranties being false, or the County's failure to adequately and timely perform any obligation hereunder.

SECTION 8. INVESTIGATION PERIOD

8.1 The "Investigation Period" shall commence on the Date of this Agreement and shall expire at 5:00 p.m., Eastern Standard time, sixty (60) days after the Date of this Agreement. As an exhibit to this Agreement, or otherwise pursuant to County's request, Seller has delivered to County all surveys, environmental studies, any financial or operating statements specifically related to the Property, copies of any contracts that survive the Closing, and other information regarding the Property in Seller's or its agents' possession to assist County's investigation of the Property.

8.2 During the term of this Agreement, the County shall have the right to enter the Property to conduct tests and inspect and investigate all aspects of the Property to determine whether, in the sole discretion of the County the Property is satisfactory for the County's intended use and development. County agrees to repair or replace any damage caused by County in connection with the activities listed in this paragraph 8.2.

8.3 In the event the County is not satisfied, in its sole and absolute discretion, with any condition of the Property, the Systems, the terms of this Agreement, or any other reason whatsoever, the County shall have the right to terminate this Agreement by delivering written notice (the "Termination Notice") to Seller prior to the expiration of the Investigation Period. If a Termination Notice is delivered, the County and Seller shall have no further obligations to each other hereunder. If the County fails to provide the Termination Notice within the time required in this paragraph 8.3, the County shall have waived its right to terminate this Agreement pursuant to this paragraph 8.3.

SECTION 9. DEFAULT.

9.1 In the event the County shall fail to perform any of its obligations hereunder, Seller shall be entitled to: (i) terminate this Agreement by written notice delivered to the County at or prior to the Closing Date, and pursue all remedies available hereunder and under applicable law; (ii) obtain specific performance of the terms and conditions hereof; or (iii) waive the County's default and proceed to consummate the transaction with the County as contemplated herein, in which case an amount equal to the costs incurred by Seller to cure any default of the County hereunder that can be cured with the payment of money shall be credited against the Purchase Price.

9.2 In the event the Seller shall fail to perform any of its obligations hereunder, the County shall be entitled to: (i) terminate this Agreement by written notice delivered to Seller at or prior to the Closing Date, and pursue all remedies available hereunder and under

applicable law; (ii) obtain specific performance of the terms and conditions hereof; or (iii) waive the Seller's default and proceed to consummate the transaction with Seller as contemplated herein, in which case an amount equal to the costs incurred by the County to cure any default of Seller hereunder that can be cured with the payment of money shall be credited against the Purchase Price.

SECTION 10. CONDUCT PENDING CLOSING. Seller covenants that prior to the Closing Date:

10.1 Business Conduct. Except as otherwise consented to in writing by the County, whose consent shall not be unreasonably withheld, for the period beginning on the date of the execution of this Agreement and ending on the Closing Date, Seller shall:

(1) operate the System in, and only in, the usual, regular and ordinary course and in compliance with all applicable governmental requirements and laws or, to the extent a System is out of compliance, promptly undertake such remedial action as to bring the System back into compliance.

(2) maintain all of the Purchased Asset's structures, equipment, permits and other tangible personal property in good repair, order and condition, except for depletion, depreciation, ordinary wear and tear and damage by unavoidable casualty;

(3) perform in all material respects all of its obligations under any and all agreements, contracts, and instruments relating to or affecting the Purchased Asset's properties, assets and operation;

(4) promptly advise the County, in writing, of any material change which adversely affects the operation of the System;

10.2 Risk of Loss. Seller shall bear the risk of loss, damage or destruction of the Purchased Assets by fire or other casualty prior to and including the Closing Date. Until closing Seller shall maintain insurance coverage of such type and in such amounts as it has previously in the ordinary course of business. If any portion of the Purchased Assets is damaged by fire, act of God or other casualty before the Closing Date, Seller shall immediately notify the County and the County shall have the option of (1) proceeding to Closing and taking the Purchased Assets as is, without reduction in price, together with Seller's assignment to the County of all rights under its insurance policies and all of the insurance proceeds, if any; (2) proceeding to Closing and taking the Purchased Assets, as is, with a reduction in Purchase Price based upon a percentage allocation of the Purchase Price derived by comparing the net book value of the Purchased Assets destroyed to the net book value of the Systems and Seller shall maintain all rights under its insurance policies and to all of the insurance proceeds; or (3) terminate this Agreement with no liability to Seller.

10.3 Access to Records. Seller will at all times cooperate by providing reasonable access, upon prior written notice (not less than forty-eight (48) hours in advance), to their records and facilities for inspection to assist in acquainting the County's operating and

administrative personnel in the operation of the Systems; provided, however, that no such inspection shall materially interfere with the operation of the Systems or the day to day activities of Seller's personnel.

10.4 Examination and Inspection. Seller shall permit reasonable examination by the County's authorized representatives of all existing contractual obligations, physical systems, assets, real estate, rights-of-way, easements and inventories which are utilized by Seller in connection with the System. No such examination by the County's authorized representatives shall materially interfere with Seller's operations of the System or the day to day operations of Seller's personnel. Seller shall make these assets and records available for examination by the County's authorized representatives at reasonable times and upon prior written notice (not less than forty-eight (48) hours in advance) from the County. Such facilities will be properly maintained by Seller within the custom and usage of the water and wastewater industry in Florida until the Closing Date.

SECTION 11. ASSIGNMENT. The County and Seller agree that this Agreement may not be assigned, in whole or in part, by Seller and that any such attempted or purported assignment shall be void and shall be grounds for the County to terminate this Agreement without liability to Seller. The County may assign this Agreement in whole without Seller's consent at any time to any entity that is a municipal, governmental, quasi-governmental, cooperative, or non-profit authority or corporation. Nothing herein shall be construed as creating any personal liability on the part of any officers, or agent of the County who may be a party hereto.

SECTION 12. CLOSING. As used in this Agreement, references to "a closing", the "closing" or "day of closing" shall mean the Closing of the purchase and sale contemplated by this Agreement. Provided that all conditions precedent and contingencies to Closing have been so performed or have occurred or been waived in accordance with the terms of this Agreement, the place of Closing shall be in Martin County at the Martin County Administration Building, County Attorney's office, 4th floor, 2401 SE Monterey Road, Stuart, Florida, 34996, and such Closing shall occur on or before November 13, 2009 (the "Closing Date"), unless otherwise extended by Seller, beginning at 9:00 a.m. or at such earlier date or time as the parties mutually agree to in writing. Immediately following the Closing Date, the County shall have full right to the possession of all of the Purchased Assets wherever the same may be located.

SECTION 13. CLOSING DOCUMENTS AND PROCEDURES.

13.1 Pre-closing Documents. The following documents shall be agreed to by the parties at a pre-closing meeting to be held at least two days prior to the Closing Date but shall be executed on the Closing Date:

(1) Special Warranty Deed to the Property, in recordable form, conveying to the County all of Seller's right, title and interest in such Property and warranting that such Property is free and clear of all liens, claims and encumbrances other than Permitted Exceptions, as that term is defined in paragraph 5.2 hereof.

(2) A Quit Claim Deed, in recordable form, for all the Easements conveying to the County all of Seller's right, title and interest in all such property, together with all utility improvements thereto.

(3) Assignment and Assumption Agreement pursuant to which Seller assigns and County assumes all rights and duties under all applicable contracts, agreements, permits and approvals provided for herein. The Assignment and Assumption Agreement specifically exclude any liability of Seller arising out of any proceeding based on an occurrence or event to the extent it relates to Seller's acts or omissions prior to the Closing Date.

(4) Bill of Sale, with full warranties of title, to all Purchased Assets.

(5) Standard no-lien affidavit in a form required by the title company as to realty and personalty insuring against any liens, claims or encumbrances upon the Purchased Assets.

(6) A "non-foreign" affidavit or certificate pursuant to Section 1445 of the Internal Revenue Code.

(7) An assignment of all outstanding receivables pursuant to Paragraph 3.2(2).

(8) A Statement of Customer Deposits which specifies customer name, amount of deposit and accrued interest thereon, if any.

13.2 Party Deliverables. The following documents shall be made available for final review by the respective party at the pre-closing meeting but shall be delivered on the Closing Date:

(1) All business records sold by Seller to the County hereby.

(2) All permits, governmental authorizations and approvals and, to the extent they are available prior to closing, approvals from any and all agencies that have issued such permits, authorizations, and approvals.

(3) Resolution of the Martin County Board of County Commissioners approving the transaction.

(4) Any and all other documents required or necessary to implement the terms of this Agreement.

13.3 At Closing, Seller shall deliver all customer deposits and accrued interest to County (or County shall receive a credit on the Closing Statement therefore). After Closing, County shall assume responsibility to refund customer deposits, including interest accrued after closing, if applicable, to the extent it has received such deposits.

Notices personally delivered by hand or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given within three (3) days after deposit in the U.S. Mail.

SECTION 18. ENTIRETY OF CONTRACT: AMENDMENT. This Agreement incorporates and includes all prior and contemporaneous negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this Agreement. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior or contemporaneous representations or agreements, whether oral or written. It is further agreed that no modification, amendment or alteration in the terms and conditions contained herein shall be effective unless contained in a written document executed with the formality and of equal dignity herewith.

SECTION 19. PLEDGE OF CREDIT. Seller shall not pledge the County's credit or make the County a guarantor of payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness.

SECTION 20. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the named parties herein, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a named party hereto.

SECTION 21. BINDING EFFECT. All of the provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the legal representatives, successors and nominees of the County and Seller.

SECTION 22. TIME. In computing time periods of less than six (6) days, Saturdays, Sundays and state or national legal holidays shall be excluded. Any time periods provided for herein which shall end on a Saturday, Sunday, and legal holiday shall extend to 5:00 p.m. of the next business day. Time is of the essence in this contract.

SECTION 23. APPLICABLE LAW. This Agreement shall be construed, controlled, interpreted and enforced in accordance with the laws of the State of Florida and any and legal action instituted because of this Agreement shall be initiated in Martin County.

