

**DOCKET NO. 920199-WS  
1992 FPSC RATE CASE**

**LATE FILED HEARING EXHIBIT NO. 78**

**TITLE**

**TOPEKA V. DELTONA SETTLEMENT AGREEMENT**

**WITNESS**

**SCOTT VIERIMA**

**Case Nos. 1D98-0713 and 1D98-0727**

Florida Water Services Corporation vs. Florida Public Service Commission ("PSC");  
Sugarmill Woods Civic Association, Inc. vs. Southern States Utilities, Inc. and the  
PSC

vs. Joseph J. DeRouin, et al.

**PSC Docket No. 920199-WS**

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 920199-WS EXHIBIT NO. 78

COMPANY/

WITNESS: S. Vierima

DATE: \_\_\_\_\_

DOCUMENT NUMBER-DATE

13964 NOV 30 1992

FPSC-RECORDS/REPORTING

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

Topeka V. Deltona  
Settlement Agreement

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The attached Settlement Agreement Exhibit has been supplemented with a copy of the original 1985 Preferred Stock Purchase Agreement, as the two transactions are interrelated.

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA

The Deltona Corporation,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No.89-890-CIV-Spellman
	)	
Topeka Group Incorporated,	)	
	)	
Defendant.	)	
_____	)	

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT made and entered into this 6<sup>th</sup> day of November, 1989, by and among The Deltona Corporation, a Delaware corporation ("Deltona"), Topeka Group Incorporated, a Minnesota corporation ("Topeka"), Deltona Utilities, Inc. ("DUI"), United Florida Utilities Corporation ("UF"), Pelican Utility Company ("Pelican"), and Deltona Utility Consultants, Inc. ("DUCI"), Florida corporations, and Jack R. McDonald, a citizen of the State of Minnesota ("McDonald").

RECITALS

FIRST: Deltona, DUCI, DUI, UF, Pelican and Topeka are parties to that certain Purchase Agreement dated November 6, 1985 ("1985 Purchase Agreement") pursuant to which, among other things:

(a) Topeka acquired a Warrant (collectively the "Warrants") to purchase 10,000 shares of common stock of each DUI, UF, Pelican, and DUCI (collectively the "Utility Shares"), wholly-owned subsidiaries of Deltona; and

(b) Deltona, DUI, UF, Pelican and Topeka entered into a Stock Redemption and Stock Purchase Agreement (the "Stock Redemption Agreement") which, among other things, contemplated (i) the issuance to DUI, UF, Pelican and DUCI of Topeka's promissory note ("Note") in the principal amount equal to the amount, if any, by which the "Aggregate Stockholders' Equity of the Utility Subsidiaries" exceeded the "Aggregate Series A Value" at the time the Warrants were exercised, (ii) the redemption from Deltona of 100 shares of common stock by each of DUCI, DUI, UF, and Pelican in exchange for Topeka's Note and Topeka's 4,000,000 shares of Deltona's Series A Cumulative Preferred Stock ("Series A"), and (iii) Deltona's purchase of preferred stock from DUI in the principal amount equal to the principal amount of Topeka's Note, which Deltona would deliver to DUI in payment thereof.

SECOND: On or about November 18, 1988, Topeka filed an Application to Acquire Majority Organizational Control of DUI, Pelican and UF with the Florida Public Service Commission ("Application") in the matter entitled In Re: Application of Topeka Group, Inc. to Acquire Control of Deltona Corporation's Utility Subsidiaries, Docket No. 88 1501-WS (the "FPSC Proceedings"). Thereafter, on or about April 20, 1989, Deltona filed objections of The Deltona Corporation to Application to Acquire Control ("Objections"). Public Hearings were held August 30 and 31, 1989, in Orlando, Florida, and a decision on that Application is scheduled for November 21, 1989.

THIRD: On or about May 1, 1989, Deltona commenced an action in United States District Court for the Southern District of



Florida entitled The Deltona Corporation v. Topeka Group Incorporated, Case No. 89-890-CIV-Spellman (the "Litigation"), in which Deltona sought, among other things, a declaratory judgment with respect to the rights and obligations of Deltona and Topeka under the 1985 Purchase Agreement. Subsequently, Deltona filed and served a First Amended Complaint and Topeka served and filed an Answer and Counterclaim in which Topeka, among other things, denied the allegations of the First Amended Complaint.

FOURTH: On June 6, 1989, Topeka exercised the Warrants and acquired the Utility Shares.

FIFTH: On or about August 2, 1989, Deltona filed a Motion for Leave to File Second Amended Complaint in the Litigation in response to which Topeka filed Topeka's Response to Plaintiff's Motion for Leave to File Second Amended Complaint ("Response"). Thereafter on September 11, 1989, Deltona filed a Motion for Leave to File Third Amended Complaint in lieu of a Reply to Topeka's Response. Deltona's Motion for Leave to File Third Amended Complaint is presently pending and, if granted, would permit Deltona to add DUI, UF, and McDonald as defendants and allege additional claims for relief.

SIXTH: The parties hereto desire to settle and by this Settlement Agreement intend to settle the Litigation, Deltona's Objections in the FPSC Proceedings and, except as otherwise specifically set forth herein, all outstanding disputes, claims, demands and causes of action including, but not limited to, those asserted in Deltona's Second Amended Complaint and Third Amended Complaint.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Exercise of Warrants. Deltona consents to Topeka's exercise of the Warrants and confirms that Topeka is the lawful owner of all of the issued and outstanding capital stock of all classes of DUI, UF, DUCI and Pelican.

2. FPSC Proceedings. Deltona agrees to forthwith withdraw its Objections in the FPSC Proceedings and shall not further oppose Topeka's Application in the FPSC Proceedings.

3. Aggregate Stockholders' Equity of the Utility Subsidiaries; Aggregate Series A Value. For the purposes of this Settlement Agreement, the parties agree that the Aggregate Stockholders' Equity of the Utility Subsidiaries exceeded the Series A Value by \$4,160,000 and the following transactions conclusively shall be deemed to have occurred following Topeka's exercise of the Warrants:

(a) Topeka issues its Note in the principal amount of \$4,160,000 payable jointly and severally to DUCI, UF, Pelican and DUI.

(b) UF, Pelican, DUCI and DUI each redeemed 100 shares of its issued and outstanding common stock from Deltona in exchange for their interest in and to all of the issued and outstanding Series A shares and Topeka's Note.

(c) Deltona purchased \$4,160,000 of DUI preferred stock having all of the characteristics and subject to all of the

limitations and restrictions contemplated by Exhibit A to the Stock Redemption Agreement in exchange for Topeka's Note.

(d) DUI redeemed its preferred stock from Deltona for a portion of the cash consideration referred to in Section 3(a) hereof.

4. Deliverables. Contemporaneously with the execution of this Settlement Agreement:

(a) Topeka has paid or has caused DUI, DUCI, UF and Pelican to pay to Deltona the sum of Seven Million Dollars 00/100 (\$7,000,000.00), receipt and sufficiency of which are hereby acknowledged by Deltona.

(b) Deltona, DUI, UF and Pelican have entered into Development Agreements pertaining to the following Deltona communities.

<u>County</u>	<u>Deltona Community</u>
Washington	Sunny Hills
Volusia	Deltona Lakes
St. Johns County	St. Augustine Shores
Marion	Marion Oaks
Hernando	Spring Hill
Collier	Marco Beach and Marco Shores
Citrus	Citrus Springs

Said Development Agreements are in the form of Exhibit "A" attached hereto and the terms of the Development Agreement are hereby incorporated by reference and made a part of this Agreement.

(c) Deltona has delivered to DUI, UF, and Pelican, as the case may be, Warranty Deeds with respect to the 70 parcels

of real estate described on Exhibit B-1 attached hereto and made a part hereof and Deeds of Easement with respect to the 11 parcels of real estate described on Exhibit B-2 attached hereto and made a part hereof. Each of said Warranty Deeds and Deeds of Easement are substantially in form of Exhibits B-3 or B-4 attached hereto and made a part hereof.

(d) Deltona hereby acknowledges that all liabilities and indebtedness (existing, accrued or incurred through the date hereof) of DUI, DUCI, UF and Pelican (and the other parties named in the "Service Agreement") to Deltona howsoever arising or incurred including, but not limited to, any and liabilities and indebtedness (i) incurred under that certain Service Agreement dated August 17, 1989, (Service Agreement) or under that certain Tax Sharing Agreement, as amended, between Deltona and DUI or (ii) involving intercompany advances, have been paid in full.

(e) The parties hereto have executed and delivered a Mutual General Release substantially in the form of Exhibit C attached hereto.

(f) Deltona and Topeka have executed and delivered a Stipulation of Dismissal with Prejudice in substantially the form of Exhibit D attached hereto and made a part hereof, which Stipulation shall forthwith be filed with the Clerk of the Court for the United States District Court for the Southern District of Florida. The parties agree that an Order for Judgment may be entered in the Litigation in the form of Exhibit E attached hereto and made a part hereof.

5. Deltona's Representation and Warranties. Deltona represents and warrants as follows:

(a) The execution and delivery of this Settlement Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by the Board of Directors of Deltona and this Settlement Agreement and the Warranty Deeds, Deeds of Easement and other documents executed and delivered by Deltona contemporaneously herewith have been duly authorized, executed and delivered by Deltona and constitute the valid and legally binding obligations of Deltona enforceable in accordance with their respective terms.

(b) The Warranty Deeds delivered by Deltona to DUI, UF and Pelican contemporaneously herewith are in recordable form and are sufficient to vest in DUI, UF and Pelican, as the case may be, good and marketable title, in fee simple, to the properties described on Exhibit E-1, free and clear of all liens and encumbrances, except 1989 real estate taxes and such easements or restrictions of record, if any, as are not in the aggregate substantial in character, amount or extent and do not detract from, impair the value of or interfere with any permitted use of such properties.

(c) The Deeds of Easement delivered by Deltona to DUI, UF and Pelican contemporaneously herewith are in recordable form and are sufficient to vest in DUI, UF and Pelican, as the case may be, good and marketable title to easements to the properties described in Exhibit B-2 in accordance with said Deeds of Easement, free and clear of all liens and encumbrances, except 1989 real estate taxes and such easements or restrictions of record, if any, as are not in the aggregate substantial in

character, amount or extent and do not detract from, impair the value or interfere with any permitted use of such properties.

(d) Deltona has no reason to believe that as of June 6, 1989, the real estate owned by DUI, UF and Pelican on said date, together with the real estate being transferred to DUI, UF and Pelican pursuant to this Settlement Agreement, is not sufficient to allow each of DUI, UF and Pelican to conduct their respective utility businesses in the ordinary course.

(e) To the best of Deltona's knowledge and belief, the real estate, including easements, being conveyed to DUI, UF and Pelican pursuant hereto can be used by DUI, UF and Pelican, as the case may be, for utility purposes without violating any (i) public or private restrictions or (ii) any applicable zoning or other governmental statutes or ordinances.

6. Representation and Warranties Topeka, DUI, DUCI, Pelican and UF. Topeka, DUI, DUCI, Pelican and UF represent and warrant as follows:

(a) The execution and delivery of this Settlement Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by Topeka, DUI, UF, DUCI and Pelican and this Settlement Agreement and the other documents executed by Topeka, DUI, UF, DUCI and Pelican contemporaneously herewith each constitutes a valid and legally binding obligation of Topeka, DUI, UF, DUCI and Pelican enforceable in accordance with their terms.

(b) Topeka agrees that it shall cause DUI and UF to perform all obligations contained in the Development Agreements attached hereto as Exhibit A. Notwithstanding the foregoing with respect to each Development Agreement (i) Topeka shall be relieved of all obligations under the Development Agreements to which DUI or UF are parties if Topeka or any successor of Topeka which is a member of the Minnesota Power & Light Company consolidated group shall sell all of the issued and outstanding capital stock of all classes of DUI or UF to a purchaser having a net worth, at the time of such sale, of not less than \$15 Million and such purchaser specifically guarantees the obligations of UF or DUI, as the case may be, under the relevant Development Agreement(s) in a writing delivered to Deltona; and (ii) in addition, Topeka and DUI or UF, or both of them, as the case may be, shall be relieved of all obligations under the Development Agreements to which DUI or UF are parties upon the sale by DUI or UF, as the case may be, of all or substantially all of its assets to a purchaser who, at the time of such sale, has a net worth of not less than \$15 Million and who specifically assumes the obligations of DUI or UF under the relevant Development Agreement(s) in a writing delivered to Deltona.

Topeka, DUI, DUCI, UF and Pelican agree that the terms and conditions set forth in the Development Agreements attached hereto as Exhibit A are material terms and conditions of this Settlement Agreement and that a material breach which remains uncured for thirty (30) days after written notice of such breach of any obligation under the Development Agreements shall constitute a breach of this Settlement Agreement.



7. Covenants. Deltona agrees that from and after the date hereof, without the prior written consent of DUI, DUCI, UF or Pelican, as the case may be:

(a) Declarations of Restrictions or other declarations affecting the use of real property existing as of the date of this Settlement Agreement will not be amended or modified in any way which would impair the property interests transferred hereunder or which would affect the ability of DUI, DUCI, UF or Pelican to conduct their utility businesses on property owned by any of them on June 6, 1989, or acquired by any of them pursuant hereto.

(b) Deltona will make no representation or warranty to its customers or any other third party respecting the availability of water or wastewater treatment utility services from DUI, UF, Pelican or their affiliates except as provided for in the Development Agreements attached hereto as Exhibit A.

(c) The 1989 real estate taxes assessed against the properties described on Exhibits B-1 and B-2 shall be prorated as follows: Deltona shall pay 10/12 and DUI and UF shall pay 2/12. Such proration shall be done concurrently with the execution of this Settlement Agreement and shall be based upon the real estate tax assessments for the 1988 real estate taxes. Deltona shall be responsible for paying all 1989 real estate taxes and DUI and UF, ten (10) days prior to Deltona's payment, shall pay to Deltona their 2/12 amount upon notice from Deltona as to when the real estate tax payment is to be made.



8. Real Estate Values. The parties agree that:

(a) On the date hereof each of the twenty (20) parcels of real estate described on Exhibit F attached hereto and made a part hereof (i) at the time each such parcel was dedicated to utility purposes, each of said twenty (20) parcels had a fair market value as set forth on Exhibit F, amounting in the aggregate to \$1,538,700 and (ii) on the date hereof each of said twenty (20) parcels has a fair market value as set forth in said Exhibit F, amounting in the aggregate to \$1,812,000.

(b) On the date hereof each of the parcels of real estate described on Exhibit G attached hereto and made a part hereof has a fair market value as set forth on said Exhibit G, amounting in the aggregate to \$4,294,000.

9. Assignment. Deltona does hereby sell, assign, transfer, quit claim and set over unto UF, DUI and Pelican any and all of its right, title and interest, if any, in and to any and all service availability charges, connection fees and other charges related to the availability or the provision of utility services due or to become due to Deltona under any of its real estate purchase agreements in effect through December 31, 1989.

10. Miscellaneous.

(a) The Recitals to this Settlement Agreement are true and correct and constitute a part hereof.

(b) Neither this Settlement Agreement nor any of the agreements contemplated hereby, whether express or implied, is intended to confer any rights or remedies under or by reason

hereof or thereof on any person other than the parties hereto and their respective heirs, successors and assigns, officers, directors, employees, agents and attorneys nor is anything in this Settlement Agreement or in the agreements contemplated hereby intended to relieve or discharge the obligation or liability of any third person to any party hereto or thereto, nor shall any provision give any third party any right of subrogation or action over against any party to this Settlement Agreement.

(c) From and after the date hereof, each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions provided for or contemplated by this Settlement Agreement, including the agreements contemplated by the Exhibits hereto, and each of the parties agrees, without further consideration, to execute such additional documents, including instruments of conveyance, as may be requested by any other party to this Settlement Agreement to carry out the purposes and intent of this Settlement Agreement and to fulfill its respective obligations hereunder. In addition, Deltona agrees that from and after the date hereof, it will, without further consideration, cooperate with DUI, UF and Pelican and execute additional documents, including instruments of conveyance, as may be reasonably be requested by DUI, UF or Pelican to confirm in DUI, UF and Pelican, of record, all interests in real estate presently possessed by DUI, UF or Pelican in the operation of their respective utility businesses.

(d) From and after the date hereof, Deltona will provide DUI, UF and Pelican with such information and records respecting the acquisition and improvement of the real estate referred to in the Exhibits hereto as UF, Pelican or DUI may reasonably request and Deltona will not destroy any records pertaining thereto without the written consent of DUI, UF and Pelican.

(e) From and after the date hereof, DUI, DUCI, UF and Pelican will provide within thirty (30) days of a request by Deltona thereof and without further consideration, such information as may be required by Deltona's regulators regarding utility capacity to serve, availability of service, quality of service, certification of engineering, etc.

(f) This Agreement and the agreements and documents contemplated hereby and by the Exhibits hereto state the entire agreement of the parties hereto with respect to the subject matter contained herein and therein merges all prior negotiations, agreements and understandings, if any there be; there are no promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein.

(g) This Settlement Agreement may be modified or amended only by an instrument in writing, duly executed by the parties hereto.

(h) This Settlement Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, estates, successors and assigns.


(i) Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the 1985 Purchase Agreement, including the Exhibits thereto.

(j) This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Settlement Agreement shall be binding on the signatories hereto regardless of whether it or any counterpart has been signed by all of the parties.


**The Deltona Corporation**

BY: \_\_\_\_\_  
William Avella  
President


**Deltona Utilities, Inc.**

BY:   
Its President

**Pelican Utility Company**

BY:   
Its President

**United Florida Utilities  
Corporation**

BY:   
Its President

Signatures continued on the following page.

Deltona Utility Consultants,  
Inc.

BY: 

Its

President

Topeka Group Incorporated

BY: Thomas A. Micheletti

Its

Vice-President

  
Jack R. McDonald

## DEVELOPMENT AGREEMENT

AGREEMENT, dated as of the \_\_\_\_ day of November, 1989 by and between THE DELTONA CORPORATION, a Delaware Corporation ("Deltona"), and \_\_\_\_\_, a Florida corporation ("Utility").

WHEREAS, the Utility has been authorized by the Florida Public Service Commission ("FPSC") and those other regulatory agencies exercising jurisdiction over its operations (herein collectively called the "Commission") to provide potable water supplies; wastewater collection and disposal services; raw water; and treated wastewater effluent for irrigation purposes ("Utility Services"), to those customers that receive such Utility Services within the territory ("Territory") described in the Certificate of Authority issued to the Utility by the FPSC, a copy of which is on file with the FPSC ("Certificate"), including but not limited to the property described in Exhibit A attached hereto.

WHEREAS the parties to this Agreement desire to set forth herein the terms and conditions pursuant to which the Utility will provide the Utility Services described herein.

NOW THEREFORE, in consideration of the mutual undertakings set forth in this Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. The terms below as used in this Agreement shall be defined as follows:

1.1 "Facilities" - all transmission and distribution mains, service meters and meter installations, hydrants, distribution standpipes and reservoirs, as well as the appurtenances thereto that are an integral part of the Utility's water distribution system; collection sewers (force and gravity), special collection structures, services to customers, pumps and lift stations, as well as the appurtenances thereto that are an integral part of the Utility's wastewater collection system and necessary to the provision of Utility Services.

1.2 "Plant" - all water supply, treatment, pumping, storage and related utility plant necessary to obtain or provide sources of supply or treatment of potable water, as well as the wastewater disposal systems and related facilities necessary to treat or dispose of sewage, which shall include without limitation, effluent percolation ponds, holding ponds, oxidation ponds, spray fields and wells.

1.3 "Tariff" - the schedule of the Utility's rates, charges, and fees including the attendant policies, rules and regulations, as approved by the FPSC from time to time. A true, complete and correct copy of the Utility's currently effective Tariff for this affected division, exclusive of the attendant policies, rules and regulations of the FPSC is on file with the FPSC.

1.4 "Contracted Lots" - those lots, tracts and parcels of land within the Territory that have been sold by Deltona or its affiliates prior to September 1, 1989.

1.5 "Unsold Lots" - those lots, tracts and parcels of land within the Territory owned by Deltona or its affiliates and to be offered for sale or sold by Deltona and its affiliates from and after September 1, 1989. In addition, Contracted Lots reacquired by Deltona shall thereafter be considered Unsold Lots.

2. Exclusive Right to Provide Utility Service. Deltona acknowledges and agrees that during the term of this Agreement and for so long thereafter as the Utility is the sole party entitled to furnish Utility Services pursuant to the Certificate:

(a) the Utility shall have the exclusive right to provide Utility Services to customers located within the Territory, and (b) Deltona shall not, directly or indirectly through any affiliate or otherwise, (i) provide Utility Services within the Territory, (ii) take any action to deprive the Utility of its Certificate, (iii) exclude any area from the Territory, or (iv) hinder, impede or obstruct any attempt by the Utility to expand the Territory unless the FPSC has determined in Utility's expansion application that such expansion would serve to reduce or diminish the Utility's ability to provide Utility Services to the Contracted Lots or Unsold Lots, but Deltona shall have the right to participate in any such proceedings.

3. No Abandonment of Territory. Utility agrees that during the term of this Agreement and for so long thereafter as the Utility is the sole party entitled to furnish Utility Services pursuant to the Certificate, Utility will not voluntarily abandon any portion of the Territory from the service area granted in its Certificate.

4. Performance. In the event any of the following circumstances exist, the Utility shall be excused from performing those of its obligations hereunder that are directly affected thereby without incurring liability to Deltona therefor, provided the Utility promptly takes all such actions as are prudent or appropriate to mitigate any damage or loss to its customers or Deltona caused by or resulting from such nonperformance.



4.1 Breach by Deltona. Any breach by Deltona of its obligations hereunder, or knowing failure by Deltona to comply with a rule, order or requirement of any federal, state or local governmental agency applicable to the provision of the Utility Services, which in a direct, material and adverse manner affects the Utility's ability to provide Utility Services in accordance with its Tariff and applicable federal, state and local law.

4.2 Governmental Action. Except as otherwise provided in the last clause of Section 12, the inability of the Utility to provide Utility Service solely by reason of a law, regulation, act, rule, order or requirement of a local, state or federal court or governmental agency exercising jurisdiction over the operations of the Utility which was (i) first enacted or became effective after the date hereof, (ii) not solicited or sought by the Utility to avoid its performance hereunder, and (iii) occurred notwithstanding the Utility's good faith efforts to comply therewith so that the Utility Services could continue to be provided as contemplated hereby.

4.3 Threats to Public Health. If the provision of Utility Services would create an imminent threat or peril to the public health as determined by an appropriate court or governmental agency exercising jurisdiction over the operations of the Utility due to no fault, action or inaction of the Utility, and a good faith effort has been and is being made by the Utility to promptly remedy the situation causing or producing such threat or peril.

4.4 Timeliness. Deltona has not knowingly given the notice or performed the duties required of it to be given or performed pursuant to Section 6 hereof in sufficient time to enable the Utility to construct those Facilities necessary to serve customers by the date when such customers are entitled to Utility services.

The Utility shall notify Deltona as soon as possible, but not later than twenty-four (24) hours (or such shorter period as is provided in the Tariff for the giving of notices in such

circumstances) after it first learns of the occurrence of any situation or circumstance referred to above in Sections 4.1 to 4.4, inclusive.

5. Ownership of Plant and Facilities. Deltona shall not (i) have any right, title or interest in the Plant or Facilities, whether now in existence or to be constructed hereafter, that are used by the Utility to provide necessary Utility Services within the Territory, or (ii) grant, or purport to grant to another, any right, title or interest in the Plant or Facilities. Deltona shall take such actions and execute those documents as are necessary to vest in the Utility title to the Plant and Facilities, free and clear of all liens, claims and encumbrances created by or through Deltona.

6. Facilities.

6.1 Contracted Lots.

6.1.1 Provision of Utility Services. Utility shall use its best efforts to provide Utility Services to Contracted Lots as soon as reasonably practicable following receipt from an applicant of satisfactory evidence that construction of a building is scheduled to commence on a Contracted Lot and the applicant has met the provisions contained in the then existing Tariff of the Utility, including the payment of all applicable fees. Typically, if road improvements have been made, after an application for Utility Services has been received, the Utility can provide water service within sixty (60) days and sewer service within one hundred eighty (180) days to lots within 2,500 feet of an existing water or sewer line.

6.1.2 Lot Exchanges. Notwithstanding Section 6.1.1, when a Contracted Lot is located such that the extension of the Utility's water distribution or sewage disposal system to that site would be in excess of one mile, the Utility shall not be obligated to extend Utility Services to such lot. Instead the Utility shall notify Deltona and Deltona will use its best efforts to arrange an exchange of the distant site for another lot within the same development or tract which will require an extension of the Utility's water distribution or sewage disposal system of less than one mile. If Deltona is unable to arrange such an exchange of lots, it may do any of the following: 1) it may make available its unsold inventory of comparably valued lots in the development in which the lot involved is located, and the Utility may select from said unsold inventory and negotiate an exchange with the lot owner; (if the Utility succeeds in negotiating such an exchange, Deltona shall take all actions necessary to document the same); 2) it may refund the purchase price to the owner of the distant site and reacquire such Lot; 3) it may provide alternative Utility Services until the Utility has its Utility Services available within one mile; or 4) it may pay Utility the cost of the extension of the requested Utility Services beyond one mile. In the event Deltona pays for extension of Utility Service(s) beyond one mile, if other properties are subsequently served by the main extension Deltona will be entitled to a prorata refund of the costs it pays for the main beyond the one mile. Said prorata refund shall be in accordance with the Tariffs of the Utility in effect at the time of such Utility Service(s). Utility may not invoke the provisions of this Section 6.1.2 for more than twelve (12) applicants for Utility Services in any calendar year commencing on November first of each year. For the purposes hereof lot exchanges effected by Deltona pursuant to any other Development Agreement to which Deltona and an affiliate of Utility is a party shall count against the twelve (12) lot exchanges contemplated hereby.

6.1.3 Nonobligatory Lots Exchanges. When a Contracted Lot is located such that the extension of the Utility's water

distribution or sewage disposal system to that site would be in excess of one-half mile, and Section 6.1.2 does not apply to such lot, Utility shall so notify Deltona and Deltona will upon request of the Utility make available its unsold inventory of comparably valued lots in the development in which the lot involved is located for a period of sixty (60) days and the Utility shall have the authority to negotiate an exchange with the lot owner. If the Utility succeeds in negotiating such an exchange, Deltona shall take all actions necessary to document the same. Except as otherwise provided in Section 6.1.2 hereof, the inability of the Utility or Deltona to effect an exchange of lots shall not excuse or relieve the Utility of its obligations hereunder, including specifically these set out in Section 6.1.1.

## 6.2 Unsold Lots.

6.2.1 Provision of Utility Services. Utility shall use its best efforts to provide Utility Services to Unsold Lots as soon as reasonably practicable following receipt from an applicant of satisfactory evidence that construction of a building is scheduled to commence on a Unsold Lot and the applicant has met the provisions contained in the then existing Tariff of the Utility, including the payment of all applicable fees. Typically, if road improvements have been made, after an application for Utilities Service has been received, the Utility can provide water service within sixty (60) days and sewer service within one hundred eighty (180) days to lots within 2,500 feet of an existing water or sewer line.

6.2.2 Sale of Unsold Lots. It shall be Deltona's policy to release Unsold Lot inventory in a sequential manner calculated, to the extent possible, to be limited in size to what could be absorbed by then current market conditions within a six (6) month period. For example, where an entire platted unit is designated as a new sales area, release of lot groups within the unit will begin along the plat boundary closest to existing development areas. With regard to previously released sales areas, it shall be Deltona's policy, to the extent possible, to



release Unsold Lots so as to avoid the demand for development improvements disproportionate to the actual need.

6.2.3 Contracts of Sale. All installment land sales contracts governing the sale of Unsold Lots shall initially contain the same provisions as are set forth in Exhibit B annexed hereto and made a part hereof with respect to the provision of and payment for Utility Services. Deltona shall not make any commitments or representations as to the provision of or payment for Utility Services in respect of any sale of an Unsold Lot pursuant to an installment land sales contract except consistent with those commitments and representations set forth in Exhibit B. Utility agrees to cooperate with Deltona in obtaining regulatory approval of all materials and contracts required in connection with the registration and sale of the Unsold Lots, but the Utility shall have the right of prior approval of any representations or commitments contained in said materials and contracts filed during the registration process, which approval will not be unreasonably withheld.

6.2.4 Funding of Facilities/(Utility Service Fee). Except as otherwise provided in Section 6.1.2. 4), Utility shall pay the costs of providing all Facilities necessary to provide Utility Services to all Contracted Lots and Unsold Lots. The cost of all Facilities necessary to provide Utility Services to the Contracted Lots and Unsold Lots shall be capitalized as an investment by the Utility and recovered through its rate charges. Beginning January 1, 1990 or at such time as Deltona shall receive approval from its regulators, the Utility will become a party to each installment land sales contract governing the sale of unsold Lots within the Territory pursuant to which the Purchaser under said contract agrees to pay a Utility Service Fee of \$500.00 for water service and, if applicable, \$1,000.00 for sewer service in equal installments over the term of the contract to defray, in part, the connection and other fees permitted to be charged by the Utility in accordance with the Utility's Tariff in effect at the time the Purchaser applies for Utility Services. Utility shall from time to time, in writing,

appoint an employee or employees of Deltona to act as Utility's agent to sign installment land sales contracts (also known as Agreements of Purchase and Sale) for the sale of Unsold Lots on behalf of Utility. All amounts collected subsequent to December 31, 1989, will be paid to Utility pursuant to Section 6.2.5.