SECTION 24. RADON GAS. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

SECTION 25. PUBLIC SERVICE COMMISSION APPROVAL. Seller shall obtain the written approval of the Florida Public Service Commission ("PSC") for transfer of the Purchased

Assets to the County. The parties acknowledge and agree that the sale is made contingent upon PSC approval and, subject thereto, Closing may occur prior to such approval. The parties further acknowledge that the County is a governmental authority and entitled to approval as a matter of right. Seller shall prepare all documents necessary to obtain PSC approval, subject to approval by the County, and such documents will be filed promptly upon execution of this Agreement. Seller agrees to pay all fees and costs incurred incident to such dealings with the PSC. The County shall cooperate with Seller to obtain PSC approval.

SECTION 26. ESCROW. Purchaser and Seller authorize Community Land Title to act as escrow agent (the "Escrow Agent") for the purpose of facilitating closing on the Closing Date. To that end, Escrow Agent is authorized to receive funds and other items and, subject to clearance, disburse them in accordance with the terms of this Agreement. Escrow Agent will deposit all funds received in a non-interest bearing account. If Escrow Agent receives conflicting demands or has a good faith doubt as to Escrow Agent's duties or liabilities under this Agreement, Escrow Agent may: (a) hold the subject matter of the escrow until the parties mutually agree to its disbursement or until issuance of a court order determining the parties' rights regarding the escrow or, (b) deposit the subject matter of the escrow with the clerk of the court having jurisdiction over the dispute. Upon notifying the parties of such action, Escrow Agent shall be released from all liability except for the duty to account for items previously delivered out of escrow. In any suit in which Escrow Agent is made a party because of acting as agent hereunder or interpleads the subject matter of the escrow, Escrow Agent shall recover reasonable attorney's fees and costs, which fees and costs shall be paid from the escrowed funds or equivalent and charged and awarded as court or other costs in favor of the prevailing party. The parties agree that Escrow Agent shall not be liable to any person for misdelivery to Purchaser or Seller of escrowed items, unless the misdelivery is due to Escrow Agent's willful breach of this Agreement or gross negligence.

SECTION 27. MISCELLANEOUS.

27.1 Both parties hereto represent and state that they are represented by their own counsel. The parties to this Agreement have participated fully in the negotiation and preparation hereof and, accordingly, this Agreement shall not be strictly construed against any one of the parties hereto.

27.2 Except for the provisions of Section 2, Purchase and Sale of Purchased Assets; Section 3, Purchase and Payment; and Section 14, Closing Documents and Procedures hereof, in the event any term or provision of this Agreement be determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

27.3 The parties to this Agreement hereby waive the right to a jury trial.

27.4 In construing this Agreement, the singular shall be held to include the plural, the plural shall be held to include the singular, the use of any gender shall be held to include every other and all genders, and captions and paragraph headings shall be disregarded.

27.5 This Agreement may be executed in several counterparts, but each such counterpart shall be deemed an original, but all such counterparts will constitute only one agreement.

SECTION 28. ATTORNEY'S FEES AND COSTS. In any claim or controversy arising out of or relating to this Agreement, each party shall bear its own attorney's fees and costs.

SECTION 29. BENEFICIAL INTEREST DISCLOSURE. In the event Seller is a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others, Seller upon execution of this Agreement shall provide a fully completed, executed, and sworn beneficial interest disclosure statement in the form attached to the Agreement as **Exhibit "J"** that complies with all of the provisions of Florida Statutes Section 286.23. However, pursuant to Florida Statutes section 286.23 (3)(a), the beneficial interest in any entity registered with the Federal Securities and Exchange Commission, or registered pursuant to Chapter 517, Florida Statutes, whose interest is for sale to the general public, is exempt from disclosure; and where the Seller is a non-public entity, that Seller is not required to disclose persons or entities holding less than five (5%) percent of the beneficial interest in Seller.

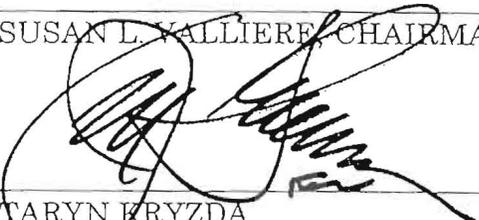
IN WITNESS WHEREOF, the parties hereto have executed this Agreement. The Date of this Agreement shall be the date it is approved and signed by Seller.

ATTEST

BOARD OF COUNTY COMMISSIONERS
MARTIN COUNTY, FLORIDA

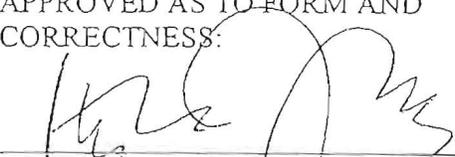
MARSHA EWING, CLERK

SUSAN L. VALLIERE, CHAIRMAN



TARYN KRYZDA
ACTING COUNTY ADMINISTRATOR

APPROVED AS TO FORM AND
CORRECTNESS:



STEPHEN FRY, COUNTY ATTORNEY

Date: _____

8/13/09

MILES GRANT WATER AND SEWER
COMPANY



LAWRENCE SCHUMACHER
PRESIDENT AND CEO

OK/SS
8/12/09

Date: _____

UTILITIES, INC. OF HUTCHINSON
ISLAND



LAWRENCE SCHUMACHER
PRESIDENT AND CEO

OK/SS
8/12/09

Date: _____

ACME WATER SUPPLY AND
MANAGEMENT COMPANY



LAWRENCE SCHUMACHER
PRESIDENT AND CEO

OK/SS
8/12/09

Date: _____

List of Exhibits

Exhibit A	Master List of All Purchased Assets
Exhibit B	Service Area
Exhibit C	Real Property
Exhibit D	Inventory
Exhibit E	Easements
Exhibit F	Customer & Supplier Lists, Other Records
Exhibit G	Permits and Approvals
Exhibit H	Contracts
Exhibit I	Excluded Assets
Exhibit J	Beneficial Interest Disclosure

Exhibit "A"
Master List Of All Purchased Assets

UTILITIES, INC. OF HUTCHINSON ISLAND

Water Treatment

Water treatment plant consists of a reverse osmosis system with two 0.200 MGD skids for a total rated capacity of 0.400 MGD. The facility consists of the following;

- 100,000 gal ground storage tank
- Control building with office space, consisting of RO skids (Hydropro units), chemical feed/ storage, and electrical controls
- Four (4) high service pumps mounted outdoors
- A 250 kw emergency generator w/above grade fuel storage (also runs the wastewater treatment plant)
- Acid storage tank
- Air scrubber unit with associated blowers

Water Distribution System

12" DIP	770 LF
8" PVC	16,300 LF
6" PVC	8,000 LF
4" PVC	1450 LF
12" Gate Valves	2 EA
8" Gate Valves	48 EA
6" Gate Valves	31 EA
4" Gate Valves	5 EA
Fire Hydrants	43

Water Supply

Two (2) Floridan wells on the utility site:

#1 8" x 1025'	Cased at 1000'	420 GPM
#2 8" x 1025'	Cased at 590'	420 GPM

Wastewater Treatment

Wastewater treatment plant is rated at 0.30 MGD and consists of the following;

- One (1) 0.10 MGD Marloff treatment unit
- One (1) 0.20 MGD Marloff treatment unit
- A building with blowers and electrical controls

- An on-site lift station
- Chemical storage facilities
- On-site ponds, two (2) lined ponds (1.4 ac and 0.7 ac) and one (1) unlined pond (0.8 ac) used for reject storage and repump to plant headworks.
- 30 kw trailer mounted generator for lift station use, 240/480V, 3-phase output

Wastewater Collection and Transmission

Manholes	66
Gravity Sewer	8640 LF
Force main	6700 LF
6"	
4"	2300 LF
3"	300 LF
2"	670 LF
Lift Stations	15
Plant Lift Station	1

HUTCHINSON ISLAND IRRIGATION COMPANY

One (1) well located behind the hotel, not for public water supply;

#3 @ 8" x 1025' Cased at 590' 420 GPM

MILES GRANT WATER & SEWER COMPANY

Water Treatment

Water treatment plant rated at 0.30 MGD and consists of the following;

- Twin sand filter units
- 100,000 gal ground storage tank
- 10,000 gal hydro-pneumatic tank
- Office building
- Control building consisting of chemical feed/storage, high service, transfer and backwash pumps, electrical controls, and clearwell
- Storage shed for small equipment and hand tools
- Backwash water pit
- 125 kw emergency generator with above grade fuel storage tank

Water Distribution System

8" PVC 5700LF

6" PVC	40,400
4" PVC	3200 LF
3" Galvanized	450 LF
2" Galvanized	5600 LF
Fire Hydrants	51
8" Gate Valves	14 EA
6" Gate Valves	67 EA
4" Gate Valves	16 EA
2" Gate Valves	15 EA

Water Supply

Six (6) surficial water supply wells:

3 @ 8" x 127'	Cased 110'	Screened 110'-127', 150 GPM
3 @ 8" x 143'	Cased 126'	Screened 126'-143', 150 GPM

Wastewater Treatment

DAVCO Steel-ring extended aeration unit rated at 0.30 MGD including the following:

- One (1) Aqua Aerobics Aquadisk membrane filter
- One (1) Kruger membrane filter
- 900,000 gallon steel tank for reject storage
- Control building with office space, consisting of a laboratory, electrical controls, and a blower room with four (4) process blowers
- 150 kw emergency generator with above grade fuel storage tank
- 45 kw trailer mounted emergency generator for lift station use
- Chemical storage facilities

Wastewater Collection

Wastewater collection/transmission system:

Manholes	155
Gravity Sewer	33,400
4" Force main	5275 LF
Lift Stations	5
Plant Lift Station	1

Exhibit "B"
Service Area

Cover Sheet

NAME OF COMPANY: Utilities, Inc. of Hutchinson Island
WATER TARIFF

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

Being a parcel of land lying in Government Lots 3, 4, 5, 6, 7, 8, 9 and 10 of Section 31, Township 37 South, Range 42 East and a portion of Government Lot 1 of Section 32, Township 37 South, Range 42 East, more particularly described as follows

Begin at a point of intersection of the Southeasterly Right-of-way line of State Road A-1-A (being a 200 feet Right-of-way) and the South line of the North 1000 feet of Government Lots 3, 4 and 5 of said Section 31; thence North 88 degrees 44'44" East along said South line of the North 1000 feet of Government Lots 3, 4, and 5, a distance of 1650 feet more or less to the Mean High Water line of the Atlantic Ocean; thence Southeasterly along the Mean High Water line of the Atlantic Ocean, a distance of 1880 feet more or less to the Easterly prolongation of the South line of Government Lot 6 of Section 31, Township 37 South, Range 42 East; thence North 89 degrees 23'27" West along the Easterly prolongation of the South line of Government Lot 6, a distance of 510 feet more or less to the Easterly right-of-way of MacArthur Boulevard relocated, as recorded in O.R. Book 438, Page 293 through 295, Public Records of Martin County, Florida; thence along said South line of Government Lot 6 of Section 31, Township 37 South, Range 42 East, a distance of 396.89 feet; thence departing said South line of Government Lot 6, North 01 degrees 10'31" East, a distance of 45.00 feet; thence North 89 degrees 23'27" West, a distance of 231.50 feet; thence North 01 degrees 10'31" East, a distance of 45.00 feet; thence North 89 degrees 23'27" West, a distance of 60.00 feet; thence South 01 degrees 10'31" West, a distance of 735.34 feet; thence South 43 degrees 49'29" East, a distance of 69 feet more or less to the Mean High Water line of the Indian River, thence along the Mean High Water line of the Indian River Southerly, Westerly and Northwesterly, a distance of 4950 feet more or less; thence North 12 degrees 15'46" West, a distance of 174 feet more or less to the Easterly Right-of-way line of State Road A-1-A; thence along the Easterly Right-of-way of State Road A-1-A (being a 200 foot Right-of-way), North 62 degrees 27'20" East, a distance of 1937.31 feet to the Point of Beginning.

(Continued to Sheet No. 3.2)

LAWRENCE N. SCHUMACHER
ISSUING OFFICER

President
TITLE

NAME OF COMPANY: Utilities, Inc. of Hutchinson Island
WATER TARIFF

(Continued from Sheet No. 3.1)

DESCRIPTION OF TERRITORY SERVED
CONTINUED

TOGETHER WITH THE FOLLOWING:

Commence at a point of intersection of the Southeasterly right-of-way of State Road A-1-A being a 200 foot right-of-way and the South line of the North 1000 feet of Government Lot 4 of said Section 31, thence North 88 degrees 44'44" West, along said South line of the north 1000 feet, a distance of 415.17 feet to the Northwesterly right-of-way line of State Road A-1-A and the Point of Beginning of the following described parcel: Thence continue North 88 degrees 44'44" West, along the aforesaid South line of the North 1000 feet, a distance of 1505.00 feet more or less to the intersection with the Mean High Water line of the Indian River; thence meander the said Mean High Water line Southerly, a distance of 375.00 feet more or less to the intersection with the North line of said Government Lot 8; thence South 89 degrees 07'26" East, along said North line of Government Lot 8, a distance of 351.00 feet more or less to that point of intersection with a line that is 880.00 feet West of, as measured at right angles and parallel with the East line of said Government Lot 8, thence South 00 degrees 59'59" West, along lastly said line, a distance of 248.73 feet to the said Northwesterly right-of-way line of State Road A-1-A; thence North 62 degrees 27'20" East, along said Northwesterly right-of-way line, a distance of 1245.66 feet to the Point of Beginning.

LAWRENCE N. SCHUMACHER
ISSUING OFFICER

President
TITLE

TERRITORY SERVED

Please refer to description of territory served as filed in Docket Number
WS-850017, Order Number 14548, Issued July 8, 1985.

W A T E R

Township 38 South, Range 42 East, Martin County, Florida.

TRACT NO. 1

Lots 1 thru 20B, consecutively, of Horseshoe Point
Subdivision, First Addition, as recorded in Plat Book 3,
Page 8 of the Public Records of Martin County, Florida.

TRACT NO. 2

Hanson Grant

For a POINT OF BEGINNING, start at a bronze disk in
concrete, one foot below ground level, said disk is being
located at the point of intersection of the centerline of
Farm Road and the South line of Horseshoe Point
Subdivision as same is recorded in Plat Book 3, Page 8 of
the Public Records of Martin County, Florida; thence run
South 65 degrees 57 minutes 55 seconds West, 2440.38 feet;
thence South 24 degrees 00 minutes 23 seconds East, 477.05
feet; thence South 66 degrees 02 minutes 00 seconds West;
thence South 65 degrees 54 minutes 14 seconds West, 409.0
feet; thence South 24 degrees 03 minutes 46 seconds East,
426.60 feet; thence North 65 degrees 56 minutes 01 seconds
East, 409.06 feet; thence South 24 degrees 04 minutes 15
seconds East, 745.68 feet; thence North 66 degrees 22
minutes 51 seconds East, 538.82 feet; thence North 66
degrees 05 minutes 40 seconds East, 609.59 feet; thence
North 65 degrees 56 minutes 37 seconds East, 1288.83 feet;
thence North 56 degrees 29 minutes 59 seconds East, 538.38
feet; thence North 66 degrees 05 minutes 00 seconds East,
549.80 feet; thence North 66 degrees 05 minutes 44 seconds
East, 1410 feet more or less to a point; thence North 32
degrees 56 minutes 25 seconds West, 1684 feet more or less
to a point; thence South 65 degrees 55 minutes 59 seconds
West, 1760 feet more or less to the POINT OF BEGINNING.

TRACT NO. 3

Commence at the centerline intersection of Cove Road
(SR-722) and Old Cove Road, an implied right-of-way in the
Public Records of Martin County, Florida; thence North 24
degrees 04 minutes 15 seconds West, 60 feet; thence North
65 degrees 49 minutes 21 seconds East, 50 feet to a point,
which is the POINT OF BEGINNING; thence North 24 degrees
04 minutes 15 seconds West, 688.28 feet; thence North 65
degrees 56 minutes 01 seconds East, 1340.14 feet; thence
South 24 degrees 04 minutes 15 seconds East, 685.68 feet;
thence South 65 degrees 49 minutes 21 seconds West,
1340.14 feet to the POINT OF BEGINNING.

TRACT NO. 4

Section 19

All of Government Lot No. 1, lying Southerly of Cove Road (SR - 722) less and except the Northerly 60 feet.

Section 20

All of Government Lot No. 3 lying Southerly of Cove Road (SR - 722), less and except the Northerly 60 feet.

Section 29

All of Government Lot No. 6.

Section 30

All of Government Lot No. 5 lying Southerly of Cove Road (SR - 722) less and except the Northerly 60 feet and less and except the following described parcel of land:

Start at the Northwest corner of Government Lot 5, Section 30, Township 38 South, Range 42 East, on the new South line of the Hanson Grant, said starting point lying on the centerline of State Road 722 (Cove Road); thence run South 00 degrees 18 minutes 42 seconds East, along the West line of Government Lot 5, a distance of 65.45 feet, to the Southerly right-of-way line of said State Road 722 for the POINT OF BEGINNING; thence continue to run South 00 degrees 18 minutes 42 seconds East, along said West line of Government Lot 5, a distance of 1142.75 feet to the Southwest corner of said Government Lot 5; thence run North 66 degrees 10 minutes 18 seconds East, along the South line of Government Lot 5, a distance of 399.25 feet; thence run North 66 degrees 07 minutes 03 seconds East, a distance of 859.44 feet; thence run North 24 degrees 01 minutes 03 seconds West, a distance of 1047.98 feet to the said Southerly right-of-way line of State Road 722; thence run South 65 degrees 58 minutes 57 seconds West, along said right-of-way line, a distance of 161.92 feet; thence continuing along said right-of-way line, run South 66 degrees 08 minutes 03 seconds West, a distance of 637.34 feet to the POINT OF BEGINNING; containing 24.75 acres.

Patrick J. O'Brien
Vice President, Finance

TERRITORY SERVED

Please refer to description of territory served as filed in Docket Number WS-850017. Order Number 14548, Issued July 8, 1985.

S E W E R

Township 38 South, Range 42 East, Martin County, Florida.

TRACT NO. 2

Henson Grant

For a POINT OF BEGINNING, start at a bronze disk in concrete, one foot below ground level, said disk being located at the point of intersection of the centerline of Farm Road and the South line of Horseshoe Point Subdivision as same is recorded in Plat Book 3, Page 8 of the Public Records of Martin County, Florida; thence run South 65 degrees 57 minutes 55 seconds West, 2440.38 feet; thence South 24 degrees 00 minutes 23 seconds East, 477.05 feet; thence South 66 degrees 02 minutes 00 seconds West; thence South 65 degrees 54 minutes 14 seconds West, 409.0 feet; thence South 24 degrees 03 minutes 46 seconds East, 426.60 feet; thence North 65 degrees 56 minutes 01 seconds East, 409.06 feet; thence South 24 degrees 04 minutes 15 seconds East, 745.68 feet; thence North 66 degrees 22 minutes 51 seconds East, 538.82 feet; thence North 66 degrees 05 minutes 40 seconds East, 609.59 feet; thence North 65 degrees 56 minutes 37 seconds East, 1288.83 feet; thence North 66 degrees 29 minutes 59 seconds East, 538.38 feet; thence North 66 degrees 05 minutes 00 seconds East, 549.80 feet; thence North 66 degrees 05 minutes 44 seconds East, 1410 feet more or less to a point; thence North 32 degrees 56 minutes 25 seconds West, 1684 feet more or less to a point; thence South 65 degrees 55 minutes 59 seconds West, 1760 feet more or less to the POINT OF BEGINNING.

TRACT NO. 3

Commence at the centerline intersection of Cove Road (SR-722) and Old Cove Road, an implied right-of-way in the Public Records of Martin County, Florida; thence North 24 degrees 04 minutes 15 seconds West, 60 feet; thence North 65 degrees 49 minutes 21 seconds East, 50 feet to a point, which is the POINT OF BEGINNING; thence North 24 degrees 04 minutes 15 seconds West, 688.28 feet; thence North 65 degrees 56 minutes 01 seconds East, 1340.14 feet; thence South 24 degrees 04 minutes 15 seconds East, 685.68 feet; thence South 65 degrees 49 minutes 21 seconds West, 1340.14 feet to the POINT OF BEGINNING.