6.2.5 Collection and Disposition of Utility Service Fee. Utility hereby appoints Deltona its agent to collect the Utility Service Fee from Purchasers of Unsold Lots and Deltona hereby accepts such appointment. Deltona will remit all collected Utility Service Fee and the identity of the Unsold Lots to which such funds apply to Utility not less than monthly. Upon receipt of such Utility Service Fee, Utility will place such fees in escrow to be held and disposed of by Utility in accordance with the terms of an Escrow Agreement substantially in the form of Exhibit C hereto.

6.2.6 Termination of Agency. Utility reserves the right, at any time and for any reason, to terminate the agency granted Deltona pursuant to Section 6.2.5 hereof and notify Purchasers of Unsold Lots to pay or remit all sums due or to become due for Utility Service Fee in accordance with the terms of the Purchasers' Agreements; provided, however, that such fees shall nevertheless be held and disposed of as provided in Section 6.2.5 hereof.

6.2.7 Inspection of Records. Utility shall have the right through its employees, accountants, attorneys or other representatives, upon reasonable notice but not more than four (4) times during any calendar year, to enter upon Deltona's premises to review Deltona's books and records (including books of account) pertaining to purchases and Purchasers of Unsold Lots and to make copies and extracts thereof. Further, for so long as Deltona is collecting Utility Service Fee in accordance with Section 6.2.5 hereof, Deltona, at the request of Utility but not less than quarterly, will provide a computer detail of funds being held in escrow by lot and block. Conversely, Utility shall notify Deltona of line extension completion and funds released

from escrow within thirty (30) days of such completion and release.

7. Plant. The Utility shall construct and pay for all Plant necessary to support and provide the Utility Services to the Contracted Lots and Unsold Lots as provided herein. To defray the cost of such Plant, the Utility may charge its service customers located within the Territory a plant capacity or similar charge, provided all such charges are in compliance with the laws of Florida and the policies, rules and regulations of the FPSC.

8. Real Estate Requirement.

8.1 Fee Interests. Deltona shall, upon the written request of the Utility, grant and convey, or use its best efforts in an attempt to cause others to grant and convey, to the Utility by warranty deed that real property the Utility determines in its good faith judgment consistent with the sound engineering practice are necessary as a site for Plant required to provide the Utility Services contemplated by this Agreement or for the disposal of effluent and storage of sludges emanating from those lots, parcels or tracts of land within the Territory.

8.2 Easements. Deltona shall, upon the written request of the Utility, grant and convey, or use its best efforts in an attempt to cause others to grant and convey, to the Utility by deed of easement, those easements, rights-of-way and licenses as the Utility determines in its good faith judgment consistent with sound engineering practice are necessary to provide the Utility Services contemplated by this Agreement. All such deeds of easement shall, to the extent reasonably available, be accompanied by subordination and non-disturbance agreements reasonably satisfactory to Utility from the party owning or having a lien or encumbrance against the real property burdened by the easement. The Utility agrees that in installing, operating and maintaining the Plant and Facilities in any easement area, it will: (a) observe and comply with the established and generally accepted utility practices of the water and wastewater industry in Florida, (b) use its best efforts to schedule and perform any work necessary within an easement area so as to reduce the disruption to traffic, ingress, egress or other uses of the property, and (c) upon completion of such work, and at the Utility's sole cost and expense, return the area to its condition prior to the commencement of such work.

### 8.3 Cost.

8.3.1 Property in Common Areas. Any easement requested to be conveyed to the Utility pursuant to this Section 8 that is at such time within any common area or space dedicated exclusively to public use as set forth on the various recorded plats in Deltona's communities and within the Territory as evidenced by a site use plan or similar document prepared by Deltona, or any recorded instrument intending to so convey or restrict the property, Deltona shall cause the easement to be transferred to the Utility at no cost to the Utility, save for the related filing, recording and conveyancing fees, including documentary and state surtax stamps, attorney charges incurred by Deltona to effect the conveyance, all of which shall be paid or reimbursed by the utility.

8.3.2 Golf Course Property. If any easement requested to be conveyed to the Utility pursuant to this Section 8 is located within a golf course property owned by Deltona at the time of the request, Deltona shall cause the easement to be conveyed to the Utility at no cost to the utility, save for the related filing, recording and conveyancing fees, including documentary and state surtax stamps, attorney charges incurred by Deltona to effect the conveyance, all of which shall be paid or reimbursed by the Utility, subject to the following: (a) the conveyance shall only be for the period the property is used for golf course purposes; and (b) the Utility shall be solely responsible for all costs incurred, directly or indirectly, in connection with the installation, operation and maintenance of any Facilities or Plant located on the golf course property except for the golf courses' irrigation facilities and the operation and maintenance, thereof. Deltona agrees that golf courses now owned by Deltona are available to handle treated sewage effluent originating from the Territory, and agrees that Utility may spray such effluent on such golf courses subject to applicable regulatory requirements and approvals. Utility will pay all costs associated with permitting, construction and operation of any effluent disposal system. The parties acknowledge that they are mutually benefited by this



arrangement and that the FPSC has jurisdiction to impose a charge for effluent sprayed upon golf courses.

8.3.3 Other Property. If the Utility requests any fee interest or easement not covered by Sections 8.1 and 8.2 above, Deltona shall sell, or use its best efforts in an attempt to cause others to sell, such at the fair market value of the property at the time of sale or conveyance, or if an easement, the fair market value for such use. If Deltona and the Utility cannot agree on a fair market value for the interest to be conveyed, each shall appoint a qualified appraiser, and the two appraisers will then appoint a third who is independent in all respects from the parties, their agents, representative and other appraisers. If the two appraisers cannot agree as to the selection of a third appraiser within 30 days after their appointment, either party may request the Jacksonville, Florida office of the American Arbitration Association to make such selection. The three appraisers so selected shall review the asking price of Deltona and bid price of the Utility for the interest to be conveyed and the fair market value of the property, which determination shall be final and binding on the parties. The costs of the appraisal process, including the fees and expenses of the appraisers, shall be borne by the losing party.

8.4 Location. The parties will cooperate with each other and act in good faith in locating any easement sought pursuant to Sections 8.1 and 8.2 above that is not located in a cartway or road, taking into account the development plans of Deltona and its desire not to utilize valuable land for Facilities of Plant, and the need of the Utility to find the most convenient and most effective site within the Territory for the placement of Plant and Facilities.

8.5 Certain Remedies. If Deltona fails to convey those fee interests or easements as are provided in this Section 8 within one hundred twenty (120) days after receipt of a written request therefor from the Utility and, if applicable, determination of a price as provided herein, the Utility may specifically enforce the conveyance of such fee or easement interest if it is owned by Deltona, such right being in addition to any other the Utility may have for such breach, including suit for damages.

8.6 Instruments. Any conveyance made pursuant to this Section 8 shall be made by an instrument in form and substance reasonably acceptable to the Utility, accompanied by a commitment for an owners policy of title insurance in favor of the Utility, the fees for which shall be paid by the Utility.

9. Quality of Wastewater. The Utility shall be obligated to treat only domestic (as now defined by Rule 17-6.030(22) of the Florida Administrative Code) and general service wastewater. Deltona shall not discharge any wastewater, fluids or other substances or material into the Facilities that contain substances or materials regarded as hazardous under applicable federal, state and local law.

10. Rates, Charges, and Fees. The Utility represents and warrants that the rates to be charged customers for Utility Services shall be only as set forth in Utility's Tariff in effect from time to time. Deltona hereby acknowledges that the Utility may amend, expand or modify its Tariff from time to time and at any time, provided the Tariff, as amended, does not breach or conflict with the terms hereof. Deltona agrees not to take any action that prevents the Utility from charging any customer for Utility Services at a rate, fee or charge which the Utility is entitled to collect under, (a) the laws of Florida, (b) the rules and regulations of the FPSC that are in effect from time to time, (c) the Tariff, and (d) this Agreement, and Deltona agrees not to directly or indirectly challenge, protest or contest any effort by the Utility to include any rate, fee or charge except to the extent such would violate this Agreement or any law, regulation or rule applicable to the provision of utility Services.

Further, Deltona agrees not to directly or indirectly challenge, protest or contest any proposed rate increase by the Utility unless in the good faith judgment of Deltona such rate increase would be excessive in its effect on Deltona as a customer.

11. Damage to Property. If Deltona, its agents or employees, negligently or purposefully cause damage to the Plant or Facilities at any time during the term hereof, Deltona shall, in addition to any additional remedy which the Utility may have, pay the Utility for those repairs reasonably required to restore the Plant and Facilities to the condition they were in before such damage occurred. Similarly, if the Utility, its agents or employees, negligently or purposefully cause damage to the property of Deltona at any time during the term hereof, the Utility shall, in addition to any additional remedy which Deltona may have, pay Deltona for those repairs or replacements reasonably required to restore the property to the condition such was in before the damage occurred.

12. Agreement Subject to Governmental Authority. The parties acknowledge that this Agreement is subject to modification by those local, state and federal governmental agencies having jurisdiction over the Utility and the provision of Utility Services, and do hereby agree this Agreement shall be deemed amended to the extent it is so modified by any such governmental agency; provided, however, that the Utility shall not be excused from providing Utility Services merely because it has been determined that the Utility will be unable to earn a fair and reasonable rate of return on the investment required to

provide Utility Services, nor shall such amendment serve to increase Deltona's costs hereunder.

13. Government Approvals Generally. The parties agree to cooperate and use their best efforts to obtain all approvals, licenses, and permits which may, in the reasonable good faith judgment of the Utility, be necessary or desirable for the construction and operation of the Plant and Facilities.

14. Government Approvals of This Agreement. The parties agree to cooperate and use their best efforts to obtain all required governmental approvals to this Development Agreement and Deltona's Agreement of Purchase and Sale, as amended as contemplated by Exhibit B. If any said approval is not obtained, the parties will negotiate in good faith to amend this Agreement in a manner which will provide each party with substantially the same economic and other benefits and protections as this Agreement and which meets the approval of all relevant governmental authorities, and at the request of either party representatives of the other party will meet with the relevant governmental officials in an attempt to resolve all open issues.

15. Successors and Assigns. Subject to Section 26 hereof, this Agreement shall be binding upon and inure to the benefit of parties hereto, their successors and assigns.

16. Condemnation. If any property of the Utility within the Territory is condemned by federal, state or local governmental authorities, the entire amount of such award shall inure to the benefit of the Utility and Deltona shall have no right or interest therein and Utility's obligations hereunder

shall be discharged and this Agreement shall be terminated. Utility will not object to Deltona's becoming a party to any such condemnation proceedings.

17. Term. This Agreement shall commence on the date hereof and terminate on the date installation of Plant and Facilities sufficient to provide Utility Services to all the Contracted Lots and Unsold Lot occurs which date shall be the date on which Deltona receives from the Utility a certification to such effect or on the date Deltona has conveyed all its Contracted and Unsold Lots, whichever date is later.

18. Entire Agreement. This Agreement and the Exhibits hereto constitute one and the same Agreement, representing the entire understanding between the parties hereto pertaining to the subject matter hereof, and such supersedes all prior written and oral agreements, negotiations and understandings with respect thereto. This Agreement may not be modified except by a written instrument signed on behalf of both the Utility and Deltona.

19. Cure. Neither Deltona nor the Utility shall be deemed to be in default hereunder or in breach hereof unless the event which could give rise to a default or breach by Deltona or Utility remains uncured for a period of thirty (30) days after Deltona or Utility has given the other written notice of such event. This provision shall not apply to any default or breach relating to the payment of any money.

20. Severability. If any provision of this Agreement is held to be illegal or invalid, all other provisions shall remain in full force and effect.

21. Notice. All notices or other communications provided for herein shall be in writing and transmitted by messenger, telecopy or telegram, or sent by certified mail, first class postage prepaid, addressed as follows, it being agreed any notice or communication intended or required to be given hereunder shall be deemed given when provided.

If to Deltona at: 3250 S.W. Third Avenue  
Miami, FL 33129  
ATT: President

If to Utility at: 1000 Color Place  
Apopka, FL 32703  
ATT: President

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

23. Costs and Fees. In the event any party hereto is required to enforce this Agreement in any court or before any regulatory agency, the prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorney fees, at trial and appeal.

24. Consents. No party shall unreasonably withhold any consent or approval required by this Agreement.

25. No Waiver. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of a right or power hereunder be deemed a waiver of relinquishment of such right or power at any other time.

26. Assignment. All obligations of Deltona and Utility hereunder shall be binding upon and inure to the benefit of their successors and assigns; provided, however, that neither this Agreement nor any rights hereunder may be assigned in part.

27. Certain Sales of Unimproved Residential Property. Notwithstanding any other provision of this Agreement, Deltona shall not make any representations as to the availability of Utility Services and Utility shall not be obligated under this Agreement to provide Utility Services to any single family residential lot within the Territory which is sold pursuant to a contract other than one of Deltona's standard forms of installment land sales contracts used by Deltona in numerous transactions and which is not in an "improved" state at the time such property is deeded by Deltona. For the purposes hereof, a single family residential lot shall not be deemed to be in an improved state unless it is served by an asphalt paved street or road which abuts such lot. Nothing contained herein shall be construed as prohibiting Deltona from selling Unsold Lots pursuant to a contract other than an installment land sales contract. However, Utility shall not be obligated to provide Utility Services to Unsold Lots which are single family residential lots deeded, singularly or in bulk, in an unimproved state, pursuant to a contract other than an installment land sales contract. Any Unsold Lots sold by Deltona other than by an installment land sales contract shall become subject to the provisions of Section 6.1. in the same manner as Contracted Lots.



28. Transfer of Certain Escrowed Funds. On or before January 1, 1990, Deltona shall cause all funds held in escrow by Southeast Bank, N.A. ("Bank") pursuant to that certain Escrow Agreement between Deltona and Bank (which is similar to Exhibit C attached hereto) to be transferred to the escrow account to be established by Utility pursuant to said Exhibit C.

29. Specific Performance. In addition to any other remedies the parties to this Agreement may have at law or in equity, Deltona or the Utility may specifically enforce the terms and conditions of this Agreement against the other.

30. Adjustment to Utility Service Fee. From time to time during the term hereof Utility shall have the right, in writing, to notify Deltona of increases in the Utility Service Fee provided for herein and in Deltona's Agreements of Purchase and Sale, but not by more than 10% per increase; provided, however, that Utility shall not make more than one such increase during any two calendar year period. Such notice shall be made to Deltona at least six (6) months prior to the planned implementation of the increase and upon receipt of such notice Deltona agrees promptly to amend subsequent Agreements of Purchase and Sale to reflect such increase following approval of Deltona's regulators which approval Deltona agrees to seek promptly.

31. Rights of Third Parties. Nothing in this Agreement, whether express or implied is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties hereto and their respective assigns, nor is



anything intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision of this Agreement give any third party any right of subrogation or action over or against any party to this Agreement.

32. Headings. The headings in this Agreement are included for convenience of reference only and shall not constitute a part hereof.

33. Recording. This Agreement may not be recorded by either one of the parties hereto.

IN WITNESS WHEREOF, the parties hereto, have cause their duly authorized and acting officers to execute and deliver this Agreement as of the date first above written.

THE DELTONA CORPORATION

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

(Name of Utility)

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

Exhibits

- A - Legal description of Territory.
- B - Standard contract language to be used in sales agreements for Unsold Lots as respects the provision of and payment for Utility Services.
- C - Sample Escrow Agreement.

EXHIBIT A: Legal Description of Territory

Intentionally omitted by agreement  
of the parties.

A handwritten signature in black ink, consisting of a stylized 'R' followed by a large 'J' and 'M'.

Exhibit B

**UTILITY PROVISIONS FOR  
AGREEMENT OF PURCHASE AND SALE**

A. [To replace paragraphs 2-5 of Section A of Additional Terms:

2. \_\_\_\_\_ (address) (the "Utility"), a regulated private utility, will, subject to the terms and conditions of its approval tariff, use its best efforts to complete the installation of a central water system to service the Property, as soon as reasonably practicable following the receipt by the Utility of evidence satisfactory to it that construction of a building on the Property is scheduled to commence if, at the time such evidence is received by the utility, (a) the Purchaser has paid to the Utility (or to Deltona, as agent for the Utility), the entire Utility Service Fee for water service (see Utility Service Fee box at bottom of page 1 of the Agreement), and (b) the Purchaser has paid to the Utility the Service Availability Charges for water service that the Utility is permitted to impose under its tariff at the time service is requested, less the Utility Service Fee, for water service described in (a). Purchaser hereby acknowledges that Service Availability Charges are governed by the Florida Public Service Commission and may include a main extension fee, plant capacity charge, allowance for funds prudently invested charge (AFPI) and additional connection charges to cover the cost of installing the meter and a service line running from the main water line in front of the Property to the boundary line of the Property.

3. Utility, a regulated private utility, will subject to the terms and conditions of its tariff, use its best efforts to complete the installation of a central sewer system to service the Property, if designated as applicable on the first page of this Agreement of purchase and sale, as soon as reasonably practicable following the receipt by the Utility of evidence satisfactory to it that construction of a building on the Property is scheduled to commence if at the time such evidence is received by the Utility (a) the Purchaser has paid to the Utility (or to Deltona, as agent for the Utility), the entire Utility Service Fee for sewer service (see Utility Service Fee box at bottom of page 1 of the Agreement), and (b) the Purchaser has paid to the Utility the Service Availability Charge for sewer service that the Utility is permitted to impose under its tariff at the time service is requested, less the Utility Service Fee for sewer service described in (a). Purchaser hereby acknowledges that the Service Availability Charges are governed by the Florida Public Service Commission and may include main extension fee, plant capacity charge, allowance for funds prudently invested charges (AFPI) and additional connection charges to cover the cost on installing a service lateral running from the sewer main servicing the Property to the boundary line of the Property.

4. The Utility represents and warrants that typically, if road improvements have been made, after an application for service has been received, the Utility will provide water service within

sixty (60) days and, if applicable, sewer service within one hundred eighty (180) days of receipt of evidence that construction of a building on the Property is scheduled to commence.

5. All Utility Fee payments shall be paid to and received by the Utility (or by Deltona as agent for the Utility), and Deltona shall have no interest therein. Such payments shall be maintained by the Utility in an escrow account until the Utility uses such payments to defray the cost of construction of water mains and sewer mains, if applicable, servicing the Property. Utility may use such payments for such purpose on the earlier of (a) such time as the Utility receives a request from the Purchaser for utility services to serve the Property, or (b) such time as the Utility commences the construction of water mains or a sewer system to serve the Property.

6. Should this Agreement be cancelled by Deltona by reason of Purchasers' default, the Utility Service Fee payments made by the Purchaser prior to the effective date of cancellation shall be forfeited to the Utility, and the Purchaser shall have no right therein.

7. Deltona's obligation to complete the improvements described in paragraph 1 of this Section A, and the obligation of the Utility to install water and/or sewer mains to serve the Property as described in paragraphs 2 and 3 of this Section A, shall not be accelerated by the prepayment by the Purchaser of his obligations under this Agreement of Purchaser and Sale.

B. To insert at the end of the first sentence of Section G of Additional Terms and Conditions:

; AND UTILITY WILL RETAIN ALL UTILITY SERVICE FEES PAID BY PURCHASER PRIOR TO SUCH TERMINATION.

C. To replace the first sentence of Section H of additional Terms and Conditions:

IF DELTONA DOES NOT MEET ITS OBLIGATIONS UNDER THIS AGREEMENT AND PROVIDED PURCHASER IS NOT IN DEFAULT HEREUNDER, DELTONA WILL REFUND ALL MONIES, INCLUDING PAID-IN FINANCE CHARGES AND UTILITY SERVICE FEE PAID BY PURCHASER WITHIN A REASONABLE TIME, TYPICALLY 120 DAYS, IN ACCORDANCE WITH THIS AGREEMENT.

D. Add Utility as party to Agreement.

ESCROW AGREEMENT

THIS AGREEMENT made and entered into between \_\_\_\_\_,  
a Florida corporation, hereinafter called "FIRST PARTY"; and  
Southeast Bank, N.A., hereinafter called "SECOND PARTY".

W I T N E S S E T H:

WHEREAS, it is mutually understood and agreed by the parties  
to this Agreement that this Agreement is entered into for the  
purpose of protecting the Purchasers of the subdivided lands  
(Lots) hereafter sold by The Deltona Corporation ("Deltona"); and

WHEREAS, FIRST PARTY, will enter into a contract with each  
Purchaser which recites that it is obligated to extend central  
water facilities to the purchased property upon evidence of  
Purchaser's intention to construct a building on the property  
after the completion of the contract payment schedule; and

WHEREAS, FIRST PARTY, will enter into a contract with  
certain Purchasers which recites that it is obligated to extend  
central sewer system facilities to the purchased property upon  
written notice and evidence of purchaser's intention to construct  
a building on the property after the end of the contract payment  
schedule; and

WHEREAS, in either or both of the above referenced contracts  
the Purchaser has agreed to pay a Utility Service Fee (which  
currently is \$500 for water and \$1,000 for sewer) to help defray,  
in part, the correction and other fees permitted to be charged by  
FIRST PARTY in accordance with FIRST PARTY'S utility tariff in  
effect at the time service is requested ("Service Availability  
Charge"); and



WHEREAS, the Purchaser will have agreed to pay the excess, if any, of the actual Service Availability Charge permitted by law to be made by FIRST PARTY over the Utility Service Fee previously paid, and any other charges permitted by law; and

WHEREAS, it is the purpose of FIRST PARTY in and by this instrument to arrange and agree with SECOND PARTY for the establishment of an Escrow Account and the payment of interest on the funds deposited therein; and

WHEREAS, SECOND PARTY has consented to act as Escrow Agent.

NOW THEREFORE, the parties upon the considerations expressed herein, mutually covenant, as follows:

(1) The Recitals set forth above are true.

(2) That within thirty (30) days, FIRST PARTY will pay or cause to be paid to SECOND PARTY 100% of all monies allocable for Utility Service Fees received by it during the previous calendar month from Purchasers. SECOND PARTY shall be accountable only for monies actually received by it and shall not be charged with or responsible for collecting any payments that FIRST PARTY may be obligated to make to SECOND PARTY hereunder.

(3) SECOND PARTY will receive, keep and account for all sums of monies in a separate account. SECOND PARTY will establish an Escrow Account and will account separately for funds deposited therein and for interest earned by the investment of such funds. SECOND PARTY will furnish FIRST PARTY a monthly accounting of the Escrow Account, and FIRST PARTY will promptly provide Deltona with a copy thereof. The accountings referred to

herein shall consist of copies of the monthly cash statements of such Escrow Account which provides a chronological recording of each principal and interest entry to the Escrow Account.

(4) SECOND PARTY has no responsibility to record, to control, to report or to account as to any specific homesite or specific platted unit or specific purchaser, with respect to any payments it may receive or make.

(5) When making deposits with SECOND PARTY, FIRST PARTY will not include any lists referring to specific homesites or platted units of lot purchasers nor include any copies of contracts or Agreements of Purchaser and Sale covering any specific homesites.

(6) FIRST PARTY shall have the right to withdraw funds paid into the Escrow Account and the interest credited thereto, if any, on the earlier of (a) such time as FIRST PARTY receives a request from Purchaser for utility services to serve such lot Purchasers' lots or (b) such time as FIRST PARTY commences the construction of water mains or a sewer system to serve the area within which a Purchaser's lot is located.

(7) No instruction to SECOND PARTY to make payments from the Escrow Account shall require SECOND PARTY to relate, report or control such payments with respect to any specific homesite, platted unit or lot purchaser.

(8) SECOND PARTY shall have the authority to invest and reinvest, as directed by the FIRST PARTY, and shall invest and reinvest all funds now or hereafter held by it pursuant to the

provisions of this Agreement in Certificates Deposit, U.S. Treasury notes or bonds, or U.S. government y securities. All interest and income earned on the investm of the Escrow Account funds shall accrue and be credited to th count and may be withdrawn as provided under the terms of this ement.

(9) Monthly SECOND PARTY shall credit inte earned, if any, to the Escrow Account established pursuant t is Agreement.

(10) Any controversy arising under this Agree t shall be resolved in accordance with the laws of the State lorida.

(11) If at any time during the term of this Agr ent Deltona or a Purchaser cancels an Agreement of Purchaser Sale, the portion of the Utility Service Fees paid by the Pur aser as of the date of cancellation from such cancelled Agreement of Purchaser and Sale shall remain in the escrow account to be distributed to FIRST PARTY in accordance herewith.

(12) FIRST PARTY hereby agrees that SECOND PARTY is to be paid reasonable compensation to be agreed upon in writing by FIRST PARTY and SECOND PARTY. The SECOND PARTY shall be paid such compensation directly from the amounts held by SECOND PARTY hereunder. To the extent that the compensation payable to the SECOND PARTY is greater than the interest amount payable to the FIRST PARTY under paragraph 8 above, such compensation and expenses will be paid to the SECOND PARTY directly by the FIRST PARTY.

(13) SECOND PARTY may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or

assertion contained in such a writing or instrument, and may assume that any person purporting to give an writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so.

(14) FIRST PARTY hereby agrees to indemnify SECOND PARTY and to hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity or any other expenses, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, to indemnify the SECOND PARTY against any and all expenses, including attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim. This section 14 shall survive the termination of this Agreement.

(15) SECOND PARTY shall have the right to resign at any time upon giving sixty (60) days prior written notice to FIRST PARTY and FIRST PARTY shall, within such period of time, appoint a successor Escrow Agent, to succeed SECOND PARTY. Also, FIRST PARTY, at any time upon giving thirty (30) days written notice to SECOND PARTY, may appoint a substitute Escrow Agent to replace the existing Escrow Agent. An accounting of funds at the time of substitution will be made to FIRST PARTY, and the substituted Escrow Agent shall be requested to make further accounting at the intervals herein stated.

(16) It is mutually agreed that liability of SECOND PARTY is expressly limited and so long as SECOND PARTY accounts and disburses all monies received by it in good faith and in

compliance with the terms of this Agreement shall not be  
liable for reasonable errors of judgment, and d FIRST PARTY  
hereby agrees to indemnify SECOND PARTY for loss it may  
suffer while performing its duties as Escrow Ag.

IN WITNESS WHEREOF, the parties have he to set their  
hands and seals by their duly authorized offic on this \_\_\_\_  
day of November, 1989.

\_\_\_\_ (FIRST PARTY) \_\_\_\_\_ SECOND PARTY)

BY: \_\_\_\_\_  
Its: Treasurer

BY: \_\_\_\_\_  
Authorized Re sentative

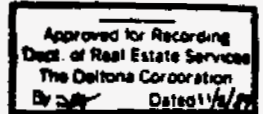
Attest: \_\_\_\_\_  
Secretary

Attest: \_\_\_\_\_

escrow.docpp

# EXHIBIT "B-1"

## Legal Description



### PARCEL NO. 2

Tract "A" of CITRUS SPRINGS UNIT 9, according to the plat thereof, as recorded in Plat Book 6, Pages 61 through 66, inclusive of the Public Records of Citrus County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

### PARCEL NO. 3

Tract "A" of CITRUS SPRINGS UNIT 10, according to the plat thereof, as recorded in Plat Book 6, Pages 67 through 78, inclusive of the Public Records of Citrus County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

### PARCEL NO. 4

Tract "D" of CITRUS SPRINGS UNIT 19, according to the plat thereof, as recorded in Plat Book 7, Pages 40 through 48, inclusive of the Public Records of Citrus County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

### PARCEL NO. 5

Tract "E" of CITRUS SPRINGS UNIT 20, according to the plat thereof, as recorded in Plat Book 7, Pages 52 through 66, inclusive of the Public Records of Citrus County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

### PARCEL NO. 7

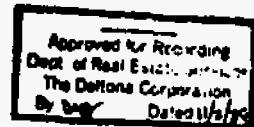
Tract "T-33" of PINE RIDGE UNIT TWO, according to the plat thereof, as recorded in Plat Book 8, Pages 37 through 50, inclusive of the Public Records of Citrus County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

(END OF EXHIBIT "B-1")



Legal Description



Parcel No. 6

Tract "N" and "Q" of MARCO SHORES UNIT ONE, according to the plat thereof, as recorded in Plat Book 14, Pages 33 through 38, inclusive of the Public Records of Collier County, Florida.