TRACT NO. 4

Section 19

All of Government Lot No. 1, lying Southerly of Cove Road (SR-722) less and except the Northerly 60 feet.

Section 20

All of Government Lot No. 3 lying Southerly of Cove Road (SR-722) less and except the Northerly 60 feet.

Section 29

All of Government Lot No. 6.

Section 30

All of Government Lot No. 5 lying Southerly of Cove Road (SR-722) less and except the Northerly 60 feet and less and except the following described parcel of Land:

Start at the Northwest corner of Government Lot 5, Section 30, Township 38 South, Range 42 East, on the new South line of the Hanson Grant, said starting point lying on the centerline of State Road 722 (Cove Road); thence run South 00 degrees 18 minutes 42 seconds East, along the West line of Government Lot 5, a distance of 65.45 feet, to the Southerly right-of-way line of said State Road 722 for the POINT OF BEGINNING; thence continue to run South 00 degrees 18 minutes 42 seconds East, along said West line of Government Lot 5, a distance of 1142.75 feet to the Southwest corner of said Government Lot 5; thence run North 66 degrees 10 minutes 18 seconds East, along the South line of Government Lot 5, a distance of 399.25 feet; thence run North 66 degrees 07 minutes 03 seconds East, a distance of 859.44 feet; thence run North 24 degrees 01 minutes 03 seconds West, a distance of 1047.98 feet to the said Southerly right-of-way line of State Road 722; thence run South 65 degrees 58 minutes 57 seconds West, along said right-of-way line, a distance of 161.92 feet; thence continuing along said right-of-way line run South 66 degrees 08 minutes 03 seconds West, a distance of 637.34 feet to the POINT OF BEGINNING: containing 24.75 acres.

Patrick J. O'Brien
Vice President, Finance

Exhibit "C"
Real Property

Cover Sheet

(Schedule A continued)

Policy Number FL 009 10 10920

Owners

Policy Number _____

Loan

3. The land is described as follows:

PARCEL I: SANITARY TREATMENT PLANT

A portion of Lot 16, HANSON GRANT, Commissioners Subdivision, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at a point on the North boundary of said Lot 16, said point being the intersection of the North boundary of said Lot 16, and the westerly right-of-way line of Jackson Road as dedicated in HORSESHOE POINT, as recorded in Plat Book 3, Page 8, of the Public Records of Martin County, Florida; thence South 65° 55' 59" West, along the North boundary of said Lot 16, a distance of 149.73 feet; thence South 24° 04' 01" East, 45.66 feet to the POINT OF BEGINNING; thence South 28° 32' 33" East, 142.17 feet; thence North 61° 27' 27" East, 288.85 feet; thence South 28° 32' 33" East, 78.66 feet; thence South 77° 54' 19" West, 71.59 feet; thence South 63° 26' 26" West, 60.07 feet; thence South 16° 08' 40" East, 10.00 feet; thence South 47° 54' 56" West, 31.01 feet; thence South 33° 41' 36" West, 47.79 feet; thence South 00° 34' 24" East, 30.13 feet; thence southeasterly along the arc of a tangent curve concave to the Northeast, having a radius of 100.00 feet, a delta of 59° 22' 52"; an arc distance of 103.64 feet; thence along a non-radially extended line South 13° 47' 08" East, 13.33 feet to a point on an arc of a non-tangent curve (a radial line thru said point bears North 25° 13' 59" East); thence northwesterly along the arc of said curve concave to the Northeast, having a radius of 110.00 feet, a delta of 26° 18' 38"; an arc distance of 50.51 feet; thence along a non-radially extended line South 43° 31' 35" West, 48.44 feet; thence North 60° 33' 55" West, 42.98 feet; thence North 72° 00' 48" West, 58.22 feet; thence North 37° 16' 50" West, 32.35 feet; thence North 63° 56' 02" West, 53.69 feet; thence North 02° 03' 56" West, 54.20 feet; thence North 61° 27' 27" East, 49.37 feet; thence North 28° 32' 33" West, 143.74 feet; thence North 65° 55' 59" East, 20.07 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

SCHEDULE A- CONTINUED

PARCEL II: LAKE AREA

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at a point on the North boundary of said Lot 16, said point being the intersection of the North boundary of said Lot 16 and the westerly right-of-way line of Jackson Road, as dedicated in HORSESHOE POINT, as recorded in Plat Book 3, Page 8, of the Public Records of Martin County, Florida; thence North 65° 55' 59" East, along the North boundary of said Lot 16 a distance of 50.28 feet; thence South 17° 57' 40" East, 227.99 feet; thence South 16° 08' 40" East, 4.39 feet to the POINT OF BEGINNING; thence North 63° 26' 26" East, 60.07 feet; thence North 77° 54' 19" East, 71.59 feet; thence North 51° 00' 32" East, 189.13 feet; thence North 68° 53' 11" East, 76.24 feet; thence northeasterly along the arc of a tangent curve concave to the Northwest, having a radius of 275.00 feet, a delta of 15° 44' 42", an arc distance of 75.57 feet; thence tangent to said curve North 53° 08' 30" East, 84.99 feet; thence southeasterly along the arc of a tangent curve concave to the Southwest, having a radius of 100.00 feet, a delta of 118° 55' 04", an arc distance of 207.55 feet; thence South 82° 03' 33" West, 30.00 feet to a point on the arc of a radially tangent curve; thence southerly along the arc of said curve being concave to the West, having a radius of 70.00 feet, a delta of 35° 53' 48", an arc distance of 43.86 feet; thence tangent to said curve South 27° 57' 21" West, 175.43 feet; thence South 36° 28' 58" East, 119.54 feet; thence southwesterly along the arc of a tangent curve concave to the Northwest, having a radius of 25.00 feet, a delta of 97° 25' 06", an arc distance of 42.51 feet; thence tangent to said curve South 60° 56' 08" West, 321.28 feet; thence South 14° 21' 34" West, 123.91 feet; thence southerly along the arc of a tangent curve concave to the East, having a radius of 125.00 feet, a delta of 40° 00' 00", an arc distance of 87.27 feet; thence tangent to said curve South 25° 38' 26" East, 113.22 feet; thence southerly along the arc of a tangent curve concave to the West, having a radius of 60.00 feet, a delta of 90°, an arc distance of 94.25 feet; thence tangent to said curve South 64° 21' 34" West, 32.16 feet; thence westerly along the arc of a tangent curve, having a radius of 130.00 feet, a delta of 55° 29' 55", an arc distance of 125.92 feet; thence along a radially extended line South 29° 51' 29" West, 30.00 feet to a point on the arc of a radially tangent curve; thence northwesterly along the arc of said curve being concave to the Northeast and having a radius of 200.00 feet, a delta of 30° 20' 21", an arc distance of 105.90 feet; thence tangent to said curve North 29° 48' 10" West, 16.92 feet; thence northerly along the arc of a tangent curve concave to the East, having a radius of 75.00 feet, a delta of 59° 44' 44", an arc distance of 78.21 feet; thence tangent to said curve North 29° 56' 34" East, 488.11 feet; thence North 60° 29' 00" East, 135.35 feet; thence northeasterly along the arc of a tangent curve concave to the Northwest, having a radius of 200.00 feet, a delta of 38° 17' 17", an arc distance of

SCHEDULE A- CONTINUED

(PARCEL II: LAKE AREA - Continued)

133.65 feet; thence tangent to said curve North 22° 11' 44" East, 95.57 feet; thence northerly and westerly along the arc of a tangent curve concave to the Southwest, having a radius of 35.00 feet, a delta of 164° 01' 43", an arc distance of 100.20 feet; thence tangent to said curve South 38° 10' 00" West, 110.83 feet; thence South 60° 29' 00" West, 196.77 feet; thence South 40° 57' 51" West, 240.45 feet; thence westerly along the arc of a tangent curve concave to the North, having a radius of 40.00 feet, a delta of 74° 16' 08", an arc distance of 51.85 feet; thence tangent to said curve North 64° 46' 01" West, 18.05 feet; thence North 13° 47' 08" West, 13.33 feet to a point on the arc of a non-tangent curve (radial line thru said point bears North 30° 02' 43" East); thence northwesterly along the arc of said curve being concave to the Northeast, having a radius of 100.00 feet, a delta of 59° 22' 52", an arc distance of 103.64 feet; thence tangent to said curve North 00° 34' 24" West, 30.13 feet; thence North 33° 41' 36" East, 47.79 feet; thence North 47° 54' 56" East, 31.01 feet; thence North 16° 08' 40" West, 10.09 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

PARCEL III: LIFT STATION (EAST)

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at the intersection of the centerline of Cove Road East and the East boundary of Section 19, Township 38 South, Range 42 East; thence North 66° 05' 44" East, along the centerline of said Cove Road East 259.01 feet; thence North 23° 30' 06" West, 124.98 feet to the POINT OF BEGINNING; thence North 23° 30' 06" West, 20.00 feet; thence North 66° 29' 54" East, 31.69 feet; thence South 23° 30' 06" East, 20.00 feet; thence South 66° 29' 54" West, 31.69 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

SCHEDULE A- CONTINUED.