PARCEL I. D. NO. \_\_\_\_\_

ALSO

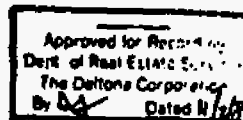
Parcel No. 7

That certain parcel of land, lying in Sections 24 and 25, Township 51 South, Range 26 East, Collier County, Florida, being more particularly described as follows:

Commence at the Northeast boundary corner of said Section 24, thence along the East boundary of said Section 24 S00°15'28" W a distance of 4,476.41 feet to a point on said boundary; thence leaving said East boundary N88°28'10"W a distance of 201.60 feet; thence N85°18'35"W a distance of 164.23 feet; thence N20°38'43"W a distance of 62.59 feet; thence N08°54'48"W a distance of 85.19 feet; thence N23°42'39"E a distance of 130.40 feet; thence N60°16'31"E a distance of 106.48 feet; thence N08°16'17"E a distance of 34.66 feet; thence N42°29'24"W a distance of 116.91 feet; thence N10°07'11"W a distance of 107.10 feet; thence N10°56'20"E a distance of 105.37 feet; thence N25°22'43"E a distance of 103.06 feet; thence N29°46'39"E a distance of 75.80 feet; thence N37°18'09"E a distance of 50.11 feet; thence N10°29'59"W a distance of 79.18 feet; thence N44°52'32"W a distance of 54.42 feet; thence N63°38'53"W a distance of 64.07 feet; thence N82°33'24"W a distance of 120.72 feet; thence N01°53'33"E a distance of 116.69 feet; thence N40°21'48"W a distance of 52.95 feet to the POINT OF BEGINNING of the parcel of land hereinafter described; thence S59°22'21"W a distance of 73.73 feet; thence S25°39'35"W a distance of 95.53 feet; thence S00°05'49"E a distance of 73.02 feet; thence S15°13'39"E a distance of 140.97 feet; thence S17°32'07"E a distance of 160.04 feet; thence S03°46'25"W a distance of 148.33 feet; thence S20°30'53"W a distance of 147.93 feet; thence S04°59'51"E a distance of 137.15 feet; thence S08°08'12"W a distance of 108.72 feet; thence S19°33'02"W a distance of 118.95 feet; thence S37°19'10"W a distance of 162.48 feet; thence S22°37'48"W a distance of 51.15 feet; thence S10°55'24"E a distance of 140.47 feet; thence S36°23'56"W a distance of 106.80 feet; thence S01°12'06"E a distance of 153.58 feet; thence S31°09'56"E a distance of 62.54 feet; thence N69°48'24"E a distance of 95.29 feet; thence S86°16'33"E a distance of 109.50 feet; thence S65°02'17"E a distance of 75.05 feet; thence N69°25'44"E a distance of 67.21 feet; thence N32°11'57"E a distance of 85.42 feet; thence S19°55'33"E a distance of 74.92 feet; thence S12°46'58"E a distance of 32.83 feet; thence S46°03'43"W a distance of 74.51 feet; thence S12°06'14"W a distance of 74.75 feet; thence S09°04'17"E a distance of 117.55 feet; thence N75°26'58"E a distance of 151.66 feet; thence S69°44'52"E a distance of 38.61 feet; thence S21°40'44"W a distance of 96.89 feet; thence S25°35'58"W a distance of 48.08 feet; thence S27°30'00"W a distance of 86.22 feet; thence S70°42'44"W a distance of 85.21 feet; thence N45°08'14"W a distance of 2560.69 feet; thence N00°15'28"E a distance of 265.00 feet; thence S89°44'32"E a distance of 375.00 feet; thence N84°04'19"E a distance of 149.18 feet; thence N79°01'56"E a distance of 484.64 feet; thence N61°23'47"E a distance of 447.94 feet; thence S89°44'32"E a distance of 264.73 feet; thence S00°15'28"W a distance of 141.70 feet to the Point of Beginning.

Containing 43.00 acres, more or less.

PARCELL I.D.NO. \_\_\_\_\_



### Legal Description

#### PARCEL NO. 8

The North 200.00 feet of Tract 1 in the NW $\frac{1}{4}$  of Section 25, Township 29 South, Range 19 East, SOUTH TAMPA subdivision, according to the plat thereof recorded in Plat Book 6, Page 3 of the Public Records of Hillsborough County, Florida, LESS AND EXCEPT the West 488.00 feet thereof.

ALSO

#### PARCEL NO. 9

The Northerly 200.00 feet of Tracts 2, 3 and 4 in the NE $\frac{1}{4}$  and the closed right-of-way abutting the Westerly boundary of the Northerly 200.00 feet of said Tract 4, in Section 25, Township 29 South, Range 19 East, according to the plat of SOUTH TAMPA as per the plat thereof recorded in Plat Book 6, Page 3 of the Public Records of Hillsborough County, Florida;

and

The Northerly 200.00 feet of Lot B, BOULEVARD VILLAS, according to the plat thereof as recorded in Plat Book 8, Page 45 of the Public Records of Hillsborough County, Florida;

LESS AND EXCEPT from the above described property that portion conveyed to Joe Lackey Construction, Inc., by deed recorded in Official Records Book 2726, Page 674 of the Public Records of Hillsborough County, Florida and being more particularly described as follows:

Commence at the intersection of the north line of aforesaid Lot B and the westerly right-of-way line of U.S. Highway 301, said point being 658.24 feet northerly measured along said right-of-way line from the north line of Tract 8 of said Boulevard Villas subdivision; thence West along said north line of Lot B, said line also being the north line of a 200.00 foot wide Tampa Electric Company easement, a distance of 254.07 feet to the POINT OF BEGINNING; thence West along said North line of the Tampa Electric Company easement 84.21 feet to a point on a curve to the left having a radius of 405.00 feet and a central angle of 21°19'18"; thence 150.71 feet along the arc of said curve, a chord bearing and distance of S29°32'58"W 149.85 feet to a point of tangency; thence S18°53'20"W 73.63 feet to a point on the South line of said Tampa Electric Company easement; thence East along said South line 63.42 feet to a point, said point being 417.19 feet Westerly from the Westerly right-of-way line of U.S. Highway 301 as measured along the South line of said Tampa Electric Company easement; thence N18°53'20"E 53.10 feet to the point of curvature of a curve to the right having a radius of 345.00 feet and a central angle of 30°23'18"; thence 182.98 feet along the arc of said curve, a chord bearing and distance of N34°04'58"E 180.84 feet to the Point of Beginning;

ALSO LESS AND EXCEPT that portion of the above described property acquired by the State of Florida Department of Transportation being more particularly described as follows:

That part of aforesaid Lot B of Boulevard Villas subdivision being described as commencing at the Northeast corner of Section 25, Township 29 South, Range 19 East, said corner being 1324.75 feet N00°07'19"W of the Northeast corner of the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of said Section 25, run thence N89°33'40"W 177.06 feet; thence S12°40'00"E 237.70 feet; thence S77°20'00"W 68.00 feet to the POINT OF BEGINNING; thence S12°40'00"E 110.65 feet; thence N89°55'52"W 68.07 feet; thence N22°06'10"E 116.43 feet to the Point of Beginning.

ALSO

ALSO

PARCEL NO. 7

The Easterly 200.00 feet of Tracts 2, 7, 10 and 13 in the NW $\frac{1}{4}$  and the Easterly 200.00 feet of Tracts 2 and 7 in the SW $\frac{1}{4}$ , all the above lying in and being in Section 25, Township 29 South, Range 19 East, according to the plat of SOUTH TAMPA as recorded in Plat Book 6, Page 3 of the Public Records of Hillsborough County, Florida.

LESS AND EXCEPT a portion of aforesaid Tract 10 in the NW $\frac{1}{4}$  of Section 25 being more particularly described as follows:

BEGINNING at the Northeast corner of Lot 2, Block 15 of CLAIR-MEL CITY, UNIT 5, as per the plat thereof recorded in Plat Book 34, Page 94 of the Public Records of Hillsborough County, Florida, run thence North 50.00 feet along the East Boundary of said CLAIR-MEL CITY UNIT 5 to a point being the Southeast corner of Lot 32, Block 24 of said CLAIR-MEL CITY UNIT 5; thence East 200.00 feet through and across the Tampa Electric Easement to a point on the East line of said easement; thence South 50.00 feet along said easement right-of-way to a point; thence West 200.00 feet through and across said easement to the Point of Beginning;

ALSO LESS AND EXCEPT a portion of aforesaid Tract 2 in the SW $\frac{1}{4}$  of Section 25 being more particularly described as follows:

BEGINNING at the Northeast corner of Lot 1, Block 14 of CLAIR-MEL CITY UNIT 6, as per the plat thereof recorded in Plat Book 35, Page 6 of the Public Records of Hillsborough County, Florida, run thence North 60.00 feet along the East boundary of said plat to a point, said point being the Southeast corner of Lot 20, Block 15 of the aforesaid plat; thence run East 200.00 feet through and across a Tampa Electric Company easement to a point on the east right-of-way of said easement; thence South 60.00 feet along said right-of-way line to a point; thence West 200.00 feet through and across said easement to the Point of Beginning.

ALSO

PARCEL NO. 6

The Easterly 200.00 feet of Tracts 1, 8, 9 and 16 in the NW $\frac{1}{4}$ ; and the Easterly 200.00 feet of Tracts 1, 8, 9 and 16 in the SW $\frac{1}{4}$  and the closed right-of-way lying between the Easterly 200.00 feet of Tracts 8 and 9 in the SW $\frac{1}{4}$ , all the above lying in Section 36, Township 29 South, Range 19 East, according to the plat of SOUTH TAMPA as recorded in Plat Book 6, Page 3 of the Public Records of Hillsborough County, Florida.

Approved for Recording  
Dept. of Real Estate Services  
The Citizens Corporation  
By 19 Dated 1/15/77

Legal Description

PARCEL NO. 1

Tract "S" of MARION OAKS UNIT ONE, according to the plat thereof, as recorded in Plat Book 0, Pages 1 through 18, inclusive of the Public Records of Marion County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 3

Tracts "D" and "N" of MARION OAKS UNIT FOUR, according to the plat thereof, as recorded in Plat Book 0, Pages 53 through 80, inclusive of the Public Records of Marion County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 4

Tracts "Q" and "KK" of MARION OAKS UNIT SIX, according to the plat thereof, as recorded in Plat Book 0, Pages 107 through 139, inclusive of the Public Records of Marion County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 5

Tract "B" of MARION OAKS UNIT SEVEN, according to the plat thereof, as recorded in Plat Book 0, Pages 140 through 153, inclusive of the Public Records of Marion County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 6

Tracts "T-7", "T-9", "T-16", "T-17", "T-18", "T-19", "T-23", "T-25", "T-27", "T-29", "T-30", "T-32", "T-33", "T-34", "T-36", "T-38", "T-43", "T-58", "T-60", "T-62", "T-64" and "T-66" of MARION OAKS UNIT NINE, according to the plat thereof, as recorded in Plat Book 0, Pages 164 through 193, inclusive of the Public Records of Marion County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

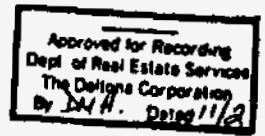
PARCEL NO. 7

Tract "C" of MARION OAKS UNIT ELEVEN, according to the plat thereof, as recorded in Plat Book 0, Pages 214 through 224, inclusive of the Public Records of Marion County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

EXHIBIT "A"

Legal Description



PARCEL NO. 2

Lots 1 through 5, inclusive of Block 36 of a REPLAT OF A PORTION OF ST. AUGUSTINE SHORES UNIT ONE, according to the plat thereof, as recorded in Plat Book 11, Pages 76 through 80, inclusive of the Public Records of St. Johns County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

Legal Description

PARCEL NO. 1

Tracts "R", "S", "T", "U" AND "V" of DELTONA LAKES UNIT THREE, according to the plat thereof, as recorded in Plat Book 25, Pages 105 through 120, inclusive of the Public Records of Volusia County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 4

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 5

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 9

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 12

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 13

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO



PARCEL NO. 14

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 16

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 18

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 20

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 21

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 22

Tract "A" of DELTONA LAKES UNIT SEVENTY, according to the plat thereof, as recorded in Plat Book 28, Pages 143 through 145, inclusive of the Public Records of Volusia County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

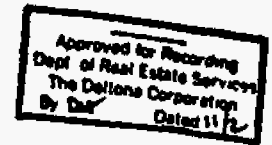
ALSO

PARCEL NO. 24

The East 1/2 of the Northwest 1/4 of the Northwest 1/4 of  
Section 4, Township 19 South, Range 31 East, Volusia County,  
Florida.

PARCEL I.D. NO. \_\_\_\_\_

Legal Description



PARCEL NO. 2

Tract "C" of SUNNY HILLS UNIT NINE, according to the plat thereof, as recorded in Plat Book 2, Pages 103 through 107, inclusive of the Public Records of Washington County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 3

Tract "A" of SUNNY HILLS UNIT THIRTEEN, according to the plat thereof, as recorded in Plat Book 3, Pages 1 through 9, inclusive of the Public Records of Washington County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 4

Tract "Y" of SUNNY HILLS UNIT FOURTEEN, according to the plat thereof, as recorded in Plat Book 3, Pages 10 through 25, inclusive of the Public Records of Washington County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 5

Tract "H" of SUNNY HILLS UNIT FIFTEEN, according to the plat thereof, as recorded in Plat Book 3, Pages 26 through 48, inclusive of the Public Records of Washington County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 7

Lot 1 of Block 1105 and Tract "M" of SUNNY HILLS UNIT NINETEEN, according to the plat thereof, as recorded in Plat Book 3, Pages 65 through 79, inclusive of the Public Records of Washington County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

PARCEL NO. 8

That certain parcel of land lying in and being a part of SUNNY HILLS UNIT TWENTY-THREE, according to the plat thereof, as recorded in Plat Book 3, Pages 136 through 156, inclusive of the Public Records of Washington County, Florida, being more particularly described as follows:

Commence at the Southwest corner of Section 21, Township 2 North, Range 13 West, Washington County, Florida; thence N87°58'46"E a distance of 603.49 feet to the Southwesterly

right of way line of Deltona Blvd. (a 100 foot wide right of way); thence along said right of way line N20°24'19"W a distance of 342.63 feet; thence leaving said Southwesterly right of way line, N69°35'41"E a distance of 100 feet to the Northeasterly right of way line of said Deltona Blvd. and the POINT OF BEGINNING of the parcel of land hereinafter described;

thence continue N69°35'41"E a distance of 228.02 feet; thence N19°52'46"E a distance of 127.58 feet; thence N43°43'19"E a distance of 334.18 feet; thence N08°54'41"E a distance of 259.90 feet; thence N55°49'51"W a distance of 99.89 feet to a point on the arc of a circular curve concave to the Northwest having a radius of 640.00 feet and bears S55°49'51"E from the center of the circle of said curve; thence run Southwesterly along the arc of said curve, through a central angle of 34°00'41" and arc distance of 379.91 feet to the end of said curve; thence S68°10'50"W a distance of 301.08 feet to a point of curvature of a circular curve to the left having a radius of 25.00 feet; thence run Southwesterly, Southerly and Southeasterly along the arc of said curve, through a central angle of 88°35'10" an arc distance of 38.65 feet to aforesaid Northeasterly right of way line of Deltona Blvd.; thence run along said right of way line S20°24'19"E a distance of 400.44 feet to the POINT OF BEGINNING.

PARCEL I.D. NO. \_\_\_\_\_

(END OF EXHIBIT "A")

## EXHIBIT "B-2"

### Legal Description

#### EASEMENT "A"

That certain easement lying in and being a part of Tract "A" of CITRUS SPRINGS UNIT 1 according to the plat thereof, as recorded in Plat Book 5, Pages 89 through 106, inclusive of the Public Records of Citrus County, Florida, said easement being more particularly described as follows:

Commence at the centerline intersection of North Citrus Springs Boulevard and Biltmore Avenue as shown on said plat of CITRUS SPRINGS UNIT 1; thence run S60°38'44"W along said centerline of North Citrus Springs Boulevard, a distance of 128.49 feet; thence N29°21'16"W a distance of 100.00 feet to a point on the Northwesterly right of way line of said North Citrus Springs Boulevard the same being the point of curvature of a circular curve concave to the Southeast having a radius of 1700.00 feet and bears S29°21'16"E from the center of the circle of said curve; thence run Southwesterly along said right of way line and the arc of said curve, through a central angle of 11°52'52" an arc distance of 352.52 feet to a point of compound curvature and the POINT OF BEGINNING of the hereinafter described fifty (50.00') foot wide easement, lying 25.00 feet each side of, as measured perpendicularly to the following described centerline; thence leaving said right of way line, N41°14'08"W a distance of 135.00 feet; thence N29°21'16"W a distance of 180.00 feet to the Point of Termination of said centerline description.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

#### EASEMENT "C"

That certain easement lying in and being a part of Tract "P" of CITRUS SPRINGS UNIT FOUR, according to the plat thereof, as recorded in Plat Book 5, Pages 133 through 152, inclusive of the Public Records of Citrus County, Florida, said easement being more particularly described as follows:

Commence at the centerline intersection of Country Club Boulevard and Santos Avenue as shown on said plat of CITRUS SPRINGS UNIT FOUR; thence run N76°44'52"E along said centerline of Country Club Boulevard, a distance of 340.00 feet; thence S13°15'08"E a distance of 40.00 feet to a point on the Southerly right of way line of said Country Club Boulevard also being the POINT OF BEGINNING of the hereinafter described fifty (50.00) foot wide easement, lying 25.00 feet each side of, as measured perpendicularly to the following described centerline; thence continue S13°15'08"E a distance of 230.00 feet to the Point of Termination of said centerline description.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

EXHIBIT "A" (continued)

EASEMENT "B"

That certain reserved utility easement in favor of The Deltona Corporation as shown and described in that certain Warranty Deed, dated April 17, 1978 as recorded in Official Records Book 497 at Pages 566 et. seq. of the Public Records of Citrus County, Florida, lying in and being a part of Tract "F" of CITRUS SPRINGS UNIT 1, according to the plat thereof, as recorded in Plat Book 5, Pages 89 through 106, inclusive of the Public Records of Citrus County, Florida, said easement being more particularly described as follows:

The Northerly 100.00 feet, of Tract "F" of CITRUS SPRINGS UNIT 1, according to the plat thereof as recorded in Plat Book 5, Pages 89 through 106, inclusive of the Public Records of Citrus County, Florida, as measured perpendicularly to the Northerly line thereof.

PARCEL I.D. NO. \_\_\_\_\_



## EASEMENT "E"

Approved for Recording  
Dept. of Real Estate Services  
The Deltona Corporation  
By        Dated 11/2/88

## Legal Description

An easement lying adjacent to and abutting the following described parcel of land;

MARCO BEACH UNIT 30-A LIMIT OF DEVELOPMENT

A parcel of land, lying in SECTIONS 22, 23, 24 and 25, TOWNSHIP 51 SOUTH, RANGE 26 EAST, Collier County, Florida, being more particularly described as follows:

Commence at the Northwest corner of said Section 22, thence run S88°58'10"E along the North line thereof for a distance of 1239.50 feet to an intersection with the proposed expanded Easterly Right of Way Line of State Road No. 951, said intersection being the POINT OF BEGINNING of the parcel of land hereinafter described; thence S02°29'39"W along said proposed expanded Easterly Right of Way Line of State Road No. 951 a distance of 1537.88 feet; thence leaving said proposed expanded Easterly Right of Way line, run S86°54'19"E a distance of 1322.20 feet; thence S89°27'22"E a distance of 125.79 feet; thence S80°38'36"E a distance of 86.82 feet; thence S48°57'39"E a distance of 143.49 feet; thence S22°38'28"E a distance of 101.19 feet; thence S07°16'34"E a distance of 159.01 feet; thence S22°27'03"E a distance of 80.97 feet; thence S51°50'53"E a distance of 124.40 feet; thence S74°04'40"E a distance of 144.06 feet; thence S85°45'26"E a distance of 187.62 feet; thence N82°02'11"E a distance of 108.47 feet; thence N28°53'36"E a distance of 104.27 feet; thence N10°26'56"E a distance of 87.33 feet; thence N46°09'57"E a distance of 161.84 feet; thence N68°40'14"E a distance of 191.80 feet; thence N79°08'54"E a distance of 121.22 feet; thence S87°33'02"E a distance of 275.66 feet; thence S85°36'34"E a distance of 196.37 feet; thence S87°39'51"E a distance of 185.04 feet; thence S87°21'43"E a distance of 105.83 feet; thence N85°51'57"E a distance of 86.75 feet; thence S87°50'25"E a distance of 53.97 feet; thence S43°21'06"E a distance of 96.83 feet; thence S39°51'17"E a distance of 55.10 feet; thence S12°45'05"E a distance of 48.21 feet; thence S54°17'48"E a distance of 252.73 feet; thence N55°30'51"E a distance of 83.75 feet; thence N74°56'13"E a distance of 64.15 feet; thence S82°07'55"E a distance of 60.59 feet; thence S51°36'21"E a distance of 159.30 feet; thence S00°11'44"W a distance of 120.56 feet; thence S02°12'06"W a distance of 166.85 feet; thence N80°34'08"E a distance of 106.80 feet; thence S77°52'52"E a distance of 122.93 feet; thence N85°11'20"E a distance of 115.84 feet; thence S73°31'25"E a distance of 106.53 feet; thence N78°58'26"E a distance of 51.97 feet; thence N05°41'54"E a distance of 125.98 feet; thence N01°41'54"E a distance of 77.72 feet; thence N15°43'51"E a distance of 164.05 feet; thence N21°55'44"E a distance of 141.05 feet; thence N23°51'20"E a distance of 142.54 feet; thence N53°47'38"E a distance of 116.07 feet; thence N88°01'01"E a distance of 145.07 feet; thence N38°00'59"E a distance of 369.42 feet; thence N39°43'19"E a distance of 299.43 feet; thence N44°48'34"E a distance of 108.44 feet; thence N77°28'10"E a distance of 101.17 feet; thence N77°28'10"E a distance of 117.54 feet; thence N41°29'16"E a distance of 102.86 feet; thence N16°25'45"E a distance of 68.07 feet; thence N32°16'13"E a distance of 99.28 feet; thence N56°07'35"E a distance of 115.20 feet; thence N22°53'12"E a distance of 132.57 feet; thence N34°55'40"E a distance of 81.02 feet; thence N67°14'28"E a distance of 68.26 feet; thence N76°07'18"E a distance of 77.37 feet; thence S86°19'59"E a distance of 263.41 feet; thence S14°15'46"E a distance of 83.69 feet; thence S23°58'59"W a distance of 58.61 feet; thence S56°50'17"W a distance of 141.77 feet; thence S48°14'20"W a distance of 110.87 feet; thence S46°59'04"W a distance of 86.08 feet; thence S24°17'17"W a distance of 78.68 feet; thence S59°03'57"E a distance of 32.26 feet; thence S76°14'25"E a distance of 287.74 feet; thence S87°00'56"E a distance of 151.16 feet; thence S68°28'26"E a distance of 115.50

feet; thence S43°13'27"E a distance of 112.77 feet; thence S18°34'02"E a distance of 220.03 feet; thence S21°18'18"E a distance of 172.00 feet; thence S18°33'08"E a distance of 163.52 feet; thence S76°44'26"E a distance of 125.93 feet; thence N74°26'22"E a distance of 115.09 feet; thence N47°34'17"E a distance of 55.95 feet; thence N12°06'43"W a distance of 69.72 feet; thence N31°18'44"W a distance of 100.54 feet; thence N16°38'57"W a distance of 133.88 feet; thence N09°53'00"E a distance of 213.52 feet; thence N48°28'23"E a distance of 119.96 feet; thence N87°30'26"E a distance of 33.64 feet; thence S32°37'51"E a distance of 138.09 feet; thence S40°52'24"E a distance of 125.01 feet; thence S39°17'22"E a distance of 115.06 feet; thence S62°18'24"E a distance of 145.81 feet; thence S61°21'50"E a distance of 121.40 feet; thence S59°49'44"E a distance of 115.57 feet; thence S74°50'34"E a distance of 94.71 feet; thence N24°24'43"E a distance of 91.83 feet; thence N40°52'29"E a distance of 247.62 feet; thence N40°23'40"E a distance of 276.26 feet; thence N39°53'20"E a distance of 411.53 feet; thence S58°13'26"E a distance of 962.09 feet; thence S19°09'18"E a distance of 96.31 feet; thence S08°45'22"W a distance of 121.08 feet; thence S13°25'07"W a distance of 159.04 feet; thence S20°02'48"W a distance of 189.88 feet; thence S57°19'10"W a distance of 559.88 feet; thence S77°05'05"W a distance of 327.57 feet; thence S43°14'14"W a distance of 401.58 feet; thence N66°08'10"W a distance of 54.49 feet; thence S64°07'14"W a distance of 44.31 feet; thence S48°23'22"W a distance of 35.08 feet; thence S11°10'06"W a distance of 174.79 feet; thence S04°12'55"W a distance of 151.70 feet; thence S00°26'51"E a distance of 131.06 feet; thence S07°57'23"E a distance of 52.02 feet; thence S05°32'11"E a distance of 73.70 feet; thence S39°42'25"W a distance of 60.13 feet; thence S75°24'24"W a distance of 513.63 feet; thence N71°25'16"W a distance of 78.08 feet; thence N54°31'46"W a distance of 292.73 feet; thence N36°53'16"W a distance of 88.54 feet; thence N75°02'38"W a distance of 101.42 feet; thence N58°07'21"W a distance of 145.39 feet; thence N63°16'52"W a distance of 100.54 feet; thence N70°16'01"W a distance of 52.57 feet; thence N76°18'47"W a distance of 139.12 feet; thence N88°18'46"W a distance of 118.58 feet; thence S78°25'37"W a distance of 120.58 feet; thence S70°42'34"W a distance of 58.35 feet; thence S54°33'15"W a distance of 236.73 feet; thence S01°33'17"W a distance of 304.71 feet; thence S30°08'16"E a distance of 194.40 feet; thence S01°31'06"W a distance of 139.28 feet; thence S24°09'25"E a distance of 317.35 feet; thence S07°39'57"E a distance of 618.63 feet; thence S05°14'32"E a distance of 48.49 feet; thence S86°37'33"E a distance of 144.20 feet; thence N74°58'46"E a distance of 84.50 feet; thence N89°49'58"E a distance of 166.94 feet; thence N54°40'25"E a distance of 155.08 feet; thence S87°04'16"E a distance of 183.90 feet; thence S75°30'01"E a distance of 292.56 feet; thence S74°07'29"E a distance of 164.37 feet; thence N53°12'13"E a distance of 77.41 feet; thence N71°22'37"E a distance of 85.20 feet; thence S85°53'26"E a distance of 92.10 feet; thence S83°23'30"E a distance of 128.98 feet; thence N68°54'10"E a distance of 100.70 feet; thence N55°32'22"E a distance of 148.01 feet; thence N32°25'17"E a distance of 235.05 feet; thence N33°14'22"E a distance of 199.06 feet; thence N48°38'03"E a distance of 111.62 feet; thence N40°09'31"E a distance of 96.63 feet; thence N12°03'03"E a distance of 285.56 feet; thence N58°55'34"E a distance of 367.04 feet; thence S... 46"W a distance of 90.19 feet; thence S68°05'01"E a distance of 88.10 feet; thence S32°29'50"E a distance of 134.26 feet; thence N58°20'15"E a distance of 1006.12 feet; thence N08°49'07"E a distance of 121.76 feet; thence N86°01'20"E a distance of 76.03 feet; thence S81°56'11"E a distance of 62.99 feet; thence S62°22'55"E a distance of 61.06 feet; thence S28°55'42"E a distance of 96.72 feet; thence S07°05'01"E a distance of 98.49 feet; thence S20°24'01"W a distance of 97.27 feet; thence S64°30'14"E a distance of 119.77 feet; thence N42°57'49"E a distance of 68.57 feet; thence N19°23'04"E a distance of 158.14 feet; thence N75°28'14"E a distance of 446.92 feet; thence N06°56'07"E a distance of 178.75 feet; thence N66°12'10"W a distance of 63.59 feet; thence N71°24'18"W a distance of 123.29 feet; thence N50°53'00"W a distance of 112.15 feet; thence N16°04'21"W a distance of 86.40 feet; thence N28°52'24"E a distance of 62.66 feet; thence N69°42'26"E a distance of 91.21 feet; thence

N88°57'04"E a distance of 137.96 feet; thence S51°15'23"E a distance of 66.98 feet; thence S57°59'46"E a distance of 90.38 feet; thence N83°57'39"E a distance of 185.60 feet; thence S69°53'36"E a distance of 103.27 feet; thence S33°27'20"E a distance of 47.82 feet; thence S01°07'11"E a distance of 176.02 feet; thence S57°10'59"E a distance of 90.42 feet; thence S59°52'00"E a distance of 215.96 feet; thence S40°50'50"E a distance of 100.90 feet; thence S01°41'10"W a distance of 221.55 feet; thence S44°25'43"E a distance of 177.22 feet; thence S57°17'08"E a distance of 194.66 feet; thence S49°41'29"E a distance of 234.47 feet; thence S51°45'12"E a distance of 285.65 feet; thence S46°48'39"E a distance of 77.27 feet; thence S55°26'25"E a distance of 87.85 feet; thence N83°37'01"E a distance of 54.43 feet; thence N59°38'02"E a distance of 133.38 feet; thence N86°08'02"E a distance of 77.48 feet; thence S67°01'55"E a distance of 118.58 feet; thence S45°08'14"E a distance of 1553.47 feet to a point hereby designated Point "A"; thence continue S45°08'14"E a distance of 1007.22 feet; thence N29°52'54"E a distance of 85.21 feet; thence N27°30'00"E a distance of 86.22 feet; thence N25°35'58"E a distance of 48.08 feet; thence N21°40'44"E a distance of 96.89 feet; thence N69°44'52"W a distance of 38.61 feet; thence S75°26'58"W a distance of 151.66 feet; thence N09°04'17"W a distance of 117.55 feet; thence N12°06'14"E a distance of 74.75 feet; thence N46°03'43"E a distance of 74.51 feet; thence N12°46'58"W a distance of 32.83 feet; thence N19°55'33"W a distance of 74.92 feet; thence S32°11'57"W a distance of 85.42 feet; thence S69°25'44"W a distance of 67.21 feet; thence N65°02'17"W a distance of 75.05 feet; thence N86°16'33"W a distance of 109.50 feet; thence S69°48'24"W a distance of 95.29 feet; thence N31°09'56"W a distance of 62.54 feet; thence N01°12'06"W a distance of 153.58 feet; thence N36°23'56"E a distance of 106.80 feet; thence N10°55'24"W a distance of 140.47 feet; thence N22°37'48"E a distance of 51.15 feet; thence N37°19'10"E a distance of 162.48 feet; thence N19°33'02"E a distance of 118.95 feet; thence N08°08'12"E a distance of 108.72 feet; thence N04°59'51"W a distance of 137.15 feet; thence N20°30'53"E a distance of 147.93 feet; thence N03°46'25"E a distance of 148.33 feet; thence N17°32'07"W a distance of 160.04 feet; thence N15°13'39"W a distance of 140.97 feet; thence N00°05'49"W a distance of 73.02 feet; thence N25°39'35"E a distance of 96.53 feet; thence N59°22'21"E a distance of 73.73 feet; thence S40°21'48"E a distance of 52.95 feet; thence S01°53'33"W a distance of 116.69 feet; thence S82°33'24"E a distance of 120.72 feet; thence S63°38'53"E a distance of 64.07 feet; thence S44°52'32"E a distance of 54.42 feet; thence S10°29'59"E a distance of 79.18 feet; thence S37°18'09"W a distance of 50.11 feet; thence S29°46'39"W a distance of 75.80 feet; thence S25°22'43"W a distance of 103.06 feet; thence S10°56'20"W a distance of 105.37 feet; thence S10°07'11"E a distance of 107.10 feet; thence S42°29'24"E a distance of 116.91 feet; thence S08°16'17"W a distance of 34.66 feet; thence S60°16'31"W a distance of 106.48 feet; thence S23°42'39"W a distance of 130.40 feet; thence S08°54'48"E a distance of 85.19 feet; thence S20°38'43"E a distance of 62.59 feet; thence S85°18'35"E a distance of 164.23 feet; thence S88°28'10"E a distance of 201.60 feet to an intersection with the East Line of aforesaid Section 24; thence N00°15'28"E along said East Section Line a distance of 4476.41 feet to the Northeast corner thereof; thence N88°58'55"W along the North Line of said Section 24 a distance of 2713.71 feet to the North 1/4 corner thereof; thence continuing along the North Line of said Section 24, run N88°58'55"W a distance of 2713.25 feet to the Northwest corner thereof, said corner also being the Northeast corner of aforesaid Section 23; thence N88°58'53"W along the North line of said Section 23 a distance of 2796.24 feet to the North 1/4 corner thereof; thence continuing along the North Line of said Section 23, run N88°58'53"W a distance of 2796.45 feet to the Northwest corner thereof, said corner also being the Northeast corner of aforesaid Section 22; thence N88°58'51"W along the North Line of said Section 22 a distance of 2738.08 feet to the North 1/4 corner thereof; thence continuing along the North Line of said Section 22, run N88°58'09"W a distance of 1448.52 feet to the Point of Beginning;

Said easement being more particularly described as follows;

**EASEMENT NO. 23**

Said easement being 50.00 feet wide and lying in Sections 24, 25, and 26 of aforesaid Township 51 South, Range 26 East, Collier County, Florida, lying 25.00 feet each side of, as measured perpendicularly to the following described centerline:

BEGIN at the aforesaid designated Point "A" described hereinabove; thence run South a distance of 2237.14 feet; thence S89°05'41"W a distance of 450.84 feet; thence S79°17'39"W a distance of 860.30 feet; thence S89°48'51"W a distance of 492.66 feet; thence N66°38'59"W a distance of 826.25 feet; thence N89°59'28"W a distance of 1616.56 feet; thence N76°01'42"W a distance of 128.88 feet; thence S70°08'46"W a distance of 170.46 feet; thence N80°31'40"W a distance of 113.35 feet; thence S89°49'31"W a distance of 509.66 feet; thence S82°35'15"W a distance of 233.81 feet; thence N13°26'16"W a distance of 442.89 feet; thence S79°33'08"W a distance of 196.47 feet; thence S08°47'24"E a distance of 189.66 feet; thence S78°21'03"W a distance of 383.42 feet to its intersection with the proposed plat of Marco Beach Unit Twenty-Seven and the Point of Termination of said centerline description, said point lying the following bearings and distances from the Northeast corner of aforesaid Section 26; from said Northeast corner of Section 26 run N88°44'06"W a distance of 1728.38 feet; thence S01°15'54"W a distance of 1505.12 feet; thence S12°00'00"E a distance of 21.50 feet to the aforesaid Point of Termination.

Extending or shortening the side lines of said easement so as to terminate in the boundary of the land of the Grantor.

Said easement containing 10.16 acres, more or less.

EXHIBIT "A"

Legal Description

EASEMENT "B"

That certain reserved utility easement in favor of The Deltona Corporation as shown and described in that certain Warranty Deed, dated October 14, 1987, as recorded in Official Records Book 673 at Pages 382 et. seq. of the Public Records of Hernando County, Florida, being particularly described as follows:

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

PARCEL I.D. NO. \_\_\_\_\_

ALSO

EASEMENT "D"

That certain reserved utility easement in favor of Deltona Land & Investment Corp. as shown and described in that certain Warranty Deed, dated May 7, 1979, as recorded in Official Records Book 443 at Pages 123 et. seq. of the Public Records of Hernando County, Florida, being more particularly described as follows:

East 20 feet of the South 167.8 feet of the property described in Exhibit "A" to the instrument referenced above, lying adjacent to the North-westerly right-of-way line of U.S. Highway 19.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

EASEMENT "E"

That certain reserved utility easement in favor of the Deltona Corporation as shown and described in that certain Warranty Deed, dated June 22, 1983, as recorded in Official Records Book 527 at Pages 1410 et. seq. of the Public Records of Hernando County, Florida, lying in and being a part of Lot 6, Block 1 of SOUTH HERNANDO U.S. #19 COMMERCE CENTER, according to the Plat thereof, as recorded in Plat Book 17, Pages 11 through 16 of the Public Records of Hernando County, Florida, being more particularly described as follows:

BEGIN at the Northeast lot corner of said Lot 6, Block 1, said corner being common with the Northwest boundary corner of Tract "M" of Spring Hill Unit One, according to the plat thereof as recorded in Plat Book 7, Pages 53 through 64 of the Public Records of Hernando County, Florida and on the Southwesterly right-of-way line of Applegate Drive as shown on said plat; thence run N66°24'54"W along said Southwesterly right-of-way line, a distance of 20.00 feet; thence leaving said right-of-way line S23°35'06"W a distance of 45.00 feet; thence S66°24'54"E a distance of 20.00 feet to the Northeasterly lot line of aforesaid Lot 6 of Block 1; thence N23°35'06"E a distance of 45.00 feet to the Point of Beginning.

PARCEL I.D. NO. \_\_\_\_\_

Legal Description

EASEMENT "A"

That certain easement lying in and being a part of Tract "W" of MARION OAKS UNIT FIVE, according to the plat thereof as recorded in Plat Book 0, Pages 81 through 106, inclusive of the Public Records of Marion County, Florida, said easement being more particularly described as follows:

Commence at the Northeast corner of Lot 1 Block 751 MARION OAKS UNIT FIVE, as recorded in Plat Book 0, Pages 81 through 106, inclusive of the Public Records of Marion County, Florida; thence N59°00'00"E 81.65 feet to the POINT OF BEGINNING of the centerline of a 30 foot wide utility easement; thence S31°00'00"E 11.00 feet; thence S31°45'20"E 356.60 feet; thence S35°19'10"E 113.36 feet; thence S58°53'00"E 238.94 feet; thence S26°20'45"E 211.01 feet; thence S16°20'15"E 135.56 feet; thence S15°12'45"E 219.91 feet; thence S17°47'22"E 335.11 feet; thence S18°32'13"E 1.6 feet to a point intersecting the Arc of a curve on the rear lot line of Lot 44 Block 765 of said Marion Oaks Unit Five, said point having a radius of 200.00 feet and bears N18°32'13"W from the center of said circle and being the Point of Termination of the centerline description.

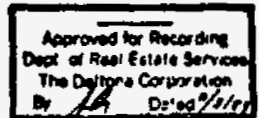
The above described parcel being a part of the land declared and reserved in that certain Warranty Deed from The Deltona Corporation to Marion Oaks Country Club, Inc., dated December 20, 1988 as recorded in Official Records Book 1550 at Pages 1373 through 1376, inclusive of the Public Records of Marion County, Florida.

PARCEL I.D. NO. \_\_\_\_\_



EXHIBIT "A"

Legal Description



EASEMENT "B"

Those certain reserved utility easement in favor of The Deltona Corporation as shown and described in that certain Warranty Deed, dated July 11, 1985, as recorded in Official Records Book 678 at Pages 1632 et. seq. of the Public Records of St. Johns County, Florida, being more particularly described as follows:

Tract "S" of ST. AUGUSTINE SHORES UNIT ONE, according to the plat thereof recorded in Plat Book 11, Page 61 through 71, inclusive of the Public Records of St. Johns County, Florida;

PARCEL I.D. NO. \_\_\_\_\_

AND

Tract "H" of REPLAT OF ST. AUGUSTINE SHORES UNIT TWO, according to the plat thereof, as recorded in Plat Book 13, Pages 114 through 124 of the Public Records of St. Johns County, Florida;

PARCEL I.D. NO. \_\_\_\_\_

AND

Tract "U" or REPLAT OF ST. AUGUSTINE SHORES UNIT TWO, according to the plat thereof as recorded in the Plat Book 13, Pages 114 through 124 of the Public Records of St. Johns County, Florida;

PARCEL I.D. NO. \_\_\_\_\_

AND

Tracts "D", "E" and "F" of ST. AUGUSTINE SHORES UNIT THREE, according to the plat thereof as recorded in Plat Book 12, Pages 27 through 32, inclusive of the Public Records of St. Johns County, Florida;

PARCEL I.D. NO. \_\_\_\_\_

AND

Tract "D" of ST. AUGUSTINE SHORES UNIT SIX, according to the plat thereof as recorded in Plat Book 14, Pages 40 through 46, inclusive of the Public Records of St. Johns County, Florida;

PARCEL I.D. NO. \_\_\_\_\_

ALSO

EASEMENT "E"

All of Tract "T" of a REPLAT OF ST. AUGUSTINE SHORES UNIT TWO, according to the plat thereof, as recorded in Plat Book 13, Pages 114 through 124, inclusive of the Public Records of St. Johns County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

ALSO



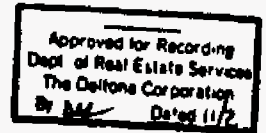
EASEMENT "F"

The West 15.00 feet of Tracts "A", "B" and "C" of ST. AUGUSTINE SHORES UNIT SIX, according to the plat thereof as recorded in Plat Book 14, Pages 40 through 46, inclusive of the Public Records of St. Johns County, Florida.

PARCEL I.D. NO. \_\_\_\_\_

EXHIBIT "A"

Legal Description



EASEMENT "A"

Those certain easements lying in and being a part of Tract "B" of DELTONA LAKES UNIT FIVE according to the plat thereof, as recorded in Plat Book 25, Pages 127 through 138, inclusive of the Public Records of Volusia County, Florida, said easements being more particularly described as follows:

Easement #1

Commence at the Southeast corner of aforesaid Tract "B" of Deltona Lakes Unit Five, the same being on the Northwesterly right of way line of Salerno Drive, as shown on said plat, thence run along said right of way line N36°46'14"E at a distance of 225.00 feet to the POINT OF BEGINNING of the hereinafter described parcel of land:

Said easement lying within ten (10) feet each side of the following described centerline;

BEGIN at the aforementioned POINT OF BEGINNING, thence run N53°13'46"W a distance of 140.00 feet to a point hereby designated Point "A" and the Point of Termination of said centerline description.

AND

BEGIN at the aforementioned Point "A" of Easment #1, thence run S36°46'14"W a distance of 25.00 feet; thence N53°13'46"W a distance of 50.00 feet; thence N36°46'14"E a distance of 50.00 feet; thence S53°13'46"E a distance of 50.00 feet; thence S36°46'14"W a distance of 25.00 feet to the POINT OF BEGINNING.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

Easement #2

Commence at the Northwest corner of aforesaid Tract "B" of Deltona Lakes Unit Five, the same being on the Southwesterly right of way line of Puritan Street, as shown on said plat, said corner also eing on the arc of a circular curve concave to the Northeast having a radius of 1350.00 feet and bears S28°22'44"W from the center of the circle of said curve; thence run Southeasterly along the said Southwesterly right of way line and the arc of curve, through a central angle of 08°29'18" an arc distance of 200.00 feet to the POINT OF BEGINNING of the hereinafter described parcel of land:

Said easement lying within ten (10) feet each side of the following described centerline;

BEGIN at the aforementioned POINT OF BEGINNING, thence run S19°53'26"W a distance of 140.00 feet to a point hereby designated Point "A" and the Point of Termination of said centerline description.

AND

BEGIN at the aforementioned Point "A" of Easement #2, thence run S70°06'34"E a distance of 25.00 feet; thence S19°53'26"W a distance of 50.00 feet; thence N70°06'34"W a distance of 50.00 feet; thence N19°53'26"E a distance of 50.00 feet; thence S70°06'34"E a distance of 25.00 feet to the POINT OF BEGINNING.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

EASEMENT "B"

Those certain easements lying in and being a part of Tract "D" of DELTONA LAKES UNIT SEVEN according to the plat thereof, as recorded in Plat Book 25, Pages 149 through 162, inclusive of the Public Records of Volusia County, Florida, said easements being more particularly described as follows:

Easement #1

Commence at the centerline intersection of Azora Drive and Magdalena Avenue as shown on said plat of Deltona Lakes Unit Seven, thence run along the centerline of Magdalena Avenue S44°18'04"E a distance of 80.48 feet to the point of curvature of a circular curve concave to the Southwest having a radius of 2140.00 feet; thence run radial to said curve N45°41'56"E a distance of 30.00 feet to the Northeasterly right of way line of said Magdalena Avenue; thence Southeasterly along said Northeasterly right of way line and the arc of a circular curve concentric to the aforesaid centerline curve, having a radius of 2170.00 feet, through a central angle of 04°29'19" an arc distance of 170.00 feet to the POINT OF BEGINNING of the hereinafter described parcel of land:

Said easement lying within ten (10) feet each side of the following described centerline;

BEGIN at the aforementioned POINT OF BEGINNING, thence run N50°11'15"E a distance of 140.00 feet to a point hereby designated Point "A" and the Point of Termination of said centerline description.

AND

BEGIN at the aforementioned Point "A" of Easement #1, thence run N39°48'45"W a distance of 25.00 feet; thence N50°11'15"E a distance of 50.00 feet; thence S39°48'45"E a distance of 50.00 feet; thence S50°11'15"W a distance of 50.00 feet; thence N39°48'45"W a distance of 25.00 feet to the POINT OF BEGINNING.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

Easement #2

Commence at the centerline intersection of Glendale Avenue and Wycliffe Street as shown on said plat of Deltona Lakes Unit Seven, thence run along the centerline of Glendale Avenue N23°00'00"W a distance of 125.00 feet; thence S23°00'00"W a distance of 30.00 feet to the Southwesterly right of way line of said Glendale Avenue and the POINT OF BEGINNING of the hereinafter described parcel of land:

Said easement lying within ten (10) feet each side of the following described centerline;

BEGIN at the aforementioned POINT OF BEGINNING, thence run S67°00'00"W a distance of 140.00 feet to a point hereby designated Point "A" and the Point of Termination of said centerline description.

AND

BEGIN at the aforementioned Point "A" of Easement #2; thence run S23°00'00"E a distance of 25.00 feet; thence S67°00'00"W a distance of 50.00 feet; thence N23°00'00"W a distance of 50.00 feet; thence N67°00'00"E a distance of 50.00 feet; thence S23°00'00"E a distance of 25.00 feet to the POINT OF BEGINNING.

PARCEL I.D. NO. \_\_\_\_\_

ALSO

EASEMENT "D"

Those certain easements lying in and being a part of Tract "B" of DELTONA LAKES UNIT TWENTY-THREE according to the plat thereof, as recorded in Plat Book 27, Pages 36 through 40, inclusive of the Public Records of Volusia County, Florida, said easements being more particularly described as follows:

Easement #1

Commence at the Southwest boundary corner of said Tract "B", the same being on the Southeasterly right of way line of Snook Drive (a 60 foot right of way) and on the arc of a circular curve concave to the Northwest having radius of 1855.00 feet and bears S56°52'11"E from the center of the circle of said curve; thence run Northeasterly, along said right of way line and the arc of said curve, through a central angle of 09°34'30" an arc distance of 310.00 feet to the POINT OF BEGINNING of the hereinafter described parcel of land; thence leaving said Southeasterly right of way line, S54°23'53"E a distance of 190.00 feet; thence S35°36'07"W a distance of 50.00 feet; thence N54°23'53"W a distance of 50.00 feet; thence N35°36'07"E a distance of 30.00 feet; thence N54°23'53"W a distance of 135.85 feet to the aforesaid Southeasterly right of way line of Snook Drive and the arc of said curve having a radius of 1855.00 feet; thence run Northeasterly along said Southeasterly right of way line and the arc of said curve, through a central angle of 00°37'51" an arc distance of 20.42 feet to the POINT OF BEGINNING.

PARCEL I.D. NO. \_\_\_\_\_

AND

Easement #2

Commence at the Northeast corner of Lot 10, Block 165 of said Deltona Lakes Unit Twenty-Three, said corner being the point of curvature of a circular curve concave to the Northeast having a radius of 230.00 feet; thence run Southwesterly, Westerly and Northwesterly along the arc of said curve, through a central angle of 54°00'39" an arc distance of 216.81 feet to the POINT OF BEGINNING of the hereinafter described parcel of land; thence run radial to said curve, S28°06'22"E a distance of 190 feet; thence N61°53'38"W a distance of 50.00 feet; thence N28°06'22"E a distance of 50.00 feet; thence S61°53'38"E a distance of 30.00 feet; thence N28°06'22"E a distance 140.87 feet to the aforesaid arc of a circular curve having a radius of 230.00 feet; thence run Southeasterly along the arc of said curve, through a central angle of 04°59'19" an arc distance of 20.03 feet to the POINT OF BEGINNING.

PARCEL I.D. NO. \_\_\_\_\_

All the above described being a part of the land declared and reserved in that certain Warranty Deed from The Deltona Corporation to the County of Volusia, dated June 5, 1989, as recorded in Official Records Book 3320, Pages 634 through 646, inclusive of the Public Records of Volusia County, Florida.

ALSO

EASEMENT "F"

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

Commence at the centerline intersection of Rockhill Street and East Lombardy Drive as shown on said plat of DELTONA LAKES UNIT THIRTY; thence run N30°15'01"W, along the Northwesterly projection of said centerline of Rockhill Street, a distance of 30.00 feet to a point on the Northwesterly Right-of-Way Line of East Lombardy Drive; thence continue N30°15'01"W a distance of 223.03 feet; thence N00°05'03"E a distance of 184.23 feet to the Northwest corner of that portion of said Tract "B" conveyed by The Deltona Corporation to Deltona Utilities, Inc., on January 3, 1979 as recorded in Official Records Book 2044, Pages 315 through 318, inclusive of the Public Records of Volusia County, Florida, and the POINT OF BEGINNING of the hereinafter described easement; thence N89°54'57"W a distance of 41.95 feet; thence N00°05'03"E a distance of 141.46 feet to the North boundary line of said Tract "B"; thence along said North boundary line N89°54'57"W a distance of 100.00 feet; thence S00°05'03"W a distance of 171.46 feet; thence S89°54'57"E a distance of 141.95 feet; thence N00°05'03"E a distance of 30.00 feet to the Point of Beginning.

AND

Commence at the aforesaid Northwest corner of that portion of Tract "B" described in Official Records Book 2044 at Page 315 through 318, inclusive of the Public Records of Volusia County, Florida; thence run S89°54'57"E a distance of 150.00 feet to the POINT OF BEGINNING of the hereinafter described twenty foot (20.00') wide easement, lying 20.00 feet to the right of, as measured perpendicularly to the following described line; thence continue S89°54'57"E a distance of 168.05 feet to the West right of way line at East Lombardy Drive, extending or shortening the sideline of said easement so as to terminate within the boundaries of said Tract "B".

PARCEL I.D. NO. \_\_\_\_\_

The above described parcel being a part of the land declared and reserved in that certain Warranty Deed from The Deltona Corporation to the County of Volusia, dated January 27, 1989, as recorded in Official Records Book 3273, Pages 1578 through 1581, inclusive of the Public Records of Volusia County, Florida.

# EXHIBIT "B-3"

## WARRANTY DEED

prepared by:  
David M. Harden, Director  
Dept. of Real Estate Services  
The Deltona Corporation  
3250 S.W. Third Avenue  
Miami, Florida 33129

THIS IDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 1989, between THE DELTONA CORPORATION, a Delaware corporation, authorized to transact business in the State of Florida, hereinafter referred to as the "Grantor" and DELTONA UTILITIES, INC., a Florida corporation, whose Federal Employer Identification Number is 59-1871262 and mailing address is c/o Southern States Utilities, Inc. 1000 Color Place, Apopka, Fl. 332703, hereinafter referred to as the "Grantee".

### WITNESSETH

That the said Grantor, for and in consideration of the sum of Ten Dollars and no/100 (\$10.00) and other good and valuable consideration, to it in hand paid by the said Grantee, the receipt and sufficiency whereof is hereby acknowledged, has granted, bargained, sold and conveyed and does hereby grant, bargain, sell, and convey forever to the said Grantee, its successors and assigns forever, the following described land situate, lying and being in the County of Collier and State of Florida, to-wit:

SEE EXHIBIT "A", ATTACHED HERETO AND BY REFERENCE  
MADE A PART HEREOF. CONTAINING 1 PAGE(S)

(hereinafter referred to as the "property")

This deed is executed subject to the following terms and conditions:

1. The Grantee shall be responsible for the ad valorem taxes and all assessments, if any, imposed upon the property beginning with the 1990 tax year, all of which Grantee assumes and agrees to pay.

It is a specific condition that the Grantee, by acceptance hereof, takes the property subject to all easements, zoning and other restrictions and reservations of record, if any.

TO HAVE AND TO HOLD, the premises herein granted unto the Grantee, its successors and assigns in fee simple forever.

AND, the said Grantor does hereby fully warrant the title to said land, free and clear of all liens, security interests or encumbrances (other than the lien for 1989 real estate taxes) and will defend the same against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, the Grantor has caused these presents to be signed in its name by its duly authorized officers and its corporate seal to be affixed the day and year first above written.

Signed sealed and delivered  
in the presence of:

THE DELTONA CORPORATION

BY:

EARLE D. CORTRIGHT, JR.  
Executive Vice President

ATTEST:

MICHELLE R. GARBIS  
Senior Vice President/  
Corporate Secretary

STATE OF FLORIDA     )  
                              ) SS.  
COUNTY OF DADE     )

I HEREBY CERTIFY that on this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 1989 before me personally appeared EARLE D. CORTRIGHT, JR. and MICHELLE R. GARBIS, Executive Vice President and Senior Vice President/Corporate Secretary respectively, of THE DELTONA CORPORATION, a Delaware corporation, to me known to be the persons who signed the foregoing instrument as such officers and acknowledged the execution thereof to be their free acts and deeds as such officers for the uses and purposes therein mentioned and that they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Miami, in the County of Dade and State of Florida, the day and year last aforesaid.

Notary Public, State of Florida  
at Large

My commission expires:



# EXHIBIT "B-4"

## DEED OF UTILITY EASEMENT

Prepared by:  
David M. Harden, Director  
Dept. of Real Estate Services  
The Deltona Corporation  
3250 S.W. Third Avenue  
Miami, Florida 33129

KNOW ALL MEN BY THESE PRESENTS, that DELMARCO CORPORATION, a Florida corporation, whose mailing address is 3250 S.W. Third Avenue, Miami, Florida 33129, hereinafter referred to as "Grantor", for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell and convey to DELTONA UTILITIES, INC., a Florida corporation, whose Federal Employer Identification Number is 59-1871262 and mailing address is c/o Southern States Utilities, Inc., 1000 Color Place, Apopka, Florida 32703, hereinafter referred to as "Grantee", and to its successors or assigns, a non-exclusive utility easement over, across, through and beneath the following described lands lying and being in the County of Collier and State of Florida, to-wit:

(SEE EXHIBIT "A" ATTACHED HERETO AND REFERENCE  
MADE A PART HEREOF)

hereinafter referred to as the "property".

This grant is made on the following terms:

1. Grantor does hereby grant to Grantee, its successors and assigns and its agents acting thereunder, the right, privilege and non-exclusive perpetual easement over, across, through and beneath the property, for the purpose of installation and maintenance of a central water distribution and sewerage collection system and appurtenant facilities thereto.

2. Employees, agents contractors and sub-contractors of the Grantee shall have the right of perpetual ingress and egress upon the property for the purpose of constructing, maintaining, monitoring, replacing or removing its permitted utility facilities.

3. Grantee shall have the right, if it desires, to mark the location of any underground utility facilities, provided said markers shall be placed in the ground or in other locations where they will not interfere with any reasonable use Grantor may desire to make of the property.

4. The Grantee shall properly backfill any trench made by it for purposes of maintaining, replacing or removing underground utility facilities and shall return the surface of the land to the condition that it was in prior to Grantee's excavation work.

5. The grant of this easement in no way restricts the right and interest of the Grantor to grant other easements or make other uses of the property so long as said grants or uses are not inconsistent with the Grantee's rights under this instrument.

6. This easement shall run with the land and shall be binding upon and shall inure to the benefit of the parties hereto, their successors or assigns.

7. The Grantor covenants that it is the beneficial holder of an easement interest to the property shown on Exhibit "A", pursuant to a Grant of Easement from The Deltona Corporation to DelMarco Corporation, dated June 26, 1984 and recorded in Official Records Book 1089 at Pages 1250 through 1256 inclusive of the Public Records of Collier County, Florida, as amended by a Modification of Grant of Easement dated March 14, 1985, and recorded in Official Records Book 1125 at Pages 1200 and 1201 of the Public Records of Collier County, Florida.

8. Grantor hereby represents and warrants to Grantee, its successors and assigns, that Grantor has good and marketable title to the property, free and clear of all liens and encumbrances except 1989 real estate taxes and easements and restrictions of record, if any.

9. That the Grantee accepts this grant of easement, subject to the conditions and restrictions contained within said original grant of easement described above in Paragraph No. 7 as amended.

IN WITNESS WHEREOF, the said Grantor has caused these presents to be signed in its name by its authorized officers and its corporate seal to be affixed this \_\_\_\_ day of November, 1989.

signed, sealed and delivered  
in the presence of:

DELMARCO CORPORATION

BY:

EARLE D. CORTRIGHT, JR.  
Vice President

ATTEST:

MICHELLE R. GAREIS  
Corporate Secretary

STATE OF FLORIDA )  
                          ) SS.  
COUNTY OF DADE )

I HEREBY CERTIFY that on this \_\_\_\_ day of November, 1989, before me personally appeared EARLE D. CORTRIGHT, JR. and MICHELLE R. GAREIS, Vice President and Corporate Secretary respectively, of DELMARCO CORPORATION, a Florida corporation, to me known to be the persons described in and who executed the foregoing instrument as such officers for the uses and purposes therein mentioned and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

WITNESS my signature and official seal at Miami in the County of Dade and State of Florida, the \_\_\_\_ day, month and year last aforesaid.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large

My commission expires:

MUTUAL GENERAL RELEASE

THIS RELEASE AGREEMENT, made and entered into this \_\_\_\_ day of November, 1989, by and among The Deltona Corporation, a Delaware corporation ("Deltona"), Minnesota Power & Light Company ("MPL") and Topeka Group Incorporated, Minnesota corporations ("Topeka"), Deltona Utilities, Inc. ("DUI"), United Florida Utilities Corporation ("UF"), Pelican Utility Company ("Pelican"), and Deltona Utility Consultants, Inc. ("DUCI") and Southern States Utilities Corporation ("SSU"), Florida corporations, and Jack R. McDonald ("McDonald") and Roger Bowman ("Bowman"), citizens of the State of Minnesota, and Donnie R. Crandell ("Crandell"), a citizen of Florida.

## W I T N E S S E T H:

For and in consideration of the the sum of One Dollar 00/100 (\$1.00) and other good and valuable consideration, including the consideration set forth in that certain Settlement Agreement of even date herewith:

1. Deltona, for itself and its successors and assigns, does hereby forever release, acquit and discharge DUI, UF, DUCI, Pelican, SSU, Topeka, MPL, McDonald, Crandell and Bowman and their respective heirs, executors, administrators, affiliates, successors, assigns, directors, officers, employees, agents and attorneys from and against any and all debts, obligations, liabilities, claims, demands, suits and causes of action of any

kind whatsoever, known or unknown, whether in law or equity, which Deltona, or its successors, assigns, may now have or which may hereafter accrue to Deltona, or its successors or assigns, against DUI, UF, DUCI, Pelican, SSU, Topeka, MPL, McDonald, Crandell or Bowman, or any of them, or their respective heirs, executors, administrators, affiliates, successors, assigns, directors, officers, employees, agents or attorneys, arising out of, based upon or related to any matter or thing whatsoever occurring prior to and including November \_\_, 1989, except for (a) the agreements, liabilities and obligations of Topeka under that certain Purchase Agreement dated November 6, 1985, among Deltona, Topeka, UF, DUI, DUCI and Pelican (the "1985 Purchase Agreement") other than those claims, demands, disputes, and causes of action set forth in the Complaint, First Amended Complaint, Second Amended Complaint, and Third Amended Complaint in the Litigation (as said term is hereinafter defined), (b) the agreements, liabilities and obligations of Topeka, DUI, DUCI, Pelican and McDonald under the Settlement Agreement of even date herewith, (c) the obligations of the parties to the Development Agreements, both of even date herewith, and this Mutual General Release and (d) the liabilities and obligations of Topeka, DUI, Pelican and DUCI arising subsequent to the date hereof under that certain Service Agreement dated August 17, 1989 to which Deltona, Topeka, DUCI, DUI, Pelican, UF and others are parties.