PARCEL IV: LIFT STATION (WEST)

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at the intersection of the northerly right-of-way line of Cove Road East, and the East boundary of the WILLIAM LUKERT TRACT, as recorded in Deed Book 114, Page 228, of the Public Records of Palm Beach County, Florida; thence North 66° 22' 51" East, along the said north right-of-way line of Cove Road East, 78.52 feet; thence North 23° 37' 09" West, 86.88 feet to the POINT OF BEGINNING; thence North 68° 06' 24" West, 40.00 feet; thence North 21° 53' 36" East, 40.63 feet; thence South 68° 06' 24" East, 40.00 feet; thence South 21° 53' 36" West, 40.63 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

PARCEL V: WATER PLANT

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at a point on the North boundary of said Lot 16, said point being the intersection of the North boundary of said Lot 16 and the westerly right-of-way line of Jackson Road as dedicated in HORSESHOE POINT, as recorded in Plat Book 3, Page 8, of the Public Records of Martin County, Florida; thence South 65° 55' 59" West, along the North boundary of said Lot 16, a distance of 725.00 feet; thence South 65° 57' 55" West, 199.01 feet to the POINT OF BEGINNING; thence South 24° 02' 05" East, 143.50 feet; thence South 65° 57' 55" West, 123.04 feet; thence North 69° 02' 05" West, 202.94 feet; thence North 65° 57' 55" East, 266.54 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

SCHEDULE A- CONTINUED

PARCEL VI: WELL SITE NUMBER 1

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at the intersection of the northerly right-of-way line of Cove Road East and the East boundary of WILLIAM LUKERT TRACT, as recorded in Deed Book 114, Page 228, of the Public Records of Palm Beach County, Florida; thence North $66^{\circ} 22' 51''$ East, along the said North right-of-way line of Cove Road East 317.13 feet; thence North $23^{\circ} 37' 09''$ West, 45.00 feet to the POINT OF BEGINNING; thence North $23^{\circ} 37' 09''$ West, 42.58 feet; thence North $66^{\circ} 22' 51''$ East, 20.00 feet; thence South $23^{\circ} 37' 09''$ East, 42.58 feet; thence South $66^{\circ} 22' 51''$ West, 20.00 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

PARCEL VII: WELL SITE NUMBER 2

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at the intersection of the northerly right-of-way line of Cove Road East and the East boundary of the WILLIAM LUKERT TRACT, as recorded in Deed Book 114, Page 228, of the Public Records of Palm Beach County, Florida; thence North $66^{\circ} 22' 51''$ East, along the said North right-of-way of Cove Road East 538.82 feet; thence North $66^{\circ} 05' 40''$ East, 290.76 feet; thence North $23^{\circ} 54' 20''$ West, 45.00 feet to the POINT OF BEGINNING; thence continue North $23^{\circ} 54' 20''$ West, 62.87 feet; thence North $66^{\circ} 05' 40''$ East, 70.00 feet; thence South $23^{\circ} 54' 20''$ East, 62.87 feet; thence South $66^{\circ} 05' 40''$ West, 70.00 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

SCHEDULE A- CONTINUED

PARCEL VIII: WELL SITE NUMBER 3

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at the intersection of the northerly right-of-way line of Cove Road East and the East boundary of WILLIAM LUXERT TRACT, as recorded in Deed Book 114, Page 228, of the Public Records of Palm Beach County, Florida; thence North $66^{\circ} 22' 51''$ East, along the said North right-of-way line of Cove Road East, 538.82 feet; thence North $66^{\circ} 05' 40''$ East, 609.59 feet; thence North $65^{\circ} 56' 37''$ East, 102.77 feet; thence North $24^{\circ} 03' 23''$ West, 45.00 feet to the POINT OF BEGINNING; thence continue North $24^{\circ} 03' 23''$ West, 46.16 feet; thence North $65^{\circ} 56' 37''$ East, 20.00 feet; thence South $24^{\circ} 03' 23''$ East, 46.16 feet; thence South $65^{\circ} 56' 37''$ West, 20.00 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

PARCEL IX: WELL SITE NUMBER 4

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at a point on the North boundary of said Lot 16, said point being the intersection of the North boundary of said Lot 16, and the westerly right-of-way line of Jackson Road as dedicated in HORSESHOE POINT, as recorded in Plat Book 3, Page 8, of the Public Records of Martin County, Florida; thence South $65^{\circ} 55' 59''$ West, along the North boundary of said Lot 16, a distance of 725.00 feet; thence South $65^{\circ} 57' 55''$ West, 1266.28 feet; thence South $24^{\circ} 02' 05''$ East, 993.95 feet to the POINT OF BEGINNING; thence continue South $24^{\circ} 02' 05''$ East, 20.00 feet; thence South $65^{\circ} 57' 55''$ West, 20.00 feet; thence North $24^{\circ} 02' 05''$ West, 20.00 feet; thence North $65^{\circ} 57' 55''$ East, 20.00 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

SCHEDULE A - CONTINUED

PARCEL X: WELL SITE NUMBER 5

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at a point on the North boundary of said Lot 16, said point being the intersection of the North boundary of said Lot 16, and the westerly right-of-way line of Jackson Road as dedicated in HORSESHOE POINT, as recorded in Plat Book 3, Page 8, of the Public Records of Martin County, Florida; thence South 65° 55' 59" West, along the North boundary of said Lot 16, a distance of 725.00 feet; thence South 65° 57' 55" West, 820.15 feet; thence South 24° 02' 05" East, 998.44 feet to the POINT OF BEGINNING; thence continue South 24° 02' 05" East, 20.00 feet; thence South 65° 57' 55" West, 20.00 feet; thence North 24° 02' 05" West, 20.00 feet; thence North 65° 57' 55" East, 20.00 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

PARCEL XI: WELL SITE NUMBER 6

A portion of Lot 16, HANSON GRANT, Commissioners Sub-division, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

COMMENCE at a point on the North boundary of said Lot 16, said point being the intersection of the North boundary of said Lot 16, and the westerly right-of-way line of Jackson Road as dedicated in HORSESHOE POINT, as recorded in Plat Book 3, Page 8, of the Public Records of Martin County, Florida; thence South 65° 55' 59" West, along the North boundary of said Lot 16, a distance of 725.00 feet; thence South 65° 57' 55" West, 470.04 feet; thence South 24° 02' 05" East, 802.54 feet to the POINT OF BEGINNING; thence continue South 24° 02' 05" East, 20.00 feet; thence South 65° 57' 55" West, 20.00 feet; thence North 24° 02' 05" West, 20.00 feet; thence North 65° 57' 55" East, 20.00 feet to the Point of Beginning.

Said lands lying in Martin County, Florida.

A portion of Lot 16, HANSON GRANT, Commissioners Subdivision, as recorded in Plat Book "B", Page 59, of the Public Records of Dade County, Florida, described as follows:

BEGINNING at the most westerly point of MILES GRANT CONDOMINIUM II, according to the Declaration thereof as recorded in the Official Record Book 371, Page 192, of the Public Records of Martin County, Florida, thence South 24°02'05" East, along the westerly boundary of said MILES GRANT CONDOMINIUM II, a distance of 81.34 feet; thence South 69°02'05" East, 125.00 feet; thence South 80°04'00" West, 452.08 feet; thence North 23°58'00" West, 60.00 feet; thence North 66°02'00" East, 350.00 feet to the POINT OF BEGINNING.

Said land lying in Martin County, Florida.

Exhibit A to Special Warranty Deed

Description of Land

LOT 4, INDIAN RIVER PLANTATION MARRIOTT RESORT I, a P.U.D., according to the Plat thereof recorded in Plat Book 14, Page 72, of the Public Records of Martin County, Florida

Exhibit "D"

Inventory

As of 08/04/2009

Miles Grant Water and Sewer Company

- 2 each 300 gallon liquid chlorine storage tank w/containment vessel
- 1 each 6ft. x 3ft. ammonia feed shed containing chemical feed pumps
- 1 each 48" Toro self-propelled mower
- 1 each below grade block sludge handling pit
- 2 each 10ft. x 12ft. storage buildings with misc. waterworks materials, parts, tools, supplies
- 1 each spare clarifier gearbox w/2 spare ½ Hp gearbox motors
- 1 each spare sample pump for instrumentation
- 1 each 2003 Chevy Silverado pickup, 122,000 miles, #0302
- 1 each 2005 Chevy Silverado pickup, 156,000 miles, #0511

Utilities, Inc. of Hutchinson Island

- 1 each office desk, misc. office furniture and 2 each built-in computer desks
- 1 each small sample refrigerator
- 1 each fax machine
- 1 each John Deere lawn tractor
- 1 each 3" mud hog pump
- 1 each 3" trash pump
- 1 each spare 15 Hp high service pump motor
- 1 each 2003 Chevy Silverado pickup, 106,000 miles, #0303
- 1 each 2004 Chevy Silverado extended cab pickup, 131,000 miles, #0422
- 1 each 2005 Chevy Silverado pickup, 64,500 miles, #0510

Acme Water Supply and Management Company

- 1 each single story wood frame building, wood siding and asphalt shingle roof, contains 2 each 15-Hp end suction irrigation pump w/ bladder tank, electrical controls and flow meter

Exhibit “E”
Easements

1. Utility Easement recorded in O.R. Book 1229, at Page 438
2. Utility Easement Agreement recorded in O.R. Book 1419, at Page 886
3. Reciprocal Access Easement Agreement recorded in O.R. Book 1419, at Page 901
4. Irrigation Easement Agreement recorded in O.R. Book 1419, at Page 942
5. Reciprocal Drainage Easement Agreement recorded in O.R. Book 1419, Page 964
6. Declaration of Easements recorded at O.R. Book 350, at Page 1592 (as amended in O.R. Book 479, at Page 95; O.R. Book 483, at Page 1655; and O.R. Book 952, at Page 2619)
7. Bill of Sale, Absolute recorded at O.R. Book 434, at Page 2217
8. Special Warranty Deed recorded at O.R. Book 434, at Page 2219
9. Declaration and Grant of Easements recorded at O.R. Book 451, at Page 1949
10. Corrective Declaration and Grant of Easements recorded at O.R. Book 452, at Page 73
11. Declaration and Grant of Easements recorded at O.R. Book 456, at Page 1136
12. Declaration and Grant of Easements recorded at O.R. Book 487, at Page 2160
13. Reclaimed Water Service Agreement dated April 14, 2004 by and between Columbia Properties Stuart, LLC and Utilities, Inc. of Hutchinson Island

Exhibit "F"
Customer & Supplier Lists, Other Records

Customer List Provided Under Separate Cover

Supplier List

Vendor Name	Contact	Phone#
Southern Environmental Tech	Bobby Beck	772-223-6464
Hydro Pro	Bruce Whitty	561-848-6788
Kamin Electric	Butch Kamin	772-285-9907
Dumont Chemicals	Debbie or Ron Cartwright	800-330-1369
Sanders Co.	Doug	
Stuart Plumbing	Earl	772-287-0131
Florida Bearings	Eric Dover	
Murray Consultants	Gail Murray	
ProTec Lawn Maint	John	
Flowers Lab	Kelly	772-343-8006
Paramount Power	Paul Cumbie	727-5369979
Paralee Co.	Phil	407-948-2273
Lazenby Associates	Phil Lazenby	
Boynton Pump		
Cole Palmer		
Ferguson Orlando		
Fire Equipment Service		
Grainger		
Home Depot		
JA Taylor Roofing		
NAPA		
Northern Supply CC Acct		
Sensitron Associates		
Sterling Locks		
Terra Renewal		
USA Bluebook		
Young Oil		