2. DUI, UF, DUCI, Pelican, Topeka, SSU, MPL, McDonald, Crandell and Bowman, for themselves, and their respective heirs, executors, administrators, successors and assigns, do hereby

forever release, acquit and discharge Deltona and its affiliates, successors, assigns, directors, officers, employees, agents and attorneys from and against any and all debts, obligations, liabilities, claims, demands, suits and causes of action of any kind whatsoever, known or unknown, whether in law or equity, which DUI, UF, DUCI, Pelican, Topeka, MPL, SSU, McDonald, Crandell or Bowman, or their respective heirs, executors, successors or assigns, may now have or which may hereafter accrue to DUI, UF, DUCI, Pelican, Topeka SSU, MPL, McDonald, Crandell or Bowman, or their respective heirs, executors, successors and assigns, against Deltona or its affiliates, successors, assigns, directors, officers, employees, agents or attorneys arising out of, based upon or related to any matter or thing whatsoever occurring prior to and including November \_\_\_\_, 1989, except for the agreements, liabilities and obligations of Deltona (a) under the 1985 Purchase Agreement other than those claims, demands, disputes and causes of action set forth in the Answer and Counterclaim filed in the Litigation, (b) under the Development Agreements and Settlement Agreement, all of even date herewith, and this Mutual General Release and (c) arising subsequent to the date hereof under that certain Service Agreement dated August 17, 1989, to which Deltona, Topeka, DUI, UF, DUCI, Pelican and others are parties.

3. This Mutual General Release includes, but is not limited to, all claims, demands, disputes and causes of action asserted in the Complaint, First Amended Complaint, Answer and Counterclaim, Second Amended Complaint and Third Amended

Complaint in the case entitled The Deltona Corporation v. Topeka Group Incorporated, No. 89-890-CIV-Spellman filed in the United States District Court for the Southern District of Florida (the "Litigation").

4. Deltona on the one hand and Topeka, MPL, DUI, DUCI, UF, Pelican, SSU, McDonald, Crandell and Bowman on the other each further covenants and agrees not to bring suit against any other party hereto, directly or derivatively, for any claims released hereby. If any of the undersigned hereafter brings any suit or claim against another party hereto in breach hereof, the undersigned shall pay to such party all damages caused thereby together with reasonable attorneys' fees incurred in defending or otherwise responding to said suit or claim.

5. This Mutual General Release shall be binding on the signatories hereto regardless of whether it or any counterpart has been signed by all of the parties.

IN WITNESS WHEREOF, the parties have caused this Mutual General Release to be executed and delivered in counterparts, each of which shall be deemed an original, on the day and year first above written.

The Deltona Corporation

BY: \_\_\_\_\_

William Avella  
President

Signatures continued on the following page.



**Deltona Utilities, Inc.**

BY: \_\_\_\_\_

Its \_\_\_\_\_

**Pelican Utility Company**

BY: \_\_\_\_\_

Its \_\_\_\_\_

**United Florida Utilities  
Corporation**

BY: \_\_\_\_\_

Its \_\_\_\_\_

**Deltona Utility Consultants,  
Inc.**

BY: \_\_\_\_\_

Its \_\_\_\_\_

**Topeka Group Incorporated**

BY: \_\_\_\_\_

Its \_\_\_\_\_

**Minnesota Power & Light Company**

BY: \_\_\_\_\_

Its \_\_\_\_\_

Signatures continued on the following page.

**Southern States Utilities, Inc.**

BY: \_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_  
Jack R. McDonald

\_\_\_\_\_  
Roger Bowman

\_\_\_\_\_  
Donnie R. Crandell

toprls.docpp

Exhibit "D"  
IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA

The Deltona Corporation,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No.89-890-CIV-Spellman
	)	
Topeka Group Incorporated,	)	
	)	
Defendant.	)	
<hr/>		

STIPULATION

IT IS HEREBY STIPULATED, by and between the parties to this action, through their respective undersigned attorneys, that the above entitled action, together with all claims and counterclaims therein, be and hereby is dismissed with prejudice and without costs to any party. The parties hereto request the Court to enter an Order in the form attached as Exhibit "A" hereto.

DATED: November \_\_\_\_, 1989

Of Counsel:  
Alan N. Salpeter  
Kenneth E. Wile  
MAYER, BROWN & PLATT  
190 S. LaSalle Street  
Chicago, IL 60603  
(312) 782-0600

Mancilla & Betz, P.A.  
2121 Ponce de Leon Blvd.  
Suite 1000  
Coral Gables, FL 33134  
(305) 441-1727

BY: \_\_\_\_\_  
Joseph Mancilla  
Attorneys for Plaintiff  
The Deltona Corporation

Coll, Davidson, Carter, Smith,  
Salter & Barkett, P.A.  
201 S. Biscayne Blvd.  
3200 Miami Center  
Miami, Florida 33131  
(305) 373-5200

Briggs & Morgan  
220 First National Bank Bldg.  
St. Paul, Minnesota 55101  
(612) 291-1215

BY: \_\_\_\_\_  
Ronald L. Sorenson  
Attorneys for Defendant  
Topeka Group Incorporated

Exhibit "A"  
IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA

The Deltona Corporation,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No.89-890-CIV-Spellman
	)	
Topeka Group Incorporated,	)	
	)	
Defendant.	)	
<hr/>		

ORDER

THIS CAUSE came before the Court on the Settlement Agreement and Stipulation filed by the parties in this action, and upon consideration of same it is hereby

ORDER AND ADJUDGED:

1. That the Settlement Agreement and Stipulation is hereby approved by this Court.

2. The above entitled action together with all claims and counterclaims therein shall be dismissed with prejudice and without costs to any party.

3. The Court shall reserve and retain jurisdiction in this action for the purpose of enforcing the terms of this Settlement Agreement filed by the parties in this action.

4. The Clerk of the Court is directed to forthwith enter judgment dismissing this action in accordance with this Order.

DATED: November \_\_\_\_, 1989

\_\_\_\_\_  
Judge of the United States  
District Court

Copies furnished to:  
B. Davidson, Esq.  
D. Forsberg, Esq.  
J. Mancilla, Esq.  
A. Salpeter, Esq.

Exhibit "E"  
IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA

The Deltona Corporation,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No.89-890-CIV-Spellman
	)	
Topeka Group Incorporated,	)	
	)	
Defendant.	)	
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ORDER

THIS CAUSE came before the Court on the Settlement Agreement and Stipulation filed by the parties in this action, and upon consideration of same it is hereby

ORDER AND ADJUDGED:

1. That the Settlement Agreement and Stipulation is hereby approved by this Court.
2. The above entitled action together with all claims and counterclaims therein shall be dismissed with prejudice and without costs to any party.
3. The Court shall reserve and retain jurisdiction in this action for the purpose of enforcing the terms of this Settlement Agreement filed by the parties in this action.
4. The Clerk of the Court is directed to forthwith enter judgment dismissing this action in accordance with this Order.

DATED: November \_\_\_\_, 1989

\_\_\_\_\_  
Judge of the United States  
District Court

Copies furnished to:  
B. Davidson, Esq.  
D. Forsberg, Esq.  
J. Mancilla, Esq.  
A. Salpeter, Esq.

Report Date 11/03/89

\*\*\*\*\*  
 • THE DELTONA CORPORATION  
 • DEPT. OF REAL ESTATE SERVICE  
 • PREPARED BY DEBBIE LEES  
 • OCTOBER 25, 1988  
 • JANUARY 10, 1989 REVISED

01 Deltona Lakes (Volusia County)  
 03 Citrus Springs (Citrus County)  
 06 Marion Oaks (Marion County)

(DD) PLANNED DEVELOPMENT  
 (DUD) PLANNED UNIT DEVELOPMENT  
 UNDER S.E. MAPA TRUST

EXISTING SITES FOR WATER/SEWER UTILITY  
 TDC OWNED SITES

EXHIBIT "F"

Comm	Unit	Legal Description	Ticor Title Commitment Number	Acres Original Platted	Acres Required by Utilities	Developer Designated Land Use	Current County Zoning	Intended Utility Land Use	Required Utility Ownership	Date Acquired in Year	TDC Asking Price 12/01/88
01	0		E 88-2968(E)	3.17	3.17	Utility	Resc.	Existing Well 19 & Proposed Well 31	Fee Simple	1986	29,000
01	21		C 88-2968(E)	4.66	4.66	Utility	Resc.	Existing Well 22, Stage Tank/Prop Well 32	Fee Simple	1987	45,400
01	30	portion	B	0.27	0.35	Park	Resc.	Existing Well 27	Specific Easement	1/1988	2,000
01	33		A 88-2968(E)	3.15	3.15	Utility	Resc.	Proposed Well 28	Fee Simple	1988	32,000
01	34		F 88-2968(E)	3.35	3.35	Utility	Resc.	Existing Well 24	Fee Simple	1987	32,900
01	53		C 88-2968(E)	1.64	1.64	Utility	Resc.	Existing Well 23	Fee Simple	1987	14,500
05	1	portion	A	5.63	0.23	Admin. Building	CO(PD)	Existing Well 2	Specific Easement	1969	1,600
05	4	portion	D	36.28	0.23	High School site	PS(PD)	Existing Well 3	Specific Easement	1969	300
06	4		D 88-2968(F)	15.06	15.06	Utility	Resc.	Existing Well 4 & Storage Tank	Fee Simple	1981	92,800
06	5	portion	M	247.10	3.00	Golf Course	Resc.	5" Water Main thru Golf Course	Specific Easement	1973	3,000
06	9		T-60 88-2968(F)	15.34	15.34	Utility	Resc.	Proposed Well 5	Fee Simple	1988	121,000
07	19	36	1-5	0.86	0.86	Residential	R(PUD)	Existing Raw Water Main	Fee Simple	1972	11,400
07	29	portion	T	61.34	3.00	Golf Course	Resc.	Waste Water Treatment Plant Effluent Line	Blanket Easement	1974	1,000
07	6	portion	A	6.82	0.28	Business	B(PUD)	Raw Water Main	Specific Easement	1984	1,300
07	6	portion	B	4.49	0.19	Business	B(PUD)	Raw Water Main	Specific Easement	1984	1,000
07	6	portion	C	5.72	0.19	Church	C(PUD)	Raw Water Main	Specific Easement	1984	900
08	19	1105	I 88-2968(H)	0.24	0.24	Commercial	Comm.	Existing 18" Water Main From Water T.P.	Fee Simple	1971	3,500
10*	1		N 88-2968(A)	1.41	1.41	Utility	U(PUD)	Existing Water Treatment Plant	Fee Simple	1981	109,100
10*	1		D 88-2968(A)	3.61	3.61	Utility	U(PUD)	Existing Waste Water Treatment Plant	Fee Simple	1981	279,200
10	30	TO BE PLATTED	88-2968(A)	13.60	13.60	Utility	U(PUD)	Existing Ponds	Fee Simple	05/1986	755,200
				73.56							\$1,538,700

Report Date 11/03/89

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 • THE DELTONA CORPORATION •  
 • DEPT. OF REAL ESTATE SERVICES •  
 • PREPARED BY DEBBIE LEES •  
 • OCTOBER 25, 1988 •  
 • NOVEMBER 21, 1988 REVISED •

00 E. Tampa (Hillsborough County) 06 Marion Oaks (Marion County)  
 01 Deltona Lakes (Volusia County) 08 Sunny Hills (Washington County)  
 05 Citrus Springs (Citrus County) 12 Pine Ridge (Citrus County)

(00) PLANNED DEVELOPMENT  
 (01-12) PLANNED UNIT DEVELOPMENT

PLANNED SITES FOR WATER/SEWER UTILITY  
 OWNED BY DELTONA OR ITS SUBSIDIARIES

Comm	Unit	Block	Legal Description Lot/Tract	Current Owner	Ticor Title Commitment Number	Acres Original Platted	Acres Received by Utilities	Developer Designated Land Use	Current County Zoning	Intended Utility Land Use	Required Utility Owners p	TDC Asking Price
00			1, NW1/4 25-29-19 L&E H 488*	TDC		0.72	0.72	TECCO R/W	N/A	Transmission Line	Fee Simple	1,000
00			2, 3, 4, NE1/4 25-29-19 L&E PTS	TDC		10.50	10.50	TECCO R/W	N/A	Transmission Line	Fee Simple	14,000
00			2, 7, 10, 15 NW1/4 & SW1/4 25-29-19	TDC		10.00	10.00	TECCO R/W	N/A	Transmission Line	Fee Simple	20,000
00			1, 6, 9, 16 NW1/4 & SW1/4 36-29-19	TDC		23.69	23.69	TECCO R/W	N/A	Transmission Line	Fee Simple	23,000
01	3		R	TDC		1.45	1.45	FPL R/W	Resd.	Wastewater Trtmt Plant Effluent Displ	Fee Simple	1,000
01	3		S	TDC		1.84	1.84	FPL R/W	Resd.	Wastewater Trtmt Plant Effluent Displ	Fee Simple	1,500
01	3		T	TDC		2.04	2.04	FPL R/W	Resd.	Wastewater Trtmt Plant Effluent Displ	Fee Simple	1,500
01	3		U	TDC		1.14	1.14	FPL R/W	Resd.	Wastewater Trtmt Plant Effluent Displ	Fee Simple	1,000
01	3		V	TDC		1.17	1.17	FPL R/W	Resd.	Wastewater Trtmt Plant Effluent Displ	Fee Simple	1,000
01	5		R	TDC	88-2968(E)	6.36	6.36	Park	Resd.	Future Wells	Specific Easement	6,000
01	7		D	TDC	88-2968(E)	4.02	4.02	Park	Resd.	Possible Well	Specific Easement	2,500
01	8		J	TDC		0.84	0.84	FPL R/W	Resd.	Wastewater Trtmt Plant Effluent Displ	Fee Simple	600
01	8		K	TDC		5.70	5.70	FPL R/W	Resd.	Wastewater Trtmt Plant Effluent Displ	Fee Simple	4,000
01	9		F	TDC	88-2968(E)	3.20	3.20	Utility	Resd.	Future Storage	Fee Simple	33,000
01	23		B	TDC	88-2968(E)	10.70	10.70	Park-Utility	Resd.	Proposed Well 30	Specific Easement	13,000
01	35		B	TDC	88-2968(E)	5.03	5.03	Utility	Resd.	Proposed Well 33	Fee Simple	50,000
01	41		B	TDC	88-2968(E)	1.13	1.13	Undesignated	Resd.	Future Well	Fee Simple	14,000
01	42		B	TDC	88-2968(E)	0.22	0.22	Undesignated	Resd.	Future Well	Fee Simple	6,000
01	63		H	TDC	88-2968(E)	1.18	1.18	Utility	Resd.	Proposed Storage	Fee Simple	12,000
01	70		A	TDC		0.77	0.77	FPL R/W	Resd.	Wastewater Trtmt Plant Effluent Displ	Fee Simple	1,500
01			Sec. 4 Twp 19S Range 31E	TDC	88-2968(E)	20.00	20.00	School site	Agric.	Effluent Spray Irrigation	Fee Simple	70,000
05	9		A	TDC	88-2968(D)	0.46	0.46	Utility	U(PD)	Future Wells & Storage	Fee Simple	60,000
05	10		A	TDC	88-2968(D)	13.36	13.36	Utility	U(PD)	Future Wells & Storage	Fee Simple	92,000
05	19		C	TDC	88-2968(D)	0.59	0.59	Utility	U(PD)	Future Wells & Storage	Fee Simple	60,000
05	20		C	TDC	88-2968(D)	10.07	10.07	Utility	U(PD)	Future Wells & Storage	Fee Simple	120,000

EXHIBIT "Q"

SHEET 1 OF 1



Report Date 11/03/89

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 \* THE DELTONA CORPORATION \*  
 \* DEPT. OF REAL ESTATE SERVICES \*  
 \* PREPARED BY DEBBIE LEES \*  
 \* OCTOBER 25, 1988 \*  
 \* NOVEMBER 21, 1988 REVISED \*

00 E. Tampa (Hillsborough County)  
 01 Deltona Lakes (Volusia County)  
 05 Citrus Springs (Citrus County)

06 Marion Oaks (Marion County)  
 08 Sunny Mills (Washington County)  
 12 Pine Ridge (Citrus County)

(PD) PLANNED DEVELOPMENT  
 (PUD) PLANNED UNIT DEVELOPMENT

PLANNED SITES FOR WATER/SEWER UTILITY  
 OWNED BY DELTONA OR ITS SUBSIDIARIES

Comm	Unit	Block	Legal Description Lot/Tract	Current Owner	Ticor Title Commitment Number	Acres Original Platted	Acres Required by Utilities	Developer Designated Land Use	Current County Zoning	Intended Utility Land Use	Required Utility Owner	TDC Asking Price
06	1		S	TDC	00-2968(F)	14.56	14.56	Utility	Resd.	Proposed Well S/Alternative B	Fee Simple	111,000
06	4		N	TDC	00-2968(F)	12.82	12.82	Utility	Resd.	Future Wells & Storage	Fee Simple	97,500
06	6		D	TDC	00-2968(F)	13.91	13.91	Utility	Resd.	Future Wells & Storage	Fee Simple	106,000
06	6		KH	TDC	00-2968(F)	0.06	0.06	Utility	Resd.	Utility Right of Way	Fee Simple	1,000
06	7		B	TDC	00-2968(F)	16.35	16.35	Utility	Resd.	Proposed Well S/Alternative A	Fee Simple	116,000
06	9		T-07	TDC	00-2968(F)	0.79	0.79	Spray Effluent	Resd.	Spray Effluent	Fee Simple	1,000
06	9		T-09	TDC	00-2968(F)	1.71	1.71	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	2,000
06	9		T-16	TDC	00-2968(F)	2.06	2.06	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	2,200
06	9		T-17	TDC	00-2968(F)	4.03	4.03	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	6,000
06	9		T-18	TDC	00-2968(F)	2.17	2.17	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	3,000
06	9		T-19	TDC	00-2968(F)	0.75	0.75	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	1,000
06	9		T-23	TDC	00-2968(F)	1.77	1.77	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	2,500
06	9		T-25	TDC	00-2968(F)	0.77	0.77	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	1,000
06	9		T-27	TDC	00-2968(F)	0.53	0.53	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	800
06	9		T-29	TDC	00-2968(F)	3.40	3.40	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	4,000
06	9		T-30	TDC	00-2968(F)	3.89	3.89	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	4,500
06	9		T-32	TDC	00-2968(F)	4.54	4.54	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	6,000
06	9		T-33	TDC	00-2968(F)	3.18	3.18	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	4,000
06	9		T-34	TDC	00-2968(F)	1.58	1.58	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	2,500
06	9		T-36	TDC	00-2968(F)	1.85	1.85	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	2,500
06	9		T-38	TDC	00-2968(F)	1.59	1.59	Spray Effluent	Resd.	Spray Effluent	Fee Simple	2,400
06	9		T-43	TDC	00-2968(F)	1.10	1.10	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	2,500
06	9		T-50	TDC	00-2968(F)	10.17	10.17	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	16,000
06	9		T-62	TDC	00-2968(F)	7.44	7.44	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	11,000
06	9		T-64	TDC	00-2968(F)	4.16	4.16	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	6,000
06	9		T-66	TDC	00-2968(F)	1.90	1.90	Landscape/Greenbelt	Resd.	Spray Effluent	Fee Simple	3,000
06	11		C	TDC	00-2968(F)	13.02	13.02	Utility	Resd.	Future Wastewater TD, Wells & Storage	Fee Simple	109,000

Report Date 11/03/89

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 \* THE DELTONA CORPORATION \*  
 \* DEPT. OF REAL ESTATE SERVICES \*  
 \* PREPARED BY DEBBIE LEES \*  
 \* OCTOBER 25, 1988 \*  
 \* NOVEMBER 21, 1988 REVISED \*

00 E. Tampa (Hillsborough County) 06 Maroon Oaks (Marion County)  
 01 Deltona Lakes (Volusia County) 08 Sunny Hills (Washington County)  
 05 Citrus Springs (Citrus County) 12 Pine Ridge (Citrus County)

(PD) PLANNED DEVELOPMENT  
 (PUD) PLANNED UNIT DEVELOPMENT

PLANNED SITES FOR WATER/SEWER UTILITY  
 OWNED BY DELTONA OR ITS SUBSIDIARIES

Code	Unit	Block	Legal Description Lot/Tract	Current Owner	Title Commitment Number	Acres Original Platted	Acres Acquired by Utilities	Developer Designated Land Use	Current County Zoning	Intended Utility Land Use	Required Utility Ownership	TDC Asking Price
00	9		C	TDC	88-2968(H)	7.74	7.74	Utility	Util.	Future Wells & Storage	Fee Simple	28,000
00	13		A	TDC	88-2968(H)	7.73	7.73	Utility	Util.	Future Wells & Storage	Fee Simple	28,000
00	14		Y	TDC	88-2968(H)	10.02	10.02	Utility	Util.	Future Wells & Storage	Fee Simple	35,000
00	15		4	TDC	88-2968(H)	9.03	9.03	Utility	Util.	Future Wells & Storage	Fee Simple	32,000
00	19		W	TDC	88-2968(H)	9.96	9.96	Utility	Util.	Future Wells & Storage	Fee Simple	45,000
00	23		unplatted	TDC	88-2968(H)	5.72	5.72	Utility	Util.	Future Wells & Storage	Fee Simple	30,000
12	2		7-33	TDC	88-2968(D)	4.75	4.75	Utility	Resd.	Future Wells & Storage	Fee Simple	35,000
59 TOTAL ENTRIES						364.28 ACRES						1,474,000

Report Date 11/03/89

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 • THE DELTA CORPORATION •  
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 • PREPARED BY DEBBIE LEES •  
 • OCTOBER 21, 1988 •  
 • OCTOBER 25, 1988 REVISED •

10 Parco Shores (Collier County)

(PUD) PLANNED UNIT DEVELOPMENT

PLANNED SITES FOR WATER/SEWER UTILITY  
 TDC OWNED SITES

Comm	Unit	Block	Lot/Tract	Legal Description	Current Owner	Ticor Title Commitment Number	Acres Original Platted	Acres Required by Utilities	Developer Designated Land Use	Current County Zoning	Intended Utility Land Use	Required Utility Ownership	TDC Asking Price
10	30		TO BE PLATTED		TDC	88-2968(A)	23.40	23.40	M.C.	PUD	Proposed Ponds Enlargement	Fee Simple	2,250,000
10	30		TO BE PLATTED		TDC	88-2968(A)	6.00	6.00	M.C.	PUD	Prop. Wastewater Treatment Plant	Fee Simple	570,000
2 TOTAL ENTRIES							29.40					2,820,000	

**PURCHASE AGREEMENT**

THIS PURCHASE AGREEMENT made and entered into as of the 6th day of November, 1985 by and between The Deltona Corporation, a Delaware corporation with its executive offices at 3250 Southwest Third Avenue, Miami, Florida 33145 ("Deltona"), Deltona Utilities, Inc., Pelican Utility Company, United Florida Utilities Corporation and Deltona Utilities Consultants, Inc., all of which are Florida corporations with their executive offices at 3250 Southwest Third Avenue, Miami, Florida 33145 (hereinafter separately called "Utility Subsidiary" and collectively called "Utility Subsidiaries") and Topeka Group Incorporated, a Minnesota corporation with its executive offices at 30 West Superior Street, Duluth, Minnesota 55802 ("Topeka").

WHEREAS Deltona desires to issue and sell and Topeka desires to subscribe for and purchase from Deltona (i) 4,000,000 shares of Deltona's Series A cumulative preferred stock of the par value of \$1.00 per share ("Series A"), (ii) \$1,500,000 of Deltona's common stock of the par value of \$1.00 per share ("Deltona Common Stock"), (iii) an option to purchase an additional 545,000 shares of Series A, and (iv) warrants to purchase shares of Deltona Common Stock ("Deltona Warrants"), upon the terms and conditions hereinafter set forth; and

WHEREAS Topeka desires to acquire and Deltona and the Utility Subsidiaries desire that each of the Utility Subsidiaries issue a

warrant to purchase 10,000 shares of the common stock ("Utility Common Stock") of each such Utility Subsidiary ("Utility Subsidiary Warrants"), upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter set forth, the parties agree as follows:

## ARTICLE I

### REPRESENTATIONS AND WARRANTIES OF DELTONA AND EACH UTILITY SUBSIDIARY

Deltona and each Utility Subsidiary represents, warrants and agrees as follows:

1.1 Organization, Standing and Power of Deltona. Deltona is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with its principal place of business and chief executive office located at 3250 Southwest Third Avenue, Miami, Florida; has all requisite corporate power and authority to own and lease its properties and assets and to conduct its business as the same is presently being conducted; and is qualified to do business in each jurisdiction in the United States in which its business or properties requires such qualification. Deltona has delivered to Topeka true, correct and complete copies of its Certificate of Incorporation and Bylaws, as amended and in effect on the date hereof.

1.2 Capitalization. The authorized capital stock of Deltona consists of (i) 15,000,000 shares of Common Stock of which 5,233,461 shares are issued and outstanding, excluding 29,678 shares reacquired by Deltona and held in its treasury on the date hereof, and (ii) 5,000,000 shares of preferred stock, of the par value of \$1.00, none of which is issued and outstanding on the date hereof. All such issued and outstanding shares of Deltona Common Stock have been duly authorized and validly issued and are fully paid and nonassessable. There are no preemptive rights on the part of any holder of any class of securities of Deltona. No options, warrants, calls, conversion or other rights, agreements or commitments of any character obligating Deltona, contingently or otherwise, to issue or sell any shares of its capital stock of any class, or any securities convertible into or exchangeable for any such shares, are outstanding, and no authorization therefor has been given, except (i) for the rights being acquired by Topeka pursuant hereto; (ii) options for the purchase of shares of Deltona Common Stock granted and outstanding under Deltona's various Employees' Qualified Stock Option Plans and Employees' Incentive Stock Option Plans ("Employee Option Plans") and authorization under such plans to grant options covering additional shares of Deltona's Common Stock, all as set forth in Schedule D to the Disclosure Statement provided for at Section 1.8 of this Article I, (iii) warrants to purchase an aggregate of 200,000 shares of Common Stock issued to Fleet National Bank, Citibank N.A. and Chemical Bank, and (iv) warrants to purchase 147,700

shares of Deltona Common Stock issued to John Hancock Mutual Life Insurance Company, which warrants are declining and expire on June 15, 1987.

1.3 Subsidiaries. "Subsidiary" means a corporation (including a Utility Subsidiary) 50% or more of the outstanding capital stock of which is owned, directly or indirectly, by Deltona or by one or more other Subsidiaries, or by Deltona and one or more other Subsidiaries. Each Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; has all requisite corporate power and authority to own and lease its properties and assets and to conduct its business as it is now being conducted; and is qualified to do business in each jurisdiction in the United States in which its business or properties requires such qualification. All the outstanding shares of capital stock of each Subsidiary are legally issued, fully paid and nonassessable. Deltona owns the shares of capital stock of the Subsidiaries free and clear of any liens, claims or encumbrances, and there are no existing options, warrants, calls or conversion or other rights, agreements or commitments of any character, contingent or otherwise, relating to the issued or unissued capital stock or other securities of any Subsidiary except for the rights being acquired by Topeka pursuant hereto with respect to the Utility Subsidiaries, and except that (i) the shares of United Florida Utilities Corporation are pledged to Deltona Utilities, Inc. to

secure Deltona's guarantee of the liability of United Florida Utilities Corporation to Deltona Utilities, Inc. in the original principal amount of \$4,302,852, which security interest created thereby has been assigned to Southeast Bank, N.A., as Trustee under the Indenture of Mortgage and Deed of Trust dated December 1, 1984 ("Indenture"), and (ii) all of the outstanding capital stock of Seaboard Utilities Corporation has been pledged to Southeast Bank, N.A. as Trustee under the Indenture. The Utility Subsidiaries have delivered to Topeka true, correct and complete copies of the Certificate or Articles of Incorporation and Bylaws of the Utility Subsidiaries. The capitalization of the Utility Subsidiaries and the ownership of shares is as follows:

<u>Deltona Utility Subsidiary</u>	<u>Authorized Common Shares on the Date Hereof</u>	<u>Authorized Common Shares on the Closing Date</u>	<u>Authorized Preferred Shares</u>	<u>Common Shares Issued &amp; Outstanding</u>	<u>Out- Standing Preferred Shares</u>	<u>Common Shares Owned by Deltona</u>
Deltona Utilities, Inc.	100	10,100	1,000,000	100	-0-	100
Deltona Utilities Consul- tants, Inc.	100	10,100	-0-	100	-0-	100
Pelican Utility Company	100	10,100	-0-	100	-0-	100
United Florida Utilities Corpora- tion	100	10,100	-0-	100	-0-	100



except for the Subsidiaries, and except for Tiera Verde Company, a joint venture, Deltona does not directly or indirectly own any material interest in any other corporation, partnership, joint venture and other business association or entity.

1.4 Authority for Agreement. Deltona and each Utility Subsidiary has the corporate power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Deltona and each Utility Subsidiary, and this Agreement constitutes a valid and legally binding obligation of Deltona and each Utility Subsidiary enforceable in accordance with its terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in any violation of or default under any provision of the Certificate of Incorporation or Bylaws of Deltona or any Subsidiary; any mortgage, deed of trust, indenture, lease, agreement or other instrument, except any of the foregoing as to which consents or waivers have been obtained; or any permit, concession, grant, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Deltona or any Subsidiary or any properties or assets of Deltona or any Subsidiary. No consent, approval, order or authorization of, or registration, declaration or filing with any governmental authority is required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby by Deltona or any Utility Subsidiary, except

for (i) the filing with the Federal Trade Commission and the Department of Justice of the United States of such reports and information with respect to the transactions contemplated hereby as are required by the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976 (the "Hart-Scott-Rodino Act"), which filings will be duly and promptly made, (ii) if Topeka exercises the Utility Subsidiary Warrants, the determination and approval of the Florida Public Service Commission that the resulting transfer of control of the Utility Subsidiaries is in the public interest, (iii) the filing with the Division of Florida Land Sales, Condominiums and Mobile Homes, Florida Department of Business Regulation, of a material change to Deltona's land sales registrations, the preliminary filing of which was made on September 30, 1985, and (iv) the filing with the Secretary of State of Delaware of a Certificate of Designation, Preferences and Rights ("Series A Certificate of Designation") with respect to the shares of Deltona's Series A, which filing shall be made prior to and be effective on the Series A Closing Date (as hereinafter defined).