Miles Grant Plans

Phase I Condo		Construction Plans
Phase II Condo		Construction Plans
Phase III (AKA Fairway Villas)	Record	
Phase IV (AKA Pine Breeze Golf Villas)	Record	
Phase V (AKA Lakeside Villas)		Construction Plans
Country Club Cove		Construction Plans
Woodridge Subdivision	Record	
River Pines	Record	
Hanson Landing Condo		Construction Plans
Horseshoe Point	Record	
Phase V (Three houses)		Construction Plans
Peterson Lane extension	Record	
Hull Road extension	Record	
WWTP Expansion 1986		Construction Plans
WWTP Aqua Disk Construction 1999		Construction Plans
Water system atlas	MC has a copy	
Sewer system atlas	MC has a copy	
No Plans for the WTP plant piping and site construction		

Hutchinson Island Plans

River Bend Condo		Construction Plans
Club Villas Condo		Construction Plans
Inlet Village Condo		Construction Plans
Riverwood Condo		Construction Plans
Plantation Beach Club		Construction Plans
Pelican Beachwalk		Construction Plans
Spoonbill Condo		Construction Plans
Ocean Terrace		Construction Plans
Sandpiper resort		Construction Plans
Ocean House Condo		Construction Plans
Plantation House Condo		Construction Plans
Lakeside Condo		Construction Plans
Tennis Village Condo		Construction Plans
Bay veiw Condo		Construction Plans
Commercial Parcel		Construction Plans
Marriot Resort Hotel		Construction Plans
WTP Expansion 1987 to 400k		Construction Plans
WWTP Expansion 1989 to 300k	Record	
Irrigation system mains on water system atlas map	MC has a copy	
Water system atlas	MC has a copy	
Sewer system atlas	MC has a copy	

Exhibit "G"
Permits And Approvals

1. Miles Grant Water and Sewer Company

- a. Domestic Wastewater Facility Permit No. FLA013842
- b. Water Use General Permit No. 43-00086-W

2. Utilities, Inc. of Hutchinson Island

- a. Water Use Permit No. Reissue 43-00328-W
- b. Domestic Wastewater Facility Permit No. FLA013792, as revised 2/01/07

3. Acme Water Supply and Management Company
(Hutchinson Island Irrigation Company)

- a. Water Use General Permit No. 43-00485-W

Exhibit “H”
Contracts

1. Special Agreement for Nonpotable Irrigation Water dated April 14, 2004 by and between Columbia Properties Stuart, LLC and Hutchinson Island Irrigation Company, Inc.
2. Reclaimed Water Service Agreement dated April 14, 2004 by and between Columbia Properties Stuart, LLC and Utilities, Inc. of Hutchinson Island

SPECIAL AGREEMENT FOR NONPOTABLE IRRIGATION WATER

THIS SPECIAL AGREEMENT FOR NONPOTABLE IRRIGATION WATER ("Agreement") is made and entered into this 14th day of April, 2004 by and between Columbia Properties Stuart, LLC (hereinafter "Columbia") and Hutchinson Island Irrigation Company, Inc. (hereinafter "HIIC").

RECITALS:

WHEREAS, Columbia currently receives nonpotable irrigation water from two wells ("Raw Water Wells No. 2 and No. 3") owned by IHC Realty Partnership, LP d/b/a Plantation Utilities as a primary irrigation supply for its resort grounds and a supplemental irrigation supply for its golf course; and

WHEREAS, Utilities, Inc. of Hutchinson Island ("Utility") and Columbia have entered into an Asset Purchase Agreement ("Asset Purchase Agreement") whereby Utility has or is in the process of purchasing Plantation Utilities, including the Nonpotable Water Well, from IHC Realty Partnership, LP; and

WHEREAS, upon the Utility's purchase of Plantation Utilities, HIIC will acquire the Raw Water Wells No. 2 and No. 3 from the Utility; and

WHEREAS, Columbia desires to continue to obtain nonpotable water for irrigation purposes from HIIC after Utility acquires Plantation Utilities; and

WHEREAS, Columbia and HIIC desire to set forth their respective duties and obligations with regard to the provision of nonpotable irrigation water.

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

1.0 RECITATIONS. The foregoing Recitations are true and correct and incorporated herein as though fully set forth.

2.0 HIIC'S COVENANTS. HIIC agrees to provide nonpotable irrigation water from its Raw Water Wells to the Points of Delivery, as hereinafter defined, at such times and in such manners as set forth herein.

2.1. Permits. HIIC shall obtain and maintain, at its expense, all governmental permits, consents, and approvals as required by law for performance of its obligations herein. Each party shall fully cooperate with and assist the other in obtaining and complying with all necessary permits, consents, and approvals as required by law for each party's performance under this Agreement.

2.2 Resort Irrigation. The Point of Delivery for the nonpotable irrigation water to be used on the resort grounds ("Resort Point of Delivery") shall be at the meter for Raw

Water Well No. 3 servicing the resort grounds. Each party shall be deemed to be in possession and control of the nonpotable irrigation water on its side of the Resort Point of Delivery.

2.3 Golf Course Irrigation. Columbia and Utility have entered into a Reclaimed Water Service Agreement that requires Utility to provide and Columbia to accept reclaimed water which will be used by Columbia for purposes of irrigating its golf course property. Columbia and HIIC recognize that Columbia's irrigation needs at the golf course may, during certain operating conditions, exceed Utility's supply of reclaimed water such that Columbia may require additional quantities of nonpotable water to meet its irrigation needs. In the event that Columbia wishes to purchase additional supplies of nonpotable irrigation water, HIIC agrees to supply Columbia with such irrigation water in accordance with the terms of this Agreement. The Point of Delivery for the nonpotable irrigation water to be used on the golf course ("Golf Course Point of Delivery") shall be at the meter for Raw Water Well No. 2 servicing the golf course. Each party shall be deemed to be in possession and control of the nonpotable irrigation water on its side of the Golf Course Point of Delivery.

2.4 Quantity and Rates. The nonpotable irrigation water supplied by HIIC under this Agreement shall not exceed 15,500 gpd and 5.5 million gpd per year, and shall be charged at a rate of \$0.85 per thousand gallons. The rate shall be increased annually beginning one year from the date hereof by the percentage increase (if any) in the Consumer Price Index (CPI-U, US City Average, All Items). HIIC shall provide Columbia with a written bill for such nonpotable irrigation water service each month, and payment shall be due and payable within thirty (30) days of Columbia's receipt of such bill.

3.0 TERM. This Agreement shall be in effect for an initial term of thirty (30) years from the date of the Agreement. Thereafter, the Term of this Agreement shall be renewed automatically for ten (10) year periods unless terminated by either party in writing not less than twelve (12) months in advance of the next renewal date.

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

4.1 In the event it is necessary for either party to litigate in order to enforce its rights under the terms of this Agreement, then the prevailing party shall be entitled to reimbursement of its litigation costs, including but not limited to, reasonable attorney's fees, including those caused by appellate proceedings.

5.0 FURTHER ASSURANCES. The parties agree that at any time after the execution hereof, they will, upon the request of the other party, execute and deliver such other documents and further assurances as may be reasonably required by such other party in order to

carry out the intent of the Agreement. HIIC represents and warrants that it has the authority and all necessary licenses and permits to enter into, and perform pursuant to, this Agreement. HIIC further represents and warrants that this Agreement is not subject to or contingent upon approval by the Florida Public Service Commission ("FPSC").

6.0 REGULATORY AUTHORITY. Columbia and HIIC recognize that the Asset Purchase Agreement, as amended, although effective, is contingent upon FPSC approval without modification. In the event that the FPSC does not approve the Asset Purchase Agreement, as amended, and the subject system is re-conveyed back to Columbia pursuant to Article III of the Asset Purchase Agreement, as amended, the Raw Water Wells shall be conveyed back to Columbia at no cost and this Agreement shall be deemed null and void on the date that HIIC System is re-conveyed back to Columbia.

7.0 NOTICES. Until further written notice by either party, all notices provided for herein shall be in writing and transmitted by messenger, by certified mail or by telegram, and shall be addressed as follows:

To Owner:

Columbia Properties Stuart, LLC
207 Grand View Drive
Fort Mitchell, KY 44017
ATTN: Edward Rofes

To Utility:

Hutchinson Island Irrigation Company, Inc.
2335 Sanders Road
Northbrook, Illinois 60062
ATTN: Jim Camaren, Chairman & CEO

and

Hutchinson Island Irrigation Company, Inc.
200 Weathersfield Avenue
Altamonte Springs, Florida 32714
ATTN: Patrick Flynn

With a Copy to:

Rose, Sundstrom & Bentley, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
ATTN: Martin S. Friedman, Esquire

7.1 All notices provided for herein shall be deemed to have been duly given upon the delivery thereof by hand to the appropriate address as evidenced by a signed receipt for same, or by the receipt of certified, return receipt, mail, or by courier service receipt therefor, evidencing delivery of such notice.

8.0 FORCE MAJEURE. Acts of God such as storms, earthquakes, land subsidence, strikes, lockouts or other industrial disturbances, acts of public enemy, wars, blockades, riots,

IN WITNESS WHEREOF, Columbia and HIIC have executed or have caused this Agreement, with the named Exhibit attached, to be duly executed in duplicate originals.

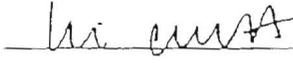
WITNESSES:

UTILITY:

HUTCHINSON ISLAND IRRIGATION
COMPANY, INC.



Print Name: Steve Liberto



Print Name: LISA CROSSETT

By: 

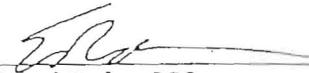
(Jim Camaren
Chairman & CEO

OWNER:

COLUMBIA PROPERTIES STUART, LLC

Print Name: _____

Print Name: _____

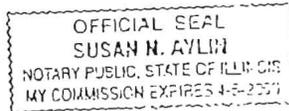
By: 

Edward Rofes, CFO

STATE OF ILLINOIS
COUNTY OF Cook

The foregoing instrument was acknowledged before me this 14th day of April, 2004, by Jim Camaren, Chairman & CEO of Hutchinson Island Irrigation Company, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me.

Susan N. Aylwin
NOTARY PUBLIC
State of Illinois at Large
My Commission Expires: 4-5-2006



STATE OF KENTUCKY
COUNTY OF Jefferson

The foregoing instrument was acknowledged before me this 14th day of April, 2004, by Edward Rofes, CFO of Columbia Properties Stuart, LLC, a Delaware limited liability company, on behalf of the company. He is personally known to me or has produced _____ as identification.

Michelle Stallmeyer
NOTARY PUBLIC
State of Kentucky at Large
My Commission Expires:

MICHELLE STALLMEYER
Notary Public, Kentucky State at Large
My Commission Expires Dec. 31, 2008

1835284_v3

THIS INSTRUMENT PREPARED BY:

MARTIN S. FRIEDMAN, ESQUIRE
ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, FL 32701

RECLAIMED WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of this 14th day of April, 2004, by and between COLUMBIA PROPERTIES STUART, LLC., a Delaware limited liability company, whose address is 207 Grand View Drive, Fort Mitchell, Kentucky 41817 (hereinafter "Owner") and UTILITIES, INC. OF HUTCHINSON ISLAND, a Florida corporation, whose address is 200 Weathersfield Avenue, Altamonte Springs, Florida 32714 (hereinafter "Utility").

R E C I T A L S

WHEREAS, Utility generates highly treated wastewater ("Reclaimed Water") which it wishes to continue to dispose of through a permitted land application process; and

WHEREAS, Owner desires to continue to obtain treated Reclaimed Water from Utility for purposes of irrigation throughout the entire resort golf course property (hereinafter "Property"); and

WHEREAS, Utility and Owner desire to set forth their respective duties and obligations with regard to the provision and disposal of Reclaimed water.

NOW, THEREFORE, in consideration of the payment of ten dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1.0 RECITATIONS. The foregoing Recitations are true and correct and incorporated herein as though fully set forth.

2.0 UTILITY'S COVENANTS. Utility agrees to provide Reclaimed Water from its Wastewater Treatment Facility ("Plant") to the Point of Delivery, as hereinafter defined, at such times and in the manner set forth herein.

2.1 Utility shall obtain and maintain, at its expense, all governmental permits, consents, and approvals as required by law for performance of its obligations herein. Each party shall fully cooperate with and assist the other in obtaining and complying with all necessary permits, consents, and approvals as required by law for each party's performance under this Agreement.

2.2 The Point of Delivery for the Reclaimed Water shall be at the screening point of the intake spillwell associated with the Owner's intake pumps ("Point of Delivery"). Each party shall be deemed to be in possession and control of Reclaimed Water, on its side of the Point of Delivery.

2.3 By these covenants, Utility hereby represents and warrants unto Owner that it has the authority to and hereby grants to Owner an easement to allow Owner to locate intake pumps on Utility property as shown on Exhibit "A" attached hereto, and further grants to Owner an easement to access Utility property for purpose of servicing and maintaining said intake pumps. These covenants shall run with the Utility property shown on Exhibit "A" and shall be binding upon subsequent owners of such property. This Agreement may be recorded by either party at such party's costs.

3.0 OWNER'S COVENANTS. Subject to the terms of the Agreement, Utility shall provide and Owner shall accept all Reclaimed Water generated by the Plant. In the event excess Reclaimed Water beyond what is needed by the Owner for irrigation of the Property is generated by Utility, then Utility shall use best efforts to utilize an alternative disposal source for the excess Reclaimed Water including removing excess Reclaimed Water by tank trucks. Subject further to the terms of the Agreement, Owner agrees to accept and assume all obligation for the disposal of the Reclaimed Water by means of land application, and will be responsible for any and all construction, maintenance, operation, expansion and all associated costs of its irrigation system ("Disposal System") utilized now or in the future to dispose of the Reclaimed Water. Owner warrants and represents that it will at all times maintain the irrigation system in good and serviceable condition, use Reclaimed Water as its primary source of irrigation of the Property, and dispose of all Reclaimed Water in a manner consistent with the terms and conditions of this Agreement, and all applicable federal, state, and local environmental laws and requirements. Notwithstanding the limitations contained in this Agreement to the contrary, Owner covenants that it shall never use potable or nonpotable water for irrigation purposes on the golf course if Utility has adequate quality and quantity of Reclaimed Water available for Owner's utilization. Owner acknowledges that Utility operates its wastewater system pursuant to a Department of Environmental Protection ("DEP") operating permit which may be affected by a change in Reclaimed Water disposal circumstances.

3.1 Owner shall not sell, distribute, or in any way allow the Reclaimed Water to be utilized on any land other than the Property without the Utility's prior written approval.

3.2 By these covenants, Owner hereby represents and warrants unto Utility that it has the authority to and hereby grants to Utility a perpetual easement for Reclaimed Water disposal purposes

over the Property. This covenant shall run with the Property and shall be binding upon subsequent owners of such Property. This Agreement may be recorded by either party at such party's cost.

3.3 Owner shall be responsible for the maintenance, operation and compliance with all regulatory requirements for the acceptance, storage and disposal of Reclaimed Water on its side of the Points of Delivery, including but not limited to providing all required notices to persons using the Property. Upon request, Owner shall provide to Utility copies of the results of any Reclaimed Water sampling, including, but not limited to groundwater monitoring samples, and related reports to the DEP or other such agencies. All costs associated with Owner's obligations hereunder shall be borne by Owner.

4.0 NO CHARGE FOR RECLAIMED WATER. In recognition of the fact that Utility needs wastewater effluent disposal capabilities, and that providing Reclaimed Water to Owner for irrigation purposes is the most cost effective manner of disposing of its wastewater effluent, Utility shall not charge Owner for providing Reclaimed Water pursuant to this Agreement. Utility shall not in the future apply or in any way seek to impose a charge for providing Reclaimed Water to Owner, however, the parties acknowledge that the Florida Public Service Commission ("FPSC") has jurisdiction over the rates and charges imposed by Utility and may attempt to impose a charge for Reclaimed Water notwithstanding that Utility does not request such a charge. In the event that the FPSC, or other applicable regulatory authority, requires that a charge for Reclaimed Water be imposed on Owner, Utility agrees to continue to dispose of its wastewater effluent by providing all Reclaimed Water to Owner and to pay Owner a charge for said wastewater disposal services equal to the charge that Owner pays to Utility for Reclaimed Water. The obligation to pay Owner a charge for wastewater disposal services should a reclaimed water charge be imposed is applicable only to Owner, and not to any successor and/or assigns of Owner, unless such successor and/or assign is an affiliate of Owner.

5.0 LEVEL OF TREATMENT. Utility agrees to deliver only properly treated Reclaimed Water to the Point of Delivery. For purposes of this Agreement, properly treated Reclaimed Water shall be defined as wastewater discharged from Utility's Plant which meets or exceeds the standard established for reclaimed water reused in public access areas as set forth in Florida Administrative Code Rule 62-610 or its successor rule as amended from time to time. If, in the future, Owner, in its sole discretion, no longer irrigates public access areas, or otherwise restricts its method of disposal, though not quantity, of Utility's Reclaimed Water in a manner that calls for a lower level of treatment than that provided by Utility at the time of this Agreement, then, in such event, the standard for properly treated Reclaimed Water required of Utility hereunder shall be reduced appropriately.

5.1 Owner shall have no obligation to accept Reclaimed Water which is not properly treated as defined herein. Utility further agrees to use all diligent efforts to promptly divert the flow of inadequately treated Reclaimed Water to an alternative disposal site, or take such other action as may be reasonably required to avoid the delivery of improperly treated Reclaimed Water. Owner hereby undertakes to maintain the quantity and quality of Reclaimed Water in its transmission, storage and distribution system at a level which will permit delivery and disposal of Reclaimed Water in a manner consistent with the requirements of Utility's DEP permit and this Agreement.

5.2 Owner agrees to take necessary precautions to insure that Reclaimed Water lines are properly identified and that cross-connection with potable water lines or service does not occur.

6.0 CONTINUING RIGHTS OF OWNER. Owner retains the right, following notice to Utility, to move, relocate and install new and/or additional Disposal System Reclaimed Water discharge pipes and devices on the Property at its expense, provided, however, that such action shall not restrict Utility's rights as created hereby.

7.0 INDEMNIFICATION. The Utility shall indemnify and hold harmless Owner, its officers, directors, members, agents, representatives, servants and employees from all claims, costs, penalties, damages and expenses, (including attorney's fees) arising out of the following:

7.1.1 Claims related to the Utility's construction, erection, location, operation, maintenance, repair, installation, replacement or removal of any part of the system controlled by the Utility for reclaimed water disposal and reuse; and

7.1.2 Claims arising out of Utility's negligence or omissions upon any areas controlled by Utility that are contained within, adjoining or abutting Owner's property, or claims arising out of the Utility's negligence or omissions within an area controlled, operated or maintained by the Utility.

7.2 The obligation of the Utility to indemnify the Owner shall be conditioned upon the compliance by the Owner with all regulatory requirements and regulations for the use of the reclaimed water from the Point of Delivery.

7.3 The Owner shall hold harmless and indemnify Utility, its agents, representatives, servants, and employees from all claims, costs, penalties, damages, and expenses (including attorneys' fees) arising out of the following:

- 7.3.1 Claims related to the Owner's construction, erection, location, operation, maintenance, repair, installation, replacement or removal of any part of the Disposal System controlled by the Owner for Reclaimed Water disposal and reuse;
- 7.3.2 Claims arising out of Owner's negligence or omissions upon any areas controlled by Owner that are contained within, adjoining or abutting the Property, or claims arising out of Owner's negligence or omissions within an area controlled, operated or maintained by Owner;
- 7.3.3 Claims or demands that the use of the Reclaimed Water by the Owner in the manner set forth in this Agreement within or upon any areas controlled, operated or maintained by Owner is in violation of any applicable Statutes or regulations.