#### 1.5 Financial Statements.

(a) Deltona has furnished Topeka with a true, correct and complete copy of (i) the audited Consolidated Balance Sheets, Statements of Consolidated Operations, Statements of Consolidated Stockholders' Equity, Statements of Consolidated Sources and Uses of Cash of Deltona and its Subsidiaries for the years ending December 31, 1982, 1983 and 1984, together with the Notes thereto, certified by Deloitte, Haskins & Sells, independent certified accountants, and (ii) the Unaudited Condensed Balance Sheets,

statements of Operations and Statements of Sources and Uses of Cash, together with the Notes thereto, of Deltona and its Subsidiaries for the period ending June 30, 1985, (all of which, including the Notes thereto, are hereinafter collectively called, "Deltona's Financial Statements"). Each of the balance sheets included in Deltona's Financial Statements (including any related Notes) fairly presents the consolidated assets and liabilities and financial position of Deltona and its Subsidiaries as of its date and the other statements included in Deltona's Financial Statements (including any related Notes) fairly present the results of operations, sources and uses of cash and changes in financial position, as the case may be, of Deltona and its Subsidiaries for the periods therein set forth (subject, in the case of unaudited statements, to normal year-end audit adjustments consistent with previous years), in each case in accordance with generally accepted accounting principles consistently applied on the same basis as in prior years. At December 31, 1984 and June 30, 1985 Deltona and its Subsidiaries had no material liability whether absolute, accrued, contingent or otherwise and whether due or to become due, which was not reflected or reserved against in Deltona's Financial Statements.

(b) Deltona has furnished Topeka with a true, correct and complete copy of an unaudited Balance Sheet and Statement of Operations for the period ending December 31, 1984 and July 31, 1985 for each Utility Subsidiary. (Said financial statements are hereinafter collectively called "Utility Financial Statements".)

each of the balance sheets included in the Utility Financial statements (including any related Notes) fairly presents the assets and liabilities and financial position of the Utility subsidiary to which it relates as of its date and the other statements included in the Utility Financial Statements (including any related Notes) fairly present the results of operations, sources and uses of cash and changes in financial position, as the case may be, of the Utility Subsidiary to which they relate for the periods therein set forth (subject, in the case of the July 31, 1985 statements, to normal year-end audit adjustments consistent with previous years), in each case in accordance with generally accepted accounting principles consistently applied on the same basis as in prior years. At December 31, 1984 and July 31, 1985 no Utility Subsidiary had any material liability whether absolute, accrued, contingent or otherwise and whether due or to become due, which was not reflected or reserved against in the Utility Financial Statements.

1.6 Absence of Changes. Except as set forth in Deltona's Financial Statements or Utility Financial Statements, since June 30, 1985, in the case of Deltona and its consolidated Subsidiaries, and since July 31, 1985, in the case of the Utility Subsidiaries, neither Deltona and its consolidated Subsidiaries, nor any Utility Subsidiary has:

(a) undergone any change in its condition (financial or otherwise), properties, assets, liabilities, business, operations or prospects other than changes in the ordinary course of business

which have not been, either in any case or in the aggregate, materially adverse;

(b) declared, set aside, made or paid any dividend or other distribution in respect of its capital stock or purchased or redeemed, directly or indirectly, any shares of capital stock except (i) dividends paid by Deltona Utilities, Inc. pertaining to the quarter ending June 30, 1985 and (ii) payments made by Deltona Utilities, Inc. to Deltona pursuant to the terms of that certain Consolidated Income Tax Agreement dated December 1, 1984 ("Tax Agreement");

(c) issued or sold any shares of its capital stock of any class or any options, warrants, conversion, exchange or other rights to purchase any such shares or any securities convertible into or exchangeable for such shares, other than options granted and shares of Deltona Common Stock issued to employees upon exercise of options granted under Delton's Employee Option Plans;

(d) incurred any indebtedness for borrowed money or issued or sold any debt securities except for indebtedness for borrowed money incurred in connection with the purchase of property in the ordinary course of business;

(e) mortgaged, pledged or subjected to any lien, lease, security interest or other charge or encumbrance any of its properties or assets, tangible or intangible except purchase money security interests covering tangible personal property purchased in the ordinary course of business;

(f) acquired or disposed of any assets or properties of material value except in the ordinary course of business;

(g) forgiven or cancelled any debts or claims, or waived any rights except in the ordinary course of business;

(h) entered into any material transaction other than in the ordinary course of business;

(i) except for employment contracts with Frank E. Mackle, Jr., Frank E. Mackle III, Earle D. Cortright, Jr. and William I. Livingston, all of which expire on December 31, 1986, and letter agreements with other officers of Deltona, granted to any officer or salaried employee or any class of other employees any increase in compensation in any form, except merit increases consistent with prior practices and increases required by collective bargaining or other written agreements, or any severance or termination pay, or entered into any employment agreement with any officer or salaried employee that provides for annual direct remuneration in excess of \$40,000 or is not terminable by the employer, without cause and without penalty, upon notice of 30 days or less;

(j) adopted, or amended in any material respect, any collective bargaining, bonus, profit sharing, compensation, stock option, pension, retirement, deferred compensation or other plan, agreement, trust, fund or arrangement for the benefit of employees (whether or not legally binding);

(k) incurred any material liability or obligation (whether absolute, accrued, contingent or otherwise) except in the ordinary course of business;

(l) received any notice of termination of any contract, lease or other agreement or suffered any damage, destruction or loss (whether or not covered by insurance) which, in any case or in the aggregate, has had a material adverse affect on its condition (financial or otherwise), properties, assets, business or operations;

(m) made any change in accounting policies or practices, including any change in depreciation or amortization policies;

(n) suffered any strike or other labor trouble materially adversely affecting its business, operations or prospects;

(o) suffered any loss of employees or customers which has had a material adverse effect;

(p) made any capital expenditures or capital additions or improvements in excess of an aggregate of \$400,000 in the case of Deltona and its Consolidated Subsidiaries and \$400,000 in the case of the Utility Subsidiaries in the aggregate, of which amount approximately \$250,000 was the result of an inter-company transaction between Deltona and Deltona Utilities, Inc.; or

(q) entered into any agreement or made any commitment to take any of the types of action described in subparagraphs (a) through (p) above.

1.7 Taxes. Deltona and each Subsidiary has filed all federal, state, county, municipal and foreign tax returns, reports and declarations which are required to have been filed by it and has paid all taxes which have become due pursuant thereto and all other taxes, assessments and other governmental charges imposed by

law upon them or any of their properties, assets, income, receipts, payrolls, transactions, capital, net worth or franchises. Neither Deltona nor any Subsidiary has received any notice of deficiency or assessment of additional taxes. United States federal income tax returns for Deltona on a consolidated basis have been examined and closed by the Internal Revenue Service for all years through the year 1976. Neither Deltona nor any Subsidiary has granted any waiver of any statute of limitation with respect to, or any extension of a period for the assessment of, any federal, state, county, municipal or foreign income or franchise tax, except that Deltona has granted waivers of the statute of limitations with respect to federal income taxes for the years 1981 through September 30, 1986. The Internal Revenue Service has commenced an examination of Deltona's federal income tax returns for the years 1981 and 1982. The accruals and reserves for taxes reflected in Deltona's Financial Statements are adequate to cover all taxes due and payable or accruable (including interest and penalties, if any, thereon) in accordance with generally accepted accounting principles as a result of the operations of Deltona and its Subsidiaries for all periods prior to June 30, 1985.

1.8 Properties. On the date hereof, Deltona and its Subsidiaries have good and marketable title to all real properties and good and merchantable title to all tangible personal property reflected in Deltona's Financial Statements or the Utility



financial Statements as of December 31, 1984 or acquired after such date (except to the extent disposed of since such date in the ordinary course of business), in each case free and clear of all mortgages, deeds of trust, liens, charges, encumbrances, easements, security interests or title imperfections except Permitted Liens. "Permitted Liens" means (i) the mortgages, deeds of trust, security interests and other liens and encumbrances described on Exhibit 1 annexed hereto and made a part hereof, (ii) liens for current taxes not yet due and payable, (iii) covenants, easements and restrictions of record which do not materially detract from the value or interfere with the use of the properties affected thereby, and (iv) purchase money security interests incurred in the ordinary course of business after December 31, 1984. All structures and other improvements located on such real properties and all such tangible personal property are in good operating condition and repair, subject to ordinary wear and tear.

1.9 Contracts. Except as disclosed on Exhibit 2 annexed hereto and made a part hereof all parties to all contracts, leases and commitments to which Deltona and its Subsidiaries are parties, have performed in all material respects all obligations required to be performed by them to the date hereof and none of such agreements, contracts, leases and commitments is in default by any party thereto and no event or condition exists or has occurred which, after notice or lapse of time, or both, would constitute a material default thereunder. No agreement, contract, lease or

commitment to which Deltona or any Subsidiary is a party or by which any of them or any of their properties are bound materially adversely affects or in the future (so far as Deltona and the Utility Subsidiaries can now foresee) may materially adversely affect the condition, properties, assets, liabilities, business or operations of Deltona and its Subsidiaries on a consolidated basis or any Utility Subsidiary. Neither Deltona nor any Subsidiary has outstanding any power of attorney, except routine powers of attorney relating to representation before governmental agencies or given in connection with qualification to conduct business in another jurisdiction.

1.10 Patents, Trademarks, Etc. Deltona and its Subsidiaries have good title to all patents, trade and business names, trademarks, logos and copyrights which each purports to own, free and clear of all licenses, liens, charges or encumbrances. Deltona and each of its Subsidiaries, owns or possesses adequate rights to use, all patents, trade names, trademarks, copyrights, inventions, processes, designs, formulae, trade secrets, know-how, software (including source codes and object codes) and other industrial or intellectual property rights necessary for the conduct of their respective businesses, with no known conflict with or infringement of the rights of others. Deltona has no knowledge of any infringement by any third party of any patent, trade name, trademark or copyright owned by Deltona or any Subsidiary and neither Deltona nor any Subsidiary has taken or omitted to take any action which would have the effect of waiving any of its rights thereunder.

1.11 Litigation. Except as set forth on Exhibit 3 annexed hereto and made a part hereof, there are no judicial or administrative actions, suits, proceedings or investigations pending or threatened which might result in any material adverse change in the condition (financial or otherwise), properties, assets, business operations or prospects of Deltona or its Subsidiaries on a consolidated basis or any Utility Subsidiary or in any material liability on the part of Deltona or its Subsidiaries on a consolidated basis or any Utility Subsidiary. There are no citations, fines or penalties heretofore asserted against Deltona or its Subsidiaries under any federal, state or local law relating to air or water pollution or other environmental protection matters, or relating to occupational health or safety, which remain unpaid.

1.12 Accounts Receivable; Inventories. The accounts receivable of Deltona and its Subsidiaries reflected in the unaudited consolidated balance sheet as of June 30, 1985 contained in Deltona's Financial Statements (except those collected since such date) and such additional accounts receivable as are reflected on the books of Deltona and its Subsidiaries on the date hereof, are good and collectible except (i) to the extent reserved against thereon, and (ii) reserves for additional write-offs of receivables in an amount not to exceed \$2,500,000 through September 30, 1985 and additional write-offs for the period commencing October 1, 1985 through December 31, 1985 (made in accordance with prior practices) in an amount which cannot presently be determined, all of which receivables are, nevertheless, fully secured

by real estate. The inventories reflected in such balance sheet and held by Deltona and its Subsidiaries on the date hereof are in good, merchantable and usable condition and have been reflected on such balance sheet at the lower of cost or market in accordance with generally accepted accounting principles, and include no obsolete or discontinued items, except to the extent reserved against.

1.13 Interest in Property of Deltona and Deltona's Subsidiaries. No officer or director of Deltona or any of its Subsidiaries nor any holder of more than 5% of the outstanding shares of Deltona Common Stock, nor any employee of Deltona or any of its Subsidiaries, has any material interest in any material property, real or personal, tangible or intangible, including, without limitation, patents, trade secrets, know-how, copyrights, trademarks or trade names, used in or pertaining to the business of Deltona or any of its Subsidiaries, except that Deltona is indebted to The Mackle Company, Inc. in the principal amount of \$5,000,000 plus accrued interest, which indebtedness is secured by mortgages on various parcels of real property.

1.14 Labor Dispute. No work stoppage or other labor dispute in respect of Deltona or any of its Subsidiaries is pending or threatened, and no application for certification of a collective bargaining agent is pending or threatened.

1.15 ERISA. All "employee benefit plans" as defined in Section 3(3) of ERISA currently maintained by Deltona and its Subsidiaries comply in all material respects with the requirements

of ERISA. The present value of all employee benefits vested under all such plans maintained by Deltona and its Subsidiaries does not exceed the present value of the assets allocable to such vested benefits. Neither Deltona nor any Subsidiary has engaged in any "prohibited transaction" as such term is defined in Section 406 of ERISA or Section 4975 of the Internal Revenue Code of 1954, as amended, nor has Deltona or any Subsidiary incurred any liability to the Pension Benefit Guaranty Corporation with respect to any plan subject to ERISA.

1.16 Compliance with Laws; Governmental Authorizations.

Neither Deltona nor any Subsidiary is in violation or default in any respect material to any of them under any statute, law, ordinance, rule, regulation, judgment, order, decree, permit, concession, grant, franchise, license or other governmental authorization or approval applicable to any of them or any of their properties. All permits concessions, grants, franchises, licenses and other governmental authorizations and approvals necessary for the conduct of business of Deltona and each Subsidiary have been duly obtained and are in full force and effect, and there are no proceedings pending or threatened which may result in the revocation, cancellation or suspension, or any material adverse modification, of any thereof.

1.17 Licenses and Permits. All rights and benefits of Deltona and its Subsidiaries under all licenses and permits issued by any foreign, local, state or federal agency or instrumentality

relating to Deltona or its Subsidiaries will be unaffected by any of the transactions contemplated or permitted by this Agreement, the Series A Certificate of Designation, the Security Agreement required by Section 6.2 of Article VI, the Deltona Warrants or the Utility Subsidiary Warrants, and except for consents required by the Florida Public Service Commission and the Division of Florida Land Sales, Condominiums and Mobile Homes, no notices, consents or other actions are or will be required with respect to such licenses and permits by reason of the consummation of the transactions contemplated or permitted by this Agreement, the Series A Certificate of Designation, the Security Agreement, the Deltona Warrants or the Utility Subsidiary Warrants.

1.18 Deltona Stock. All shares of Series A and Deltona Common Stock at any time acquired by Topeka from Deltona as contemplated hereby, the Series A Certificate of Designation and the Deltona Warrants, will have been duly authorized, and all of such shares, when so issued, will have been legally and validly issued and outstanding and will be fully paid and nonassessable; no personal liability will attach to the holder of such shares under the laws of the State of Delaware by reason of being a shareholder; and no shareholder of Deltona or any other person will have any preemptive right in respect thereof.

1.19 Utility Subsidiaries Stock. All shares of Utility Common Stock at any time acquired by Topeka from any Utility Subsidiary as contemplated hereby and the Utility Subsidiary

warrants, will have been duly authorized, and all of such shares, when so issued, will have been legally and validly issued and outstanding and will be fully paid and nonassessable; no personal liability will attach to the holder of such shares under the laws of the State of Florida by reason of being a shareholder; and no shareholder of any Utility Subsidiary or any other person will have any preemptive right in respect thereof.

1.20 Section 341(f) Election. Neither Deltona nor any Utility Subsidiary has made an election under Section 341(f) of the Internal Revenue Code of 1954, as amended.

1.21 SEC Filings Complete. Deltona's most recent 10-K, as amended by Amendment No. 1 dated April 26, 1985, and all Form 8-K's and Form 10-Q's, filed by Deltona subsequent to the filing of its most recent 10-K and Deltona's most recent annual meeting proxy statement and most recent registration statement filed under the Securities Act of 1933 (the "1933 Act"), copies of which have been delivered to Topeka, were true in all material respects as of the time such document was filed and did not contain a misstatement of a material fact or an omission of a material fact required to be stated therein or necessary to make the statements therein not misleading as of the time such document was filed. Since the filing of the most recent Form 10-K, no other document has been required to be filed by Deltona with the SEC which has not been filed, and no event or transaction has occurred which will hereafter be required to be disclosed by Deltona in a Form 10-Q, Form 8-K or similar filing except as disclosed herein.



1.22 Absence of Certain Business Practices. Neither Deltona nor any Subsidiary, nor any other person acting on their behalf, has, directly or indirectly, within the past five years given or agreed to give any gift or similar benefit to any customer, supplier, governmental employee or other person who is or may be in a position to help or hinder the business of Deltona or any Subsidiary (or assist Deltona or any Deltona Subsidiary in connection with any actual or proposed transaction) which (i) might subject Deltona or any Subsidiary to any damage or penalty in any civil, criminal or governmental litigation or proceeding, (ii) if not given in the past, might have had an adverse affect on the assets, business or operations of Deltona or any Subsidiary as reflected in Deltona's Financial Statements or the Utility Financial Statements, or (iii) if not continued in the future, might adversely affect the assets, business, operations or prospects of Deltona or any Subsidiary or which might subject Deltona or any Subsidiary to suit or penalty in any private or governmental litigation or proceeding.

1.23 Disclosure. No representation or warranty by Deltona or any Utility Subsidiary contained in this Agreement or in any statement (including Deltona's Financial Statements, the Utility Financial Statements or any other financial statement), certificate or Schedule furnished or to be furnished by Deltona, any Utility Subsidiary or any officer of Deltona or any Utility



subsidiary to Topeka or its representatives in connection herewith or pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make the statements herein or therein contained not misleading or necessary in order to provide Topeka with adequate information as to the condition (financial and otherwise), properties, assets, liabilities, business and prospects of Deltona and its Subsidiaries on a consolidated basis and of each Utility Subsidiary, and Deltona and each Utility Subsidiary has disclosed to Topeka, in writing, all material adverse facts known to it relating to the same.

## ARTICLE II

### TOPEKA'S REPRESENTATIONS AND WARRANTIES

Topeka represents, warrants and agrees as follows:

2.1 Organization, Standing and Power of Topeka. Topeka is a corporation duly organized, validly existing and in good standing under the laws of the State of Minnesota, with its principal place of business and chief executive office located at 30 West Superior Street, Duluth, Minnesota.

2.2 Authority for Agreement. Topeka has the corporate power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated

hereby have been duly authorized by Topeka's Board of Directors and this Agreement constitutes a valid and legally binding obligation of Topeka enforceable in accordance with its terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in any violation of or default under any provision of the Articles of Incorporation or Bylaws of Topeka, or any mortgage, deed of trust, indenture, lease, agreement or other instrument, permit, concession, grant, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Topeka or any properties or assets of Topeka. No consent, approval, order or authorization of, or registration, declaration or filing with any governmental authority is required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby by Topeka except for the filing with the Federal Trade Commission and the Department of Justice of the United States of such reports and information with respect to the transactions contemplated hereby as are required by the Hart-Scott-Rodino Act and necessary SEC filings under Section 13 of the Securities and Exchange Act of 1934 ("1934 Act").

2.3 Investment. Topeka represents and warrants that all securities acquired by it pursuant hereto will be acquired for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof and Topeka represents and warrants that it will not sell, transfer or otherwise dispose

of any of such securities unless either (i) a registration statement under the 1933 Act, as amended, covering such securities has become effective; or (ii) Deltona, or any issuing Utility Subsidiary, has received the opinion of Briggs and Morgan, Professional Association or other counsel acceptable to it that the proposed offer, sale, transfer or other disposition of any of such securities is exempt from the registration provisions of the 1933 Act and any applicable blue sky laws.

2.4 Legend; Etc. Topeka consents and agrees that all securities issued pursuant hereto shall contain a legend on the face thereof substantially as follows:

"The shares represented by this certificate have not been registered under the Securities Act of 1933 or the blue sky laws of any state and may not be sold, transferred or disposed of except pursuant to (i) an effective registration statement; or (ii) an opinion of counsel that registration under the Securities Act of 1933 and any applicable blue sky law is not required."

Topeka further consents and agrees that Deltona and any Utility Subsidiary may take such other action as it reasonably deems appropriate to prevent any violation of the 1933 Act or any blue sky laws in connection with the transfer of the securities, including the imposition of "stop transfer" restrictions.

### ARTICLE III

#### PURCHASE AND SALE OF SECURITIES

In reliance upon the representations, warranties, covenants, undertakings and agreements of the parties, and subject to the terms and conditions herein stated:

3.1 Purchase of Cumulative Preferred Stock. On the Series A Closing Date (as hereinafter defined) Topeka shall purchase and pay for and Deltona shall sell, issue and deliver to Topeka Four Million (4,000,000) shares of Deltona's Series A, which shares shall have such relative rights, preferences and restrictions as are set forth in the Series A Certificate of Designation with respect to Deltona's Series A filed with the Delaware Secretary of State, which Series A Certificate of Designation shall be substantially in the form of Exhibit 4 annexed hereto and made a part hereof.

3.2 Purchase of Deltona Common Stock. At its next annual meeting of stockholders, Deltona shall seek stockholder approval to sell and issue \$1,500,000 of Deltona Common Stock to Topeka. On the Common Stock Closing Date (as hereinafter defined) Topeka shall purchase and pay for and Deltona shall sell, issue and deliver to Topeka the number of shares of Deltona's Common Stock equal to the quotient determined by dividing \$1,500,000 by the "Per Share Book Value of Deltona's Common Stock" (as hereinafter defined).

3.3 Option to Purchase Additional Series A.

(a) For a period of one year from the Series A Closing Date ("Series A Option Period") Topeka shall have the right and option ("Series A Option") to purchase and acquire from Deltona up to 545,000 additional shares of Series A.

(b) The Series A Option shall be exercisable by Topeka at any time prior to the next business day immediately following

the anniversary date of the Series A Closing Date by notice in writing, by registered or certified mail, return receipt requested, to Deltona, which notice shall specify the date and time of closing. The Series A Option shall be deemed exercised for all purposes when the notice of exercise is deposited in the United States mail and the date of postmark on the receipt for such certified or registered mail article shall be deemed conclusively to be the date of exercise.

(c) Notwithstanding any provision hereof to the contrary if any action, including any administrative proceeding, is commenced against Topeka or Deltona challenging or investigating this Agreement or the transactions contemplated hereby the Series A Option Period (if any such suit or proceeding shall be commenced prior to the exercise of the Series A Option) or the Series A Closing Date (if any such suit or proceeding shall be commenced after the exercise of the Series A Option, but before the Series A Option Closing Date), as the case may be, shall be extended until any such suit or proceeding has been finally concluded. For all of the purposes hereof, any such suit or proceeding shall be deemed to be concluded after a Stipulation of Dismissal with Prejudice has been filed or a final order or judgment has been entered from which no appeal has been or can be taken. If the consummation of the transaction contemplated by this Section 3.3 of Article III is prohibited or, if not prohibited would, in the judgment of Topeka arrived at in the sole discretion of Topeka,

adversely affect Topeka as the result of any final order or judgment, Topeka's obligation to purchase additional Series A shall be cancelled, whether or not the Series A Option has been exercised, and neither party shall have any further right or obligation to the other in connection therewith.

(d) If Topeka does not exercise the Series A Option in the manner hereinabove set forth within the Series A Option Period, the Series A Option shall become null and void and neither Topeka nor Deltona shall have any further liability or obligation to the other under this Section 3.3 of Article III.

#### 3.4 Purchase Price.

(a) The purchase price for the shares of Series A purchased and sold pursuant to Section 3.1 of this Article III shall be \$5.50 per share, amounting in the aggregate to Twenty-two Million (\$22,000,000) Dollars payable, at the election of Topeka as follows: (i) in immediately available funds on the Series A Closing Date, or (ii) the sum of Four Million (\$4,000,000) Dollars in immediately available funds on the Series A Closing Date and the balance of Eighteen Million (\$18,000,000) Dollars in accordance with the terms of a promissory note (Topeka Note) in substantially the form of Exhibit 5 annexed hereto and made a part hereof.

(b) The purchase price for each share of Deltona Common Stock purchased and sold pursuant to Section 3.2 of this Article III shall be the Per Share Book Value of Deltona's Common Stock at

the close of business on the calendar quarter immediately preceding the Common Stock Closing Date. The Per Share Book Value of Deltona's Common Stock shall be as determined ("Determination") by Deloitte, Haskins & Sells, on a fully diluted basis (except that Deltona Common Stock issuable to Topeka upon exercise of the Deltona Warrants then held by it shall be disregarded), in accordance with generally accepted accounting principles consistent with those employed in the preparation of Deltona's Financial Statements for the period ending December 31, 1984. In determining such Per Share Book Value of Deltona's Common Stock (i) said accountants shall exclude from capital and surplus an amount equal to the purchase price for shares of Series A purchased by Topeka pursuant to Sections 3.1 and 3.3 of this Article III, any accrued unpaid dividends thereon, and any accrued interest on unpaid dividends, and (ii) shares held in treasury shall not be considered issued and outstanding. Such Determination of Per Share Book Value of Deltona's Common Stock shall become final thirty (30) days after delivery of the Determination to Topeka unless within said 30-day period Topeka shall notify Deltona, in writing, of any objections it may have thereto and its reasons therefor. Deltona and Topeka shall negotiate in good faith to resolve to their mutual satisfaction any exceptions taken by Topeka to the Determination. If the parties are unable to resolve any of such objections, Topeka and Deltona shall select a Big 8 accounting firm which has no association with Topeka, Deltona, any Subsidiary

or any of their affiliates to determine the Per Share Book Value of Deltona's Common Stock in accordance herewith and Deltona shall cooperate with whichever of such firms so acts and shall make available to it whatever information it requests. Such accounting firm shall make its determination in writing within sixty (60) days of its acceptance of its engagement and such determination shall be binding on the parties and enforceable in any court. Topeka and Deltona agree that on December 31, 1984 the Per Share Book Value of the Deltona Common Stock on a fully diluted basis was \$3.31 per share. The aggregate purchase price \$1.5 Million (\$1,500,000) Dollars, shall be payable in immediately available funds on the Common Stock Closing Date.

(c) The purchase price for the shares of Series A purchased and sold upon the exercise of the Series A Option shall be \$5.50 per share payable in immediately available funds on the Series A Option Closing Date.

3.5 Warrants. To induce Topeka to enter into this Agreement and as additional consideration therefore:

(a) On the Series A Closing Date Deltona agrees to issue and deliver to Topeka a Deltona Warrant to purchase shares of Deltona Common Stock. The Deltona Warrant shall be substantially in the form of Exhibit 6 annexed hereto and made a part hereof.

(b) On the Series A Closing Date each Utility Subsidiary shall issue and deliver to Topeka, and Deltona will cause each



Utility Subsidiary to issue and deliver to Topeka, a Utility Subsidiary Warrant to purchase 10,000 shares of Utility Common Stock from each such Utility Subsidiary. Each Utility Subsidiary Warrant shall be substantially in the form of Exhibit 7 annexed hereto and made a part hereof.

#### ARTICLE IV

##### CLOSING DATES

4.1 Series A Closing Date. The closing of the purchase and sale of the 4,000,000 shares of Series A pursuant to Section 3.1 of Article III shall take place at the offices of Briggs and Morgan, Professional Association, 2200 First National Bank Building, Saint Paul, Minnesota 55101, on November 7, 1985 at 10:30 A.M. or at such other place or such earlier or later date and time as the parties may agree upon, which date and time as the same may be changed, is herein called the Series A Closing Date.

4.2 Common Stock Closing Date. The closing of the purchase and sale of Deltona Common Stock pursuant to Section 3.2 of Article III shall take place at the offices of Deltona at 10:30 A.M., not more than thirty (30) days after the later of (i) the date of the meeting of Deltona stockholders at which such sale was authorized or (ii) the date on which the Per Share Book Value of Deltona's Common Stock is determined in accordance with Section 3.4(b) of Article III, but on not less than five business days prior written notice given by either party hereto. Said date as

so determined or such earlier or later date and time as the parties may agree upon is herein called the Common Stock Closing Date.

4.3 Series A Option Closing Date. The closing of the purchase and sale of up to 545,000 shares of Series A pursuant to Section 3.3 of Article III shall take place at the offices of Deltona on the date and at the time specified in the notice of exercise of option given pursuant to Section 3.3(b) of Article III, which date shall not be more than thirty (30) or less than ten (10) days after the date of the notice of exercise of the Series A Option, or at such other place or such earlier or later date and time as the parties may agree upon, which date and time, as the same may be changed, is herein called the Series A Option Closing Date.