7.4 The obligation of the Owner to indemnify Utility shall be conditioned upon the compliance by Utility with all regulatory requirements and regulations for the reclaimed water.

8.0 TERM. This Agreement shall be in effect for an initial term of thirty (30) years from the Date of this Agreement. Thereafter, the term of this Agreement shall be renewed automatically for ten (10) year periods unless terminated by either party in writing not less than twelve (12) months in advance of the next renewal date.

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

9.1 In the event it is necessary for either party to litigate in order to enforce its rights under the terms of this Agreement, then the prevailing party shall be entitled to reimbursement of its litigation costs, including but not limited to, reasonable attorney's fees, including those caused by appellate proceedings.

10.0 FURTHER ASSURANCES. The parties agree that at any time after the execution hereof, they will, upon the request of the other party, execute and deliver such other documents and further assurances as may be reasonably required by such other party in order to carry out the intent of the Agreement.

11.0 REGULATORY AUTHORITY. The provisions of this Agreement shall at all times be subject to the exercise of lawful regulatory authority. Owner and Utility recognize that the Asset Purchase Agreement, as amended, although effective, is contingent upon FPSC approval without modification. This Agreement will be attached as an exhibit to, and become part of, the Asset Purchase Agreement, as amended. Utility shall seek FPSC approval of this Agreement as part of its application to the FPSC for approval of the Asset Purchase Agreement, as amended. In the event that the FPSC does not approve the Asset Purchase Agreement, as amended, in its entirety, and the subject system is re-conveyed back to Owner pursuant to Article III of the Asset Purchase Agreement, as amended, this Agreement shall be deemed null and void on the date that Utility System is re-conveyed back to the Owner.

12.0 NOTICES. Until further written notice by either party, all notices provided for herein shall be in writing and transmitted by messenger, by certified mail or by telegram, and shall be addressed as follows:

To Owner:

Columbia Properties Stuart, LLC
207 Grand View Drive
Fort Mitchell, KY 44017
ATTN: Edward Rofes

To Utility:

Utilities, Inc.
2335 Sanders Road
Northbrook, Illinois 60062
ATTN: Jim Camaren, Chairman & CEO

and

Utilities Inc. of Hutchinson Island
200 Weathersfield Avenue
Altamonte Springs, Florida 32714
ATTN: Patrick Flynn

With a Copy to:

Rose, Sundstrom & Bentley, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, Florida 32701
ATTN: Martin S. Friedman, Esquire

12.1 All notices provided for herein shall be deemed to have been duly given upon the delivery thereof by hand to the appropriate address as evidenced by a signed receipt for same, or by the receipt of certified, return receipt, mail, or by courier service receipt therefor, evidencing delivery of such notice.

13.0 FORCE MAJEURE. Acts of God such as storms, earthquakes, land subsidence, strikes, lockouts or other industrial disturbances, acts of public enemy, wars, blockades, riots, acts of armed forces, delays by carriers, inability to obtain materials or rights-of-way, acts of public authority, regulatory agencies, or courts, or any other cause, whether the same kind is enumerated herein, not within the control of Owner or Utility, and which by the exercise of due diligence, Owner or Utility is unable to overcome, which prevents the performance of all or any specific part of this Agreement, shall excuse performance of said part of this Agreement until such force majeure is abated or overcome.

14.0 BINDING EFFECT. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. Except as specifically provided herein, neither party shall have the right to assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. In the event of any such assignment, such assignee shall be required to assume, in writing, all of such assigned rights, duties and obligations under this Agreement.

15.0 COUNTERPARTS. This Agreement 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.

16.0 LICENSE TO INSPECT. Owner hereby grants Utility a non-exclusive license, during the term of this Agreement, to enter upon the Property, upon advance notice and at any reasonable time, and to review and inspect the practices of Owner with respect to conditions agreed to herein, including, but not limited to, compliance with all federal, State and local regulatory requirements. Such entry shall be allowed for the purpose of inspection of the operation and facilities constituting the Disposal System, for inspection of any Utility owned facilities, and for sampling of the Reclaimed Water utilized in the Disposal System, and any monitoring wells located on the Property. Owner has the option of having a representative accompany the Utility personnel on all such

inspections. All such on-site monitoring shall be at Utility's expense.

17.0 SEVERABILITY. If any part of this Agreement is found invalid or unenforceable by any court, such invalidity or unenforceability shall not affect the other parts of this Agreement, absent material prejudice to one or the other party.

18.0 IN PARI MATERIA. It is agreed by and between the parties hereto that all words, terms, and conditions herein contained are to be read in concert, each with the other, and that a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.

19.0 GOVERNING LAW. This Agreement shall be construed in accordance with, and its performance governed by, the laws of the State of Florida.

IN WITNESS WHEREOF, Owner and Utility have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed in duplicate originals.

WITNESSES:

UTILITY:

UTILITIES, INC. OF HUTCHINSON ISLAND

[Signature]
Print Name: Steven Libertozzi

By: [Signature]
Jim Camaren
Chairman & CEO

[Signature]
Print Name: LISA CROSSETT

OWNER:
COLUMBIA PROPERTIES STUART, LLC

[Signature]
Print Name: Joseph Yung

By: [Signature]
Edward Rofes, CFO

[Signature]
Print Name: Calleen Machinski

STATE OF ILLINOIS
COUNTY OF Cook

The foregoing instrument was acknowledged before me this 14th day of April, 2004, by Jim Camaren, Chairman & CEO of Utilities, Inc. of Hutchinson Island, a Florida corporation, on behalf of the corporation. He is personally known to me.

OFFICIAL SEAL
SUSAN N. AYLIN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4-5-2006

[Signature]
NOTARY PUBLIC
State of Illinois at Large
My Commission Expires: 4-5-2006

STATE OF KENTUCKY
COUNTY OF Kenosha

The foregoing instrument was acknowledged before me this 16th day of April, 2004, by Edward Rofes, CFO of Columbia Properties Stuart, LLC, a Delaware limited liability company, on behalf of the company. He is personally known to me or has produced _____ as identification.

[Signature]
NOTARY PUBLIC
State of Kentucky at Large
My Commission Expires:
MICHELLE STALLMEYER
Notary Public, Kentucky State at Large
My Commission Expires Oct 21, 2008

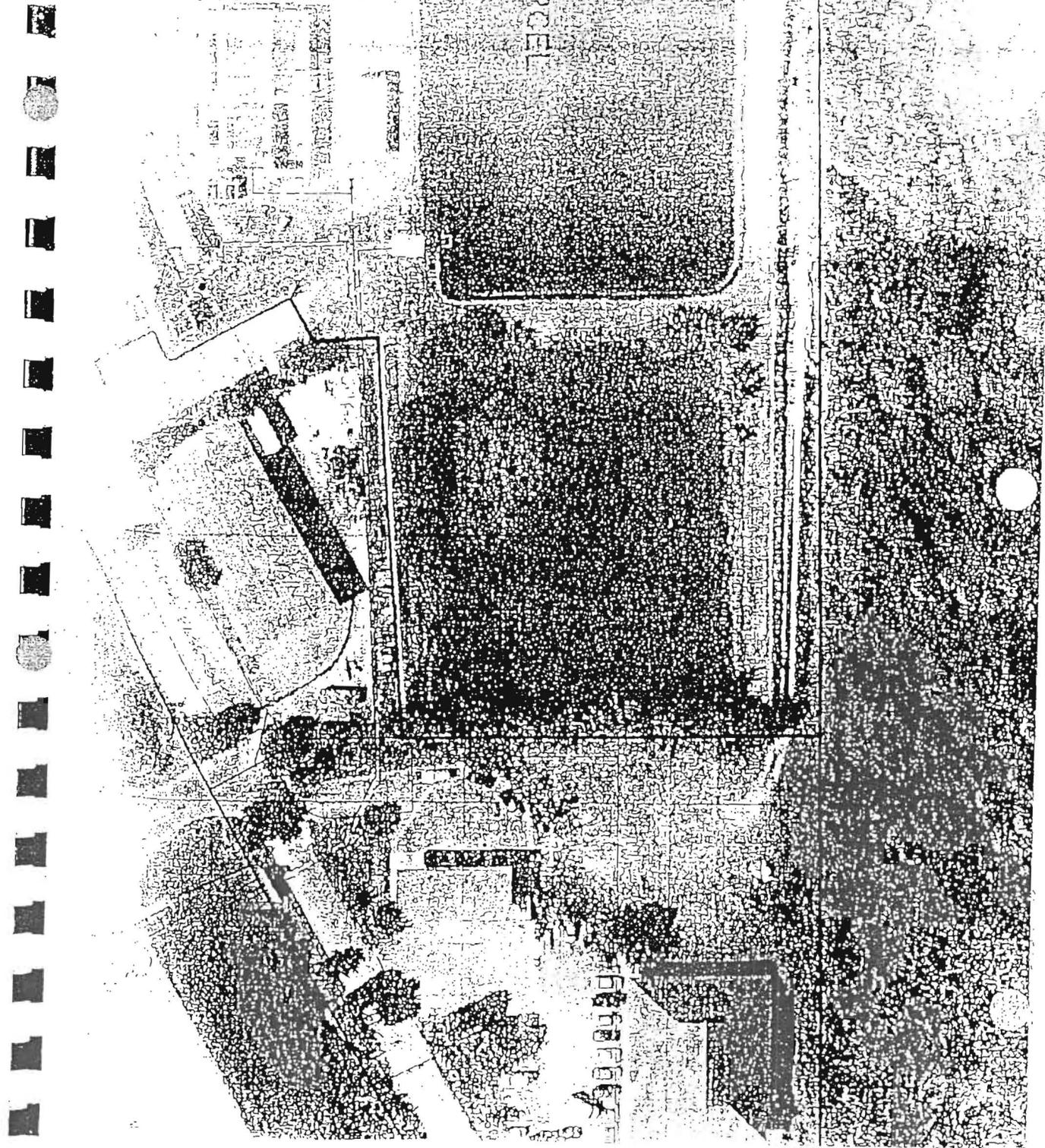


EXHIBIT "A"