## ARTICLE V

### COVENANTS OF DELTONA AND EACH UTILITY SUBSIDIARY

5.1 Conduct of Business. Except as otherwise consented to in writing by Topeka, for the period beginning on the date hereof and, if the Series A Closing occurs, ending on the next business day immediately following the fourth anniversary date of the Series A Closing Date, Deltona and each Utility Subsidiary will, and Deltona will cause each of its Subsidiaries to:

(a) carry on its business in, and only in, the usual, regular and ordinary course except that Deltona will use its best

efforts to reduce its current level of operations to a level which will enable Deltona to operate at a profit;

(b) maintain all of its material structures, equipment and other tangible personal property in good repair, order and condition, except for depletion, depreciation, ordinary wear and tear and damage by unavoidable casualty;

(c) keep in full force and effect insurance comparable in amount and scope of coverage to insurance now carried by it;

(d) perform in all material respects all of its obligations under agreements, contracts and instruments relating to or affecting its properties, assets and business;

(e) maintain its books of account and records in the usual, regular and ordinary manner;

(f) use their best efforts to maximize the profits of both their real estate development business and utilities business;

(g) comply in all material respects with all statutes, laws, ordinances, rules and regulations applicable to it and to the conduct of its business;

(h) not enter into or embark upon any project which has not been approved by the unanimous affirmative vote of the members of the New Projects Committee of the Board of Directors, which committee shall include at least one of the person(s) appointed to the Deltona Board of Directors at the Series A Closing Date, or their successors in office;

(i) not amend its Certificate or Articles of Incorporation or By-Laws;

(j) subject to the qualifications set forth in Section 5.1(a), not enter into or assume any agreement, contract or commitment of any kind, except in the ordinary course of business, except that without the prior written consent of Topeka, no Utility Subsidiary will incur any additional long term indebtedness or issue any debt or equity securities, whether or not in the ordinary course of business;

(k) not merge or consolidate with, or agree to merge or consolidate with, or purchase substantially all of the assets of, or otherwise acquire any business or any corporation, partnership, association or other business organization or division thereof or sell all or substantially all or any material part of the assets of any Utility Subsidiary;

(l) promptly advise Topeka, in writing, of any material adverse change in the operations or business of Deltona and its Subsidiaries on a consolidated basis and of any Utility Subsidiary.

5.2 Conduct of Business; Cont. Except as otherwise consented to in writing by Topeka, for the period beginning on the date hereof and, if the Series A Closing occurs, ending on the next business day immediately following the fourth anniversary date of the Series A Closing Date:

(a) no Utility Subsidiary will enter into any transaction, including without limitation, the purchase, sale or exchange of property with, or the rendering of any service to Deltona or any other Subsidiary except in the ordinary course of and pursuant to the reasonable requirements of the business of such Utility Subsidiary and upon fair and reasonable terms no less favorable to the Utility Subsidiary than would obtain in a comparable arm's-length transaction with an unrelated third party;

(b) no Utility Subsidiary will declare, set aside, make or pay any dividend or other distribution in respect of its capital stock or purchase or redeem, directly or indirectly, any shares of capital stock except that (i) Deltona Utilities, Inc. may continue to make payments to Deltona pursuant to the Tax Agreement and (ii) the Utility Subsidiaries may pay dividends of not to exceed \$200,000 to Deltona out of their 1986 earnings so long as immediately following the payment of any such dividends the aggregate Stockholders' Equity of all of the Utility Subsidiaries is not less than 110% of the then Liquidation Preferences (as provided in the Series A Certificate of Designation) of all of the shares of Series A; (the aggregate Stockholders' Equity of all of the Utility Subsidiaries shall be the aggregate amount of all of the assets of the Utility Subsidiaries which may properly be classified as such, other than assets which properly should be classified as intangible assets, less all reserves which are properly treated as deductions from assets (including Contributions in Aid

of Construction) and the aggregate indebtedness of the Utility Subsidiaries, all as determined in accordance with generally accepted accounting principles consistently applied on the same basis as in prior years; provided, however, that for the purposes hereof, outstanding preferred stock shall be considered indebtedness); and

(c) Deltona will continue to own all of the issued and outstanding capital stock of each Utility Subsidiary.

### 5.3 Stockholder Approval and Stock Exchange Requirements.

Deltona shall, through its Board of Directors, recommend to its stockholders the approval of the issuance of Deltona Common Stock upon the exercise of the Deltona Warrant and following such approval Deltona shall prepare and file appropriate applications for listing upon notice of issuance of such additional shares of Deltona Common Stock as may be issued pursuant to the Deltona Warrant on the New York Stock Exchange, the Pacific Stock Exchange and any other exchange on which Deltona's Common Stock is listed and otherwise to do and perform all necessary things to effect the listing of such shares of Deltona Common Stock on said exchanges and provide notice to Topeka of the obtaining of such listing.

5.4 Authorized Capital. Deltona and each Utility Subsidiary will at all times maintain sufficient authorized but unissued shares of Deltona Common Stock, Utility Common Stock and Series A to enable each of them to issue shares of Deltona Common Stock, Utility Common Stock and Series A pursuant hereto and pursuant to the Deltona Warrants and the Utility Subsidiary Warrants issued and to be issued to Topeka pursuant hereto.

5.5 Access and Information. During the period beginning on the date hereof and ending on the date that Deltona and the Utility Subsidiaries have no further obligations to Topeka under this Agreement, the Series A Certificate of Designation, the Security Agreement, the Deltona Warrant or the Utility Subsidiary Warrants, Deltona and each Utility Subsidiary shall give Topeka and its representatives (including its attorneys and accountants) full access to the properties, books, records, contracts and commitments of Deltona and its Subsidiaries and will furnish all such information and documents relating to the properties and business of Deltona and its Subsidiaries as Topeka may reasonably request.

5.6 Escrow. On the Series A Closing Date each Utility Subsidiary shall deliver a certificate in the name of Topeka representing 10,000 shares of its common stock, duly signed by their appropriate corporate officers, to escrow agents, pursuant to the terms of Escrow Agreements satisfactory to Topeka.

5.7 Contributions to Capital of the Utility Subsidiaries. Deltona shall make a contribution to the capital of the Utility Subsidiaries by converting to equity the outstanding indebtedness of the Utility Subsidiaries to Deltona (approximately \$5,000,000 as of June 30, 1985).

## ARTICLE VI

### GUARANTY AND SECURITY

6.1 Guaranty. Deltona does hereby unconditionally guarantee the prompt performance when due, whether by acceleration or otherwise, of all obligations of each Utility Subsidiary to Topeka under this Agreement and under each Utility Subsidiary Warrant. This guaranty is an absolute and completed one and shall be a continuing one. Deltona hereby expressly waives notice of acceptance of this guaranty.

6.2 Security. As collateral security for its obligations to Topeka under this Agreement, including its guaranty of the obligations of its Utility Subsidiaries, Deltona agrees that on the Series A Closing Date it will grant Topeka a security interest in all of the issued and outstanding capital stock of the Utility Subsidiaries pursuant to a Security Agreement substantially in the form of Exhibit 8 attached hereto and made a part hereof.

## ARTICLE VII

### CONDITIONS PRECEDENT TO TOPEKA'S OBLIGATIONS

The obligations of Topeka under this Agreement are subject to the satisfaction, at or before each of the Series A Closing Date, the Common Stock Closing Date and the Series A Option Closing Date of all of the following conditions precedent unless waived in writing by Topeka.



7.1 General Conditions Precedent to Topeka's Obligations.

(a) All representations and warranties contained in this Agreement or in any statement, Exhibit, certificate or document at any time delivered by Deltona or any Utility Subsidiary under this Agreement or in connection with the transactions contemplated hereby (including Deltona's Financial Statements, the Utility Financial Statements and any other financial statements) shall be true and correct on and as of the date when made and at all times prior to each such Closing Date, shall be deemed to be made again on each such Closing Date, and shall then be true and correct in all material respects.

(b) Deltona and each Utility Subsidiary shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with on or before each such Closing Date.

(c) Since the date of this Agreement there shall not have been any material adverse change in the conditions (financial or otherwise), business, properties, assets or prospects of Deltona and its Subsidiaries on a consolidated basis or of any Utility Subsidiary.

(d) Deltona and each Utility Subsidiary shall have delivered to Topeka a certificate, dated as of each such Closing Date, signed by the President and Treasurer, in the case of Deltona, and by the Vice President and Treasurer, in the case of the Utility Subsidiaries, in their individual capacities as well as in their representative capacities, in form and substance

satisfactory to Topeka, certifying to the fulfillment of the conditions set forth in Sections 7.1(a), (b) and (c) of this Article VII.

(e) The accountants for Topeka shall not have advised Topeka prior to any such Closing Date of any matters disclosed by their review of the Deltona Financial Statements, the Utility Financial Statements or any other financial statements delivered to Topeka or the books and records of Deltona or its Subsidiaries which would indicate that Deltona's Financial Statements, the Utility Financial Statements or any other financial statements delivered to Topeka or the books and records of Deltona or its Subsidiaries do not present fairly the financial condition and the results of operation of Deltona or its Subsidiaries to which the Deltona Financial Statements, Utility Financial Statements, other financial statements and such books and records refer as of the date thereof in accordance with generally accepted accounting principles consistently applied on the same basis as in prior years.

(f) None of the transactions contemplated hereby shall have been enjoined by any court or by any federal or state governmental branch, agency, commission or regulatory authority and, except for the case of Empire of Carolina, Inc. v. Mackle, et al., No. 85-3254-Civ-Marcus (S.D. Fla.) no suit or other proceeding challenging the transactions contemplated hereby to be closed on any such Closing Date shall have been threatened or instituted and no investigative or other demand shall have been made by any

federal or state governmental branch, agency, commission or regulatory authority.

(g) Neither Deltona nor Topeka shall have received any notification under the Hart-Scott-Rodino Act (including, without limitation, any injunction issued pursuant thereto) to the effect that either the Federal Trade Commission or the Department of Justice has an objection to the parties proceeding to close the transactions intended to be closed on any such Closing Date. Deltona acknowledges that the transactions contemplated by this Agreement are subject to the Hart-Scott-Rodino Act and agrees to make all necessary filings in connection with each of the transactions contemplated hereby and cooperate in all investigations commenced thereunder. In the event the time limitation imposed by the Hart-Scott-Rodino Act has not expired by, or any such notification has not been lifted or removed by, the close of business on December 31, 1985, then this condition shall be deemed not to have been fulfilled.

(n) All documents required to be delivered to Topeka at or prior to each such Closing Date shall have been delivered.

(i) Deltona shall have obtained written consents and waivers from Citibank, N.A., Citicorp Real Estate Inc., Chemical Bank, Fleet National Bank, NCB National Bank of Florida ("Lenders"), The Equitable Life Assurance Society of the United States, Aetna Life Insurance Company, The Aetna Casualty and Surety Company, Continental Assurance Company and The Mutual

Benefit Life Insurance Company ("Bondholders") in form and substance satisfactory to Topeka to the effect, among other things, that each such Lender and Bondholder consents to this Agreement and all of the transactions contemplated hereby (including the pledge of stock of the Utility Subsidiaries to Topeka) and by the Series A Certificate of Designation, and further that Deltona shall not be required to use any portion of the proceeds to be received by Deltona from Topeka pursuant hereto for the purpose of reducing the principal amount of indebtedness owed to Lenders or to retire or redeem any bonds owned by the Bondholders. Copies of such consents shall be delivered to Topeka on the Series A Closing Date.

(j) Deltona shall have received a nine (9) month extension of its indebtedness to The Mackle Company, Inc. in form and substance satisfactory to Topeka. Such extension shall include the undertaking of The Mackle Company, Inc. to the effect that upon Deltona's obtaining specific project financing, The Mackle Company, Inc. will release the real estate pertaining to any such project upon receipt of partial payment.

(k) The person(s) designated by Topeka shall have been appointed to Deltona's Board of Directors.

(l) All outstanding indebtedness of the Utility Subsidiaries to Deltona (approximately \$6,000,000) shall have been converted to equity as Deltona's contribution to the capital of the Utility Subsidiaries.

(m) No Change of Control of Deltona shall have occurred or shall be alleged to have occurred (for all of the purposes of this Section 7.1(m) of this Article VII a "Change in the Control of the Corporation" shall be deemed to have occurred or shall be alleged to have occurred if (a) any "person" [as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")], group of "persons," or persons acting in concert with one another, other than the holders of the Series A becomes or become, or claims or claim to have become, the "beneficial owner" [as defined in Rule 13d-3 promulgated under the Exchange Act], individually or in the aggregate, directly or indirectly, of securities of the Corporation representing fifty percent (50%), or more of the combined voting power of Deltona's then outstanding securities or (b) if at any time prior to the Series A Closing Date individuals who on October 1, 1985 constituted the Board of Directors of Deltona cease to constitute or are alleged by any third party to cease to constitute less than a majority thereof.

(n) Topeka shall have received a favorable opinion, addressed to it and dated the date of such Closing Date from William I. Livingston, Esq., Miami, Florida, counsel for Deltona, satisfactory in substance and form to Topeka and its counsel, to the effect that (i) Deltona and each Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has all requisite corporate power and authority to own and lease its properties and

to carry on its business as presently conducted, and to enter into this Agreement, and consummate the transactions contemplated hereby; (ii) the authorized and outstanding capital stock of Deltona and Deltona's Utility Subsidiaries is as stated in such opinion (which statement shall be consistent with the representations, warranties and agreements of Deltona and the Utility Subsidiaries herein), and all outstanding shares of such capital stock are duly authorized, validly issued, fully paid and nonassessable; (iii) this Agreement, the Escrow Agreements (and in the case of Deltona, the Security Agreement) have been duly authorized by all necessary corporate action on the part of Deltona and the Utility Subsidiaries, and constitute valid and legally binding obligations of Deltona and the Utility Subsidiaries enforceable in accordance with their respective terms; (iv) the Series A Certificate of Designation has been duly authorized and adopted by all necessary corporate action on the part of Deltona and its directors, has been duly executed by the appropriate officers of Deltona, has been filed in the office of the Delaware Secretary of State and is effective and constitutes a valid and legally binding obligation of Deltona in accordance with its terms; (v) with the exceptions set forth in Section 1.4 of Article I, no order, authorization, consent or approval of, or registration, declaration or filing with any governmental authority is required in connection with the consummation by Deltona or the Utility Subsidiaries of any of the transactions contemplated by this Agreement, the Series

A Certificate of Designation, Security Agreement, the Deltona Warrants or the Utility Subsidiary Warrants; (vi) the execution, delivery and performance of this Agreement by Deltona and the Utility Subsidiaries and the consummation by Deltona and the Utility Subsidiaries of the transactions contemplated by this Agreement, the Series A Certificate of Designation, Security Agreement, Escrow Agreements, the Deltona Warrant and the Utility Subsidiary Warrants will not constitute a breach or violation of or default under the Articles or Certificate of Incorporation or Bylaws of Deltona or any Utility Subsidiary or under any indenture, mortgage, deed of trust, lease or other material agreement or instrument, known to such counsel, to which Deltona or any of its Subsidiaries is a party or by which it or their properties are bound, or that appropriate consents or waivers have been obtained, or under any judgment, decree or order known to such counsel applicable to Deltona or its Subsidiaries or their property; (vii) the securities being acquired by Topeka have been duly authorized and when certificates and warrants have been executed and delivered to Topeka in connection with the transactions contemplated hereby on the respective Closing Dates, such securities will have been legally and validly issued and will be fully paid and nonassessable, and no personal liability will attach to the holder of such securities under the laws of the State of Delaware, Florida or any other state by reason of being such holder, none of such securities were issued in violation of the preemptive rights of any stockholder of Deltona or any Utility

Subsidiary, all necessary tax or other stock transfer stamps have been affixed to such securities and all taxes due and payable on account of the issuance thereof have been paid, and (A) with respect to the shares of Series A to be issued on the Series A Closing Date, such shares have all of the rights, preferences, etc. set forth in the Series A Certificate of Designation, (B) with respect to the Common Stock to be issued on the Common Stock Closing Date, the shares of such Common Stock have been authorized for listing on the New York Stock Exchange and the Pacific Stock Exchange, upon official notice of issuance, and (C) with respect to the Deltona Warrant and Utility Subsidiary Warrants, that all such warrants when issued will have been duly authorized by all necessary corporate action on the part of the issuing corporation and constitute a valid and legally binding obligation of the issuing corporation enforceable in accordance with their respective terms; (viii) to the best of such counsel's knowledge and after due inquiry such counsel knows of no judicial or administrative actions, suits, proceedings or investigations pending against Deltona or any of its Subsidiaries except for those described in the Exhibits hereto; (ix) except as set forth in the Exhibits hereto, to the knowledge of such counsel there are no outstanding securities, notes, subscriptions, options, warrants or other agreements or commitments obligating Deltona or any of its Subsidiaries to issue any shares of stock or securities convertible into shares of stock; and (x) to such further effect with



respect to other legal matters relating to this Agreement and the transactions herein contemplated as Topeka's counsel may reasonably request.

7.2 Additional Conditions Precedent With Respect to the Series A Closing Date.

(a) Topeka shall have been supplied with a certified copy of the resolutions of the Board of Directors of Deltona approving this Agreement and approving and adopting the Series A Certificate of Designation.

(b) Deltona shall have delivered to Topeka the Security Agreement in the form of Exhibit 8 together with the securities of the Utility Subsidiaries pledged to Topeka pursuant to said Security Agreement.

7.3 Additional Conditions Precedent With Respect to the Common Stock Closing Date.

(a) The transactions intended to be consummated on the Series A Closing Date shall have been consummated.

(b) Topeka shall have been supplied with a certified copy of the resolution of Deltona's shareholders authorizing the issuance to Topeka of \$1,500,000 of Common Stock.

(c) The Common Stock to be issued on the Common Stock Closing Date shall have been authorized for listing on the New York Stock Exchange and the Pacific Stock Exchange, upon official notice of issuance.

7.4 Additional Conditions Precedent With Respect to the Series A Option Closing Date. The transactions intended to have been consummated on the Series A Closing Date shall have been consummated.

#### ARTICLE VIII

##### CONDITIONS PRECEDENT TO THE OBLIGATIONS OF DELTONA AND THE UTILITY SUBSIDIARIES TO CLOSE

The obligations of Deltona and the Utility Subsidiaries under this Agreement are subject to the satisfaction, at or before each of the Series A Closing Date, Common Stock Closing Date and Series A Option Closing Date of all of the following conditions precedent unless waived by Deltona and the Utility Subsidiaries.

##### 8.1 General Conditions to the Obligations of Deltona and the Utility Subsidiaries.

(a) All representations and warranties contained in this Agreement or in any written statement at any time delivered by Topeka under this Agreement or in connection with the transactions contemplated hereby shall be true and correct on and as of the date when made and at all times prior to each such Closing Date, shall be deemed to be made again on each such Closing Date, and shall then be true and correct in all material respects.

(b) Topeka shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with on or before each such Closing Date.

(c) Topeka shall have delivered to Deltona a certificate, dated as of each such Closing Date, signed by Topeka's Chairman and Treasurer, in their individual capacities as well as in their representative capacities, in form and substance satisfactory to Deltona, certifying to the fulfillment of the conditions set forth in Sections 8.1(a), and (b) of this Article VIII.

(d) The transaction contemplated hereby to be closed on any such Closing Date shall not have been enjoined by any court or by any federal or state governmental branch, agency, commission or regulatory authority and, except for the case of Empire of Carolina, Inc. v. Mackle, et al., No. 85-3254-Civ-Marcus (S.D. Fla.), no suit or other proceeding challenging the transactions contemplated hereby to be closed on any such Closing Date shall have been threatened or instituted and no investigative or other demand shall have been made by any federal or state governmental branch, agency, commission or regulatory authority.

(e) Neither Deltona nor Topeka shall have received any notification under the Hart-Scott-Rodino Act (including, without limitation, any injunction issued pursuant thereto) to the effect that either the Federal Trade Commission or the Department of Justice has an objection to the parties proceeding to close the transactions intended to be closed on any such Closing Date. Topeka acknowledges that the transactions contemplated by this Agreement are subject to the Hart-Scott-Rodino Act and agrees to make all necessary filings in connection with each of the transactions contemplated hereby and cooperate in all investigations

commenced thereunder. In the event the time limitation imposed by the Hart-Scott-Rodino Act has not expired by, or any such notification has not been lifted or removed by, the close of business on December 31, 1985, then this condition shall be deemed not to have been fulfilled.

(f) Deltona and the Utility Subsidiaries shall have received a favorable opinion, addressed to it and dated the date of each such Closing Date from James R. Habicht, Esq., counsel for Topeka, satisfactory in substance and form to Deltona, the Utility Subsidiaries and their counsel, to the effect that: (i) Topeka is a corporation duly organized, validly existing and in good standing under the laws of Minnesota and has all requisite corporate power and authority to own and lease its properties and to carry on its business as presently conducted, and to enter into this Agreement, and consummate the transactions contemplated hereby; (ii) this Agreement has been duly authorized by all necessary corporate action on the part of Topeka and constitutes a valid and legally binding obligation of Topeka enforceable in accordance with its terms; (iii) the Topeka Note constitutes a valid and legally binding obligation of Topeka enforceable in accordance with its terms; (iv) with the exceptions set forth in Section 2.2 of Article II, no order, authorization, consent or approval of, or registration, declaration or filing with any governmental authority is required in connection with the consummation by Topeka of

the transactions contemplated by this Agreement; (v) the execution, delivery and performance of this Agreement by Topeka and the consummation by Topeka of the transactions contemplated hereby will not constitute a breach or violation of or default under the certificate of incorporation or bylaws of Topeka under any indenture, mortgage, deed of trust, lease or other material agreement or instrument, known to such counsel, to which Topeka is a party or by which it or its properties are bound, or under any judgment, decree or order known to such counsel applicable to Topeka or its property; and (vi) to such further effect with respect to other legal matters relating to this Agreement and the transactions herein contemplated as Deltona's counsel may reasonably request.

8.2 Additional Condition Precedent With Respect to the Common Stock Closing Date and Series A Option Closing Date. The transactions intended to have been consummated on the Series A Closing Date shall have been consummated.

## ARTICLE IX

### REGISTRATION RIGHTS

9.1 Initiation of Registration. At any time after the Series A Closing Date and prior to five years from the Series A Closing Date Topeka may, if at the time Topeka owns 200,000 or more shares of Common Stock, request Deltona to register under the 1933 Act no less than that number of shares of Common Stock for

public sale. Deltona will use its best efforts to file promptly, or in any event within 120 days from such initial request, an appropriate registration statement covering Topeka's shares of Common Stock requested to be registered and to cause such registration statement to become effective under the 1933 Act, subject to the following: (i) Deltona shall have no obligation to effect more than one such registration; (ii) Deltona shall have no obligation to file a registration statement during negotiations for the acquisition of a company which would be a significant subsidiary as defined in Regulation S-X under the Act; (iii) for a period of not more than 90 days from the effective date of any registration statement filed by Deltona, a request for registration made pursuant hereto shall, at Deltona's option, be deferred until the expiration of such 90-day period; and (iv) in lieu of making any registration required by the terms of this Section 9.1 of Article IX Deltona may purchase all of Topeka's shares to be registered hereunder at the closing market price of such shares on the New York Stock Exchange on the date of such request, unless, in the opinion of Topeka such sale to Deltona rather than to the public would have material adverse tax or other economic consequences to it.

9.2 Piggy-Back Registration. In the event that Deltona shall, after the Series A Closing Date and prior to seven years from the Series A Closing Date prepare and file a Registration

statement with the SEC under the 1933 Act, covering shares of Common Stock to be sold to underwriters for a public offering, Deltona shall give written notice of such registration to Topeka and will use its best efforts to include under such Registration statement any shares of Common Stock Topeka requested within 20 days after receipt of such notice by Topeka to be included thereunder and to cause such underwriters to offer to buy Topeka's shares of Common Stock at the same price and upon substantially the same terms and conditions as the other shares of Common Stock of Deltona being sold to such underwriters, and Topeka shall accept such offer as a condition precedent to having its shares included under such Registration Statement.

9.3 Procedures. In effecting any registration referred to in this Article IX, Deltona shall prepare and file with the SEC such amendments and supplements to such Registration Statement as may be necessary to effect the disposition of all Topeka's shares of Common Stock covered by such Registration Statement but in no event for a period in excess of 120 days from the effective date of such Registration Statement. Deltona shall furnish to Topeka a copy of such Registration Statement and of each amendment and supplement thereto and such number of copies of the prospectus comprised in such Registration Statement (including each preliminary prospectus), and such other documents, as Topeka may reasonably request in order to facilitate the disposition as described in the

Registration Statement of shares of Common Stock owned by Topeka, and Deltona will use its best efforts to register or qualify such shares of Common Stock covered by such Registration Statement under such other securities or blue sky laws of such jurisdictions in the United States as Topeka may reasonably request.

9.4 Expenses. All expenses incident to Deltona's performance of, or compliance with this Article IX, including without limitation, all federal and state registration and filing fees, insurance premiums, fees and expenses of complying with securities or blue sky laws, printing expenses and fees and disbursements of counsel for Deltona and of independent public accountants (but excluding underwriting commissions and discounts and fees and expenses of counsel or accountants for Topeka) shall be borne by Deltona.

9.5 Indemnification.

(a) Deltona will indemnify and hold harmless each participating underwriter, if any, and each person, if any, who controls Topeka or any underwriter within the meaning of the 1933 Act, against any losses, claims, damages or liabilities, joint or several, to which Topeka or such underwriter or controlling person may become subject, under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any



Registration Statement under which Topeka's shares of Common Stock were registered under the 1933 Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement to such Registration Statement or to any such prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein not misleading, and will reimburse Topeka, such underwriter and each such controlling person for any legal or other expenses reasonably incurred by Topeka, such underwriter or such controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that Deltona shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of, or is based upon, an untrue statement or alleged untrue statement or omission or alleged omission made in said registration statement, any preliminary prospectus, final prospectus or any amendment or supplement in reliance upon and in conformity with written information furnished to Deltona by or on behalf of Topeka, such underwriter or controlling person for inclusion therein or for use in the preparation thereof.

(b) Each of Topeka, such underwriter or controlling person shall indemnify and hold harmless Deltona, each of its directors, each of its officers who have signed said Registration Statement and each person, if any who controls Deltona, within the

meaning of the 1933 Act, against any losses, claims, damages or liabilities, joint or several, to which Deltona or any such director, officer or controlling person may become subject, under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of, or are based upon, any untrue statement or alleged untrue statement of any material fact contained in said Registration Statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or arise out of, or based upon, the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent that any such loss, claim, damage or liability arises out of, or is based upon, an untrue statement or alleged untrue statement or omission or alleged omission made in said Registration Statement, any preliminary prospectus, final prospectus or any amendment or supplement, which statement or omission was made in reliance upon written information furnished to Deltona by or on behalf of Topeka, or for use in the preparation thereof, and will reimburse Deltona and each such director, officer and controlling person for any legal or other expenses reasonably incurred by Deltona or any such director, officer and controlling person for any legal or other expenses reasonably incurred by Deltona or any such director, officer or controlling person in connection with investing or defending any such loss, claim, damage, liability or action.

(c) Promptly after receipt by an indemnified party under this Article IX of notice of the commencement of any action, suit or proceeding, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnifying party otherwise than under this Article IX. In case any such action, suit or proceeding shall be brought against any indemnified party, and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein, and, to the extent that it shall wish, jointly with any indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Article IX for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party a release from all liability in respect to such claim or litigation.

## ARTICLE X

### DELIVERABLES AT CLOSING

#### 10.1 By Deltona and the Utility Subsidiaries.

(a) On each of the Series A Closing Date, Common Stock Closing Date and Series A Option Closing Date, Deltona and the Utility Subsidiaries shall deliver to Topeka, in addition to the certificate, resolutions, consents and Schedules and other documents required to be delivered to Topeka by this Agreement, the securities of Deltona and the Utility Subsidiaries then being issued and acquired pursuant hereto, duly signed by the appropriate officers of Deltona and the Utility Subsidiaries, as the case may be, with all necessary tax or other stock transfer stamps duly affixed thereto, and accompanied in the case of each such Closing Date by the opinion of William I. Livingston, Esq., counsel to Deltona as required by Section 7.1(n) of Article VII.

(b) In addition, on the Series A Closing Date, Deltona shall deliver to Topeka:

(i) the Security Agreement in the form of Exhibit 8 granting Topeka a security interest in the securities of the Utility Subsidiaries pledged to Topeka pursuant thereto together with a stock power for each certificate duly signed by officers of the respective Utility Subsidiaries with such signatures guaranteed by an officer of a national bank; and

(ii) copies of the Escrow Agreements required by Section 5.6 of Article V together with copies of

receipts for the escrowed Utility Subsidiary  
certificates signed by the escrow agents.

10.2 By Topeka. On each of the Series A Closing Date, Common Stock Closing Date and Series A Option Closing Date, Topeka, in addition to delivering the certificate, resolution and legal opinion required to be delivered to Deltona by this Agreement, the purchase price for the securities then being acquired either by delivery of the Topeka Note or by wire transfer of immediately available funds. If Topeka is required or elects to pay for any of such securities by wire transfer of immediately available funds such transfer shall be made to the following account of Deltona:

The Deltona Corporation  
Operating Account No. 082200175-6  
NCNB National Bank of Florida  
One Biscayne Tower  
Suite 2200  
Miami, Florida 33131  
Attn: Jack Karson

## ARTICLE XI

### TERMINATION

11.1 Automatic Termination. This Agreement shall automatically terminate and the transactions contemplated hereby shall automatically be abandoned without any further action on the part of any party hereto unless the Series A Closing Date occurs prior to December 31, 1985. This Agreement shall automatically terminate with respect to any subsequent Closing Date (but only with respect to any subsequent Closing Date) if such Closing Date shall not

have taken place within eighteen (18) months after the anniversary of the Series A Closing Date.

11.2 Termination. This Agreement may be terminated with respect to any of the transactions contemplated hereby as to which the closing has not yet occurred (but only with respect to any such subsequent Closing Date):

(a) by mutual consent of the Board of Directors of Deltona and Topeka evidenced by appropriate resolution; or

(b) by Topeka upon notice to Deltona and the Utility Subsidiaries if any material default under or material breach of any agreement, covenant, condition or term of this Agreement, the Series A Certificate of Designation or the Security Agreement shall have occurred, or any material misrepresentation or material breach of any warranty contained herein, on the part of Deltona or any Utility Subsidiary shall have occurred; or

(c) by Deltona or any Utility Subsidiary upon notice to Topeka if any material default under or material breach of any agreement, covenant, condition or term of this Agreement shall have occurred, or any material misrepresentation or material breach of any warranty contained herein, on the part of Topeka shall have occurred.

11.3 Effect of Termination Prior to the Series A Closing Date. In the event of termination of this Agreement prior to the Series A Closing Date, this Agreement shall become void and have no further effect without any liability on the part of any party hereto or their directors, officers or stockholders in respect of



this Agreement, except the liabilities of the parties hereto to pay expenses as provided in Section 12.2 of Article XII hereof.

11.4 Effect of Termination Subsequent to the Series A

Closing Date. After the Series A Closing Date this Agreement may only be terminated as provided in this Article XI with respect to one or both of the subsequent Closing Dates in which case the obligations and liabilities on the part of the parties hereto or their directors, officers or stockholders in respect of any such subsequent Closing Date (but only in respect of any such subsequent Closing Date) shall terminate except for the liabilities of the parties hereto to pay expenses as provided in Section 12.2 of Article XII, but, despite any such termination all other provisions of this Agreement shall remain in full force and effect, and the rights, duties, liabilities and obligations of the parties with respect to any provision hereof, except those which pertain exclusively to any such subsequent Closing Date, shall be unaffected by the termination of this Agreement and shall remain in full force and effect.

ARTICLE XII

GENERAL

12.1 Survival. The covenants, agreements, representations and warranties of the parties contained herein or in any document, Schedule, certificate or writing delivered or to be delivered pursuant hereto or in connection herewith (including the Deltona Financial Statements, the Utility Financial Statements and any

other financial statements) shall survive the Closing of all of the transactions contemplated hereby.

12.2 Brokers; Expenses. Topeka on the one hand and Deltona and the Utility Subsidiaries on the other, represent to each other that no broker or other person is entitled to any fee or commission in connection with the negotiation or consummation of the transactions contemplated hereby, except the fees of attorneys, accountants and investment bankers for the respective parties, and the parties shall pay their own expenses incident to this Agreement and the performance of their respective obligations hereunder, including the fees of their respective accountants, counsel and investment bankers.

12.3 Waiver. Topeka on the one hand and Deltona and the Utility Subsidiaries on the other may, by written instrument, extend the time for the performance of any of the obligations or other acts of the other, and (i) waive any inaccuracies of the other in the representations and warranties contained herein or in any Exhibit, certificate or other document or instrument delivered or to be delivered pursuant to this Agreement or in connection herewith; (ii) waive compliance with any of the covenants of the other contained in this Agreement and (iii) waive the other's performance of any of the obligations set out in this Agreement. Any agreement for any such extension or waiver shall be validly and sufficiently authorized for the purposes of this Agreement if it is authorized by such corporation's Chairman of the Board, President or any Vice President. No waiver by any party to this Agreement



of a breach of any term or condition hereof shall be construed to operate as a waiver of any other or subsequent breach of the same or of any other term or condition, unless otherwise expressly provided.

12.4 Pro Rata Voting. At the Deltona shareholders' meeting at which stockholder approval is sought for the issuance of Deltona Common Stock to be issued to Topeka upon exercise of the Deltona Warrant, Topeka agrees that it will vote its shares of Series A in the same proportion as the other holders of Deltona Common Stock vote for or against such proposal, it being understood and agreed, however, that exercise of the Deltona Warrant is not contingent upon such shareholder approval.

12.5 Mutual Exclusivity of Deltona Warrants and Utility Subsidiary Warrants. Topeka's rights under the Deltona Warrant and Utility Subsidiary Warrants shall be mutually exclusive. If the Deltona Warrant is exercised the Utility Warrants shall expire; if the Subsidiary Warrants are exercised the Deltona Warrant shall expire. Neither the Deltona Warrant nor the Utility Subsidiary Warrants may be exercised in part.

12.6 Indemnity. Deltona and the Utility Subsidiaries agree that from and after the Series A Closing Date, they will, jointly and severally, indemnify and save Topeka harmless from and against and in respect of any and all liabilities, obligations, claims, causes of action, deficiencies, costs, losses, damages or diminution in value of the shares of Series A, Common Stock, the Deltona

warrant or the Subsidiary Warrants issued to by Topeka, together with all legal and other costs or expenses (including attorneys' fees), arising from or in connection with any action, suit, proceeding or claim incident to any of the foregoing directly or indirectly resulting from, based upon or attributable to any misrepresentation, breach of any warranty or covenant, or the nonfulfillment of any obligation or condition on the part of Deltona or any Utility Subsidiary under this Agreement, the Certificate of Designation, the Deltona Warrant or the Subsidiary Warrants, including the Exhibits hereto, or any certificate, Deltona's Financial Statements, the Utility Financial Statements, or any other financial statements or other instrument furnished to Topeka pursuant hereto, or any misrepresentation in or omission from this Agreement, including the Exhibits hereto, or any certificate, Deltona's Financial Statements, the Utility Financial Statements, or any other financial statement, or other instrument furnished to Topeka pursuant hereto, or from the failure by Deltona or any Utility Subsidiary to comply with any applicable law, rule or regulation.

12.7 Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

12.8 Specific Performance. The parties acknowledge that their obligations hereunder are unique, and that it would be extremely impracticable to measure the resulting damages if any party should default in its obligations under this Agreement. Accordingly, the nondefaulting party may, in addition to any other available rights or remedies, sue in equity for specific performance, and the parties each expressly waive the defense therein that damages will be an adequate remedy.

12.9 Notices. All notices, requests, consents, demands, waivers or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first class, postage prepaid by registered or certified mail as follows:

- (a) If to Deltona or the Utility  
Subsidiaries to:

The Deltona Corporation  
3250 S.W. Third Avenue  
Miami, Florida 33145  
Attention: Frank E. Mackle III

Copies to:

The Deltona Corporation  
Legal Department  
3250 S.W. Third Avenue  
Miami, Florida 33145  
Attention: William I. Livingston

The Deltona Corporation  
Office of Chief Financial Officer  
3250 S.W. Third Avenue  
Miami, Florida 33145  
Attention: Earle D. Cortright, Jr.

(b) If to Topeka, to:

Topeka Group, Inc.  
30 West Superior Street  
Duluth, Minnesota 55802  
Attention: Jack McDonald  
Copies to:

James R. Habicht, Esq.  
Minnesota Power & Light Company  
30 West Superior Street  
Duluth, Minnesota 55802

R. L. Sorenson, Esq.  
Briggs and Morgan  
2200 First National Bank Building  
St. Paul, Minnesota 55101

12.10 Entirety of Agreement. This Agreement, including the Exhibits hereto, states the entire agreement of the parties and merges all prior negotiations, agreements and understandings, if any. The parties agree that in dealings with third parties, no contrary representations will be made.

12.11 Amendment. This Agreement may be modified or amended only by an instrument in writing, duly executed by the parties hereto.

12.12 Redemption of Utility Common Stock From Deltona.  
Notwithstanding any provision of this Agreement to the contrary Topeka consents and agrees that Deltona and the Utility Subsidiaries may enter into an agreement which provides that if Topeka exercises the Subsidiary Warrants the Utility Subsidiaries will, upon the issuance of Utility Common Stock to Topeka pursuant to the Subsidiary Warrants, redeem all of the Utility Common Stock then owned by Deltona in exchange for all of the shares of Series

A and other debt or equity securities, if any, to be delivered to the Utility Subsidiaries by Topeka in connection with Topeka's exercise of the Subsidiary Warrants.

12.13 Intention to Make Loans and Issue Guarantees. During the period beginning on the Series A Closing Date and ending on the fourth anniversary of the Series A Closing Date Topeka agrees to make up to \$4,000,000 available for loans to Deltona and the Utility Subsidiaries at a rate of interest equal to prime plus  $3/4\%$  and upon such other terms and conditions as Topeka shall agree upon. Such loans shall be for specific projects which have been submitted to Topeka for its prior approval and such loans will be secured by a first priority security interest or other lien on collateral which has a value equal to or greater than the principal amount of the loan. Topeka will also guarantee on behalf of Deltona and the Utility Subsidiaries up to \$2,500,000 in aggregate principal amount of loans made by other lenders, provided that Topeka has given prior approval for the purpose of such loans and Topeka's guarantee will be secured by a first priority security interest or other lien on collateral which has a value equal to or greater than the principal amount of the guaranteed loans. Upon the exercise by Topeka of the Utility Subsidiary Warrants this commitment shall expire.

12.14 Additional Documents. After each Closing the parties, without further consideration, agree to execute such additional documents as may reasonably be necessary to carry out the purposes and intent of this Agreement and to fulfill their respective obligations hereunder.

12.15 Agreement to Cooperate on Public Announcements. The parties each agree to consult with and cooperate with one another on the content and timing of all press releases and other public announcements relating to this Agreement and the transactions contemplated hereby.

12.16 Counterparts. Any number of counterparts of this Agreement may be executed and each such executed counterpart shall be deemed an original.

12.17 Rights of Third Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties hereto and their respective successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over against any party to this Agreement.

12.18 Binding Effect; Assignment. This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors, and assigns.

12.19 Cooperation. If Topeka exercises the Utility Subsidiary Warrants, Deltona agrees to cooperate with Topeka and the Utility Subsidiaries as may reasonably be necessary to separate the operations and activities of the Utility Subsidiaries from Deltona.

12.20 Meanings of Pronouns; Singular and Plural Words. All pronouns used in this Agreement shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person to which or to whom reference is made may require. Unless the context in which used shall clearly indicate to the contrary, words used in the singular shall include the plural, and words used in the plural shall include the singular.

12.21 Headings. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

IN WITNESS WHEREOF, Deltona and Topeka have each caused this Agreement to be executed and delivered as of the date and year first written above.

UNITED FLORIDA UTILITIES  
CORPORATION

By Earl D. Canterbury

THE DELTONA CORPORATION

By [Signature]  
President

DELTONA UTILITIES CONSULTANTS,  
INC.

By Earl D. Canterbury

DELTONA UTILITIES, INC.

By Earl D. Canterbury

TOPEKA GROUP INCORPORATED

By [Signature]  
Chairman

PELICAN UTILITY COMPANY

By Earl D. Canterbury

**EXHIBIT 1**

MORTGAGES, DEEDS OF TRUST, SECURITY INTERESTS  
AND OTHER LIENS AND ENCUMBRANCES



The status of all mortgages, deeds of trust, security interests and other liens and encumbrances affecting Deltona and its subsidiaries is setforth on that Summary Schedule of Notes and Mortgages Payable at September 30, 1985 and Schedules of Corporate Debt and Construction Loan Balances that are attached hereto and made a part of this Exhibit "1" and with respect to security interests, as setforth on those UCC-11's which were delivered to Topeka on the date hereof.

THE DELTOMA CORPORATION AND SUBSIDIARIES  
SUMMARY SCHEDULE OF NOTES AND MORTGAGES PAYABLE AT SEPTEMBER 30, 1985

	BALANCE	PAYABLE					
		1985	1986	1987	1988	1989	1990 OR LATER
THE DELTOMA CORPORATION	\$ 5,512,718	\$ 26,686	\$5,104,491	\$ 74,019	\$ 69,274	\$ 6,769	\$ 231,479
DELMARCO CORPORATION	12,843,222	4,525,193	1,101,309	1,359,110	398,955	343,487	5,115,168
THREE SEASONS CORPORATION	1,642,610	45,363	135,381	138,259	165,715	109,185	1,048,707
UTILITIES	189,551	1,671	49,104	48,356	46,392	44,028	-
FIVE POINTS TITLE SERVICES CO., INC.	<u>13,250</u>	<u>1,923</u>	<u>5,886</u>	<u>5,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL NOTES &amp; MORTGAGES PAYABLE</b>	<u><b>\$20,201,351</b></u>	<u><b>\$ 4,600,836</b></u>	<u><b>\$6,396,171</b></u>	<u><b>\$1,625,185</b></u>	<u><b>\$ 680,336</b></u>	<u><b>\$503,469</b></u>	<u><b>\$6,395,354</b></u>

THE DELTONA CORPORATION AND SUBSIDIARIES  
 DETAIL SCHEDULE OF NOTES AND MORTGAGES PAYABLE  
 SEPTEMBER 30, 1985

THE DELTONA CORPORATION	INTEREST RATE	INSTALLMENT PAYMENT	FREQUENCY OF PAYMENT	OF NEXT PAYMENT	BALANCE	PAYABLE					
						1985	1986	1987	1988	1989	1990 OR LATER
INSTALLMENT NOTES ON EQUIPMENT											
Deltona:											
North Florida Clark	17.5	525*	M	10/10/85	715	715	-	-	-	-	-
C.I.T. Financial	18.9	705*	M	10/15/85	1,410	1,410	-	-	-	-	-
City National Bank of Miami	17.5	323*	M	10/01/85	3,793	783	\$ 3,010	-	-	-	-
Westinghouse Credit	18.02	2,042*	M	10/01/85	20,563	5,279	15,284	-	-	-	-
Capital America (D.C.)	13.21	2,166*	M	10/24/85	26,102	5,699	20,403	-	-	-	-
Capital America (D.C.)	13.21	4,249*	M	10/29/85	131,369	8,503	36,943	\$ 42,129	\$ 43,794	-	-
Capital America (D.C.)	13/21	1,546*	M	10/29/85	49,805	3,027	13,151	14,997	17,102	\$ 1,528	-
CSB Leasing Corp.	24.88	580*	M	10/15/85	16,394	730	3,437	4,397	5,625	2,205	-
					<u>250,151</u>	<u>26,146</u>	<u>92,228</u>	<u>61,523</u>	<u>66,521</u>	<u>3,733</u>	<u>-</u>
PURCHASE MONEY MORTGAGES:											
Richards	10.0	10,000	A	01/20/86	\$ 20,000	-	10,000	10,000	-	-	-
Hackie Co., Inc.	Prime +2%	-	-	-	5,000,000	-	5,000,000	-	-	-	-
Utility Building											
McCaughn Mortgage Co.	14.25	3,058	M	07/01/86	242,567	540	2,263	2,496	2,753	3,036	231,479
TOTAL DELTONA CORPORATION					<u>\$5,512,718</u>	<u>\$ 26,686</u>	<u>\$5,104,491</u>	<u>\$ 74,019</u>	<u>\$ 69,274</u>	<u>\$ 6,769</u>	<u>\$231,479</u>

\*Includes interest

THE DELTOMA CORPORATION AND SUBSIDIARIES  
 DETAIL SCHEDULE OF NOTES AND MORTGAGES PAYABLE  
 SEPTEMBER 30, 1985

DELMARCO CORPORATION	INTEREST RATE	INSTALLMENT PAYMENT	FREQUENCY OF PAYMENT	OF NEXT PAYMENT	BALANCE	PAYABLE					
						1985	1986	1987	1988	1989	1990 OR LATER
PURCHASE MONEY MORTGAGES											
Marco Island and Marco Shores:											
Jones & Cox	10 1/2	1,100	SA	07/26/86	\$ 22,000	-	\$ 1,100	\$ 20,900	-	-	-
Joseph P. Rodger	10 1/2	9,950	SA	07/26/86	199,000(c)	-	9,950	19,900	\$19,900	\$ 19,900	\$129,350
Charisma Chapel	12.0	24,079 <sup>a</sup>	A	05/05/86	57,835	-	19,800	19,800	18,235	-	-
Barnett #1											
Barnett Banks Trust Co., N.A.	12.0	386,486 <sup>a</sup>	A	04/01/86	928,273	-	275,093	653,180	-	-	-
Barnett #2											
Barnett Banks Trust Co., N.A.	12.0	145,058	A	04/01/86	435,175	-	145,057	290,118	-	-	-
Pen-American Bank	1.5% Prime	25,000	Q to 9/1/85	12/01/85	1,490,348	1,490,348	-	-	-	-	-
M. Conway	12	39,167	A	09/17/86	117,500	-	39,168	39,167	39,165	-	-
Collier-Read	9.0	277,000	A	12/01/85	1,385,000	277,000	277,000	277,000	277,000	277,000	-
Naples Federal S & L	Prime + 5%	800,000	In Full	11/30/85	800,000	800,000	-	-	-	-	-
Naples Federal S & L	13.5	350,000	In Full	11/21/85	350,000	350,000	-	-	-	-	-
Naples Federal S & L	13.5	1,500,000	In Full	11/21/85	1,500,000	1,500,000	-	-	-	-	-
South Seas N.W. Condominium Apts.	9.0	50,000	Var.	10/01/85	250,000	50,000	200,000	-	-	-	-
South Seas W Condominium Apts.	-	50,000	Var.	12/01/85	150,000	50,000	100,000	-	-	-	-
					<u>\$7,685,131</u>	<u>\$4,517,348</u>	<u>\$1,067,168</u>	<u>\$1,320,065</u>	<u>\$354,300</u>	<u>\$296,900</u>	<u>\$ 129,350</u>
Marco Island Country Club -											
Naples Federal Savings & Loan	13.5	46,626 <sup>a</sup>	M	10/01/85	3,967,762	6,035	26,262	30,035	34,350	34,962	3,836,118
Marco Shores Country Club -											
Naples Federal Savings & Loan	13.5	13,998 <sup>a</sup>	M	10/01/85	1,190,329	1,810	7,879	9,010	10,305	11,625	1,149,700
					<u>5,158,091</u>	<u>7,845</u>	<u>34,141</u>	<u>39,045</u>	<u>44,655</u>	<u>46,587</u>	<u>4,985,818</u>
TOTAL DELMARCO CORPORATION					<u>\$12,843,222</u>	<u>\$4,525,193</u>	<u>\$1,101,309</u>	<u>\$1,359,110</u>	<u>\$398,955</u>	<u>\$343,487</u>	<u>5,115,168</u>

<sup>a</sup>Includes interest

THE DELTONA CORPORATION AND SUBSIDIARIES  
 DETAIL SCHEDULE OF NOTES AND MORTGAGES PAYABLE  
 SEPTEMBER 30, 1985

THREE SEASONS CORPORATION	INTEREST RATE	INSTALLMENT PAYMENT	FREQUENCY OF PAYMENT	OF NEXT PAYMENT	BALANCE	1985	1986	PAYABLE 1987	1988	1989	1990 OR LATER
<b>CLUB DIVISION</b>											
Citrus Country Club First Federal S. & L. of Citrus County	10-1/8	4,588*	M	10/01/85	\$ 429,781	\$ 2,909	\$ 12,543	\$ 14,038	\$ 15,722	\$ 17,541	\$367,028
St. Augustine Recreation Building United First Federal S. & L. of Sarasota	7-3/8	2,442*	M	10/01/85	145,292	4,975	19,380	21,111	23,141	25,172	51,513
Marion Oaks Country Club First Federal S. & L. of Citrus County	9-3/8	4,325*	M	10/01/85	426,427	3,004	12,744	13,991	15,360	16,862	344,466
					<u>1,001,500</u>	<u>10,888</u>	<u>44,667</u>	<u>49,140</u>	<u>54,223</u>	<u>59,575</u>	<u>783,007</u>
<b>INSTALLMENT NOTES ON EQUIPMENT</b>											
Barnett Bank of Marion County	14.75	276*	M	10/01/85	3,535	707	2,828	-	-	-	-
Barnett Bank of Marion County	16.799	187*	M	10/05/85	10,227	752	3,335	3,925	2,215	-	-
Barnett Bank of Marion County	Prime +1	1631*	M	10/19/85	\$ 71,147	2,973	11,891	11,891	44,392	-	-
Southeast Bank of Panama City	15.0	279	M	10/01/85	7,105	578	2,541	2,949	1,037	-	-
TOTAL INSTALLMENT NOTES					<u>\$ 92,014</u>	<u>\$ 5,010</u>	<u>\$ 20,595</u>	<u>\$ 18,765</u>	<u>\$ 47,644</u>	<u>-</u>	<u>-</u>
TOTAL THREE SEASONS CLUB DIVISION					<u>\$1,093,514</u>	<u>\$ 15,898</u>	<u>\$ 65,262</u>	<u>\$ 67,905</u>	<u>\$101,867</u>	<u>\$ 59,575</u>	<u>\$783,007</u>
<b>REAL ESTATE MORTGAGES</b>											
Citrus Springs: Shopping Center - First Federal S. & L. of Citrus County	9	540*	M	10/01/85	\$ 28,343	\$ 883	\$ 4,021	\$ 4,345	\$ 4,695	\$ 5,070	9,329
Pine Ridge: Administration Building - First Federal S. & L. of Citrus County	8-3/4	800*	M	10/01/85	\$ 23,581	\$ 2,247	\$ 7,752	\$ 8,384	\$ 5,198	-	-
Equestrian Club - First Federal S. & L. of Citrus County	8-3/4	1,999*	M	10/01/85	\$ 58,953	\$ 5,654	\$ 19,276	\$ 20,744	\$ 13,279	-	-

\*Includes interest

THE DELTONA CORPORATION AND SUBSIDIARIES  
 DETAIL SCHEDULE OF NOTES AND MORTGAGES PAYABLE  
 SEPTEMBER 30, 1985

THREE SEASONS CORPORATION	INTEREST RATE	INSTALLMENT PAYMENT	FREQUENCY OF PAYMENT	OF NEXT PAYMENT	BALANCE	1985	1986	1987	PAYABLE 1988	1989	1990 OR LATER
<b>REAL ESTATE MORTGAGES</b>											
St. Augustine:											
Administration Building - Republic National Bank of N.Y.	9	1,268*	M	10/01/85	\$ 6,189	\$ 3,415	\$ 2,774	-	-	-	-
Shopping Center - Republic National Bank, N.Y.	9	609*	M	10/01/85	2,989	1,611	1,378	-	-	-	-
Sunny Hills:											
Administration Buildings - United First Federal S. & L. of Sarasota	8-3/8	771*	M	10/01/85	41,432	1,306	5,483	5,920	6,392	6,914	\$ 15,417
Recreation Buildings - United First Federal S. & L. of Sarasota	8-3/8	860*	M	10/01/85	50,565	1,569	6,492	7,050	7,656	8,215	19,583
Shopping Center United First Federal S. & L. of Sarasota	8-3/8	602*	M	10/01/85	37,812	1,070	4,362	4,746	5,164	5,620	16,050
Hernando State Bank Spring Hill Model Home Center	12.5	3,750*	M	10/01/85	297,303	11,250	17,112	19,165	21,464	23,791	204,521
<b>TOTAL REAL ESTATE MORTGAGES</b>					<b>\$ 567,167</b>	<b>\$ 29,005</b>	<b>\$ 68,650</b>	<b>\$ 70,354</b>	<b>\$ 63,848</b>	<b>\$ 49,610</b>	<b>\$ 265,700</b>
<b>INSTALLMENT NOTES ON EQUIPMENT</b>											
Telecom Plus	12.05	171*	M	10/15/85	1,929	460	1,469	-	-	-	-
<b>TOTAL THREE SEASONS CORPORATION</b>					<b>\$1,642,610</b>	<b>\$ 45,363</b>	<b>\$135,301</b>	<b>\$130,259</b>	<b>\$165,715</b>	<b>\$109,185</b>	<b>\$1,048,707</b>

\*Includes Interest

THE DELTONA CORPORATION AND SUBSIDIARIES  
 DETAIL SCHEDULE OF NOTES AND MORTGAGES PAYABLE  
 SEPTEMBER 30, 1985

UTILITIES	INTEREST RATE	INSTALLMENT PAYMENT	FREQUENCY OF PAYMENT	OF NEXT PAYMENT	BALANCE	PAYABLE					
						1985	1986	1987	1988	1989	1990 OR LATER
Deltona Utilities											
Barnett Bank #3	13.499	368*	M	10/10/85	7,128	872	3,795	2,461	-	-	
CSB Leasing-Deutsch	16.5983	443*	M	10/15/85	14,740	708	3,270	3,856	4,548	2,358	
Flarco Financial Corporation	17.78	31*	M	10/26/85	1,003	91	369	369	174	-	
Seaboard Utilities:											
Spring Valley Construction	11.00	41,670	A	04/10/86	166,680	-	41,670	41,670	41,670	41,670	
TOTAL UTILITIES					189,551	1,671	49,104	48,356	46,392	44,028	
Five Points Title Services:											
Avco Financial Services	8.89	582*	M	10/01/85	13,250	1,923	5,886	5,441	-	-	

\*Denotes interest included in payment.

THE DELTONA CORPORATION

CORPORATE DEBT

SEPTEMBER 30, 1985

	RECEIVABLE REVOLVER	UTILITY LOAN	P. M. M. LOAN	TOTAL
CITIBANK, N.A.	\$14,550,000		\$2,492,811	\$17,040,811
CHEMICAL BANK	11,190,000		1,842,316	\$13,032,316
FLEET NAT'L BANK	3,950,000		550,238	\$4,500,238
N.C.N.B.	270,000		29,477	\$299,477
UTILITY PRIVATE PLACEMENT		\$30,000,000		\$30,000,000
TOTAL	\$30,020,000	\$30,000,000	\$4,912,842	\$64,932,842



THE DELTONA CORPORATION  
 -----  
 CONSTRUCTION LOAN BALANCES  
 -----  
 SEPTEMBER 30, 1985  
 -----

	HOUSE CONSTRUCTION LOAN						TOTAL
	SINGLE-FAMILY	TERM LAND	MULTI-FAMILY	TROPIC SCHOONER	CONQUISTADOR	SURFLUB	
CITIBANK, N.A.	\$336,323	\$900,000	\$170,160	\$9,521,293			10,927,784
CHEMICAL BANK	224,215	600,000	113,445		\$400,974	\$8,851,091	10,197,725
FLEET NAT'L BANK	93,423	250,000	47,269				390,692
N.C.N.B.	93,423	250,000	47,269				390,692
TOTAL	\$747,384	\$2,000,000	\$378,151	\$9,521,293	\$400,974	\$8,851,091	\$21,906,093

**EXHIBIT 2**

**CONTRACTS, LEASES AND COMMITMENTS**

Contract defaults by Deltona and its subsidiaries consist of the following: (a) contested defaults which are currently the subject of litigation, as described on Exhibit "3"; (b) contested and uncontested nonmaterial defaults occurring in the normal course of Deltona's business activities; (c) defaults of Marco purchaser contracts occurring as a result of the 1976 permit denials; and (d) defaults of Three Seasons purchaser contracts occurring as a result of delays in completing improvements at the communities of Marion Oaks, Citrus Springs, Pine Ridge and Sunny Hills. A subclassification of this latter group of Three Seasons purchaser contracts is made up of approximately 4,000 purchasers who contracted to purchase property at Sunny Hills and who we are in the process of transferring to other unsold lots located in the more developed portions of Sunny Hills.

The statuses of the items described in (a) and (b) above are not further addressed herein.

Defaults of Marco purchaser contracts, as described in (c) above, have been successfully managed since 1976 pursuant to the Marco option program which was approved by the Division of Florida Land Sales, Condominiums and Mobile Homes. Although Marco purchasers do from time to time file suit, as indicated on Exhibit "3", litigation has been minimal considering that approximately 6500 purchasers have been involved in the Marco option program. Settlements have been reached with approximately 75% of the originally affected purchasers. The status of the Marco option program, including the status of the trusts which were established to assure the payment of refunds to the Marco purchasers, is summarized on the Option Programs Status Reports and Trust Reports which are attached hereto and made a part of this Exhibit "2".

Defaults of Three Seasons purchaser contracts, as described in (d) above, have been successfully managed by Deltona since 1980 pursuant to the Three Seasons option program, which, like the Marco option program, was approved by the Division of Florida Land Sales, Condominiums and Mobile Homes. Although Three Seasons purchasers have from time to time filed suit, as indicated on Exhibit "3" hereto, litigation has been minimal considering that in excess of 30,000 purchasers have been involved in the Three Seasons option program. It is anticipated that the Three Seasons purchaser problem will be substantially eliminated within the next two years as a result of the completion of most of the delayed improvements. The status of the Three Season option program in the aggregate and by community, and including separately the Sunny Hill Consolidation Program, is summarized on that Consolidation Program Progress Report and Delayed Improvement Summary Activity Report which are attached hereto and made a part of this Exhibit "2".

Deltona is presently in default of its interest obligations on most of its corporate and construction loans and in the case of its purchase money mortgage loan, is also in default of its principal payment obligation, as a result of a deterioration of the loan borrowing base. The status of each of the subject loans is summarized on the Corporate Debt and Construction Loan Balances Reports which are attached hereto and made a part of this Exhibit "2". Notwithstanding the foregoing loan defaults, Deltona's lenders have consented to the transaction between Deltona and Topeka as provided for in this Purchase Agreement and have agreed to extend Deltona's loans through March 31, 1986, and thereafter to restructure such loans, subject to certain terms and conditions, all as set forth in that Letter Agreement between Deltona and its lenders of even date herewith.

EXHIBIT "2" CONTINUED

OPTION PROGRAM STATUS AND TRUST REPORTS

OPTION PROGRAM STATUS  
AS OF 10/1/85

MARCO ISLAND

	<u>Opted (Interest Expressed)</u> <u>Lot Count</u>		<u>Signed Agreement</u> <u>Lot Count</u>	
Transfer to:				
Other Contracts	247	6.2%	237	6.5%
Marco Property	1,104	27.9%	1,071	29.2%
3-Seasons Property	344	8.7%	327	8.9%
Condo/House Package	141	3.6%	139	3.8%
Refund - Regular	1,609	40.6%	1,577	42.9%
Refund - 5 Years	393	9.9%	319	8.7%
Will Wait	54	1.3%	-	-
Undecided	35	.9%	-	-
No Direct Contact	<u>37</u>	<u>.9%</u>	<u>-</u>	<u>-</u>
TOTAL	<u>3,964</u>	<u>100.0%</u>	<u>3,670</u>	<u>100.0%</u>

Recap of Unresolved Contracts

	<u>10/1/85</u>	<u>10/1/84</u>
Opted .....	3,964	3,964
Deduct Executed Options .....	(3,670)	(3,600)
Add Outstanding Refunds.....	650	671
Add Signed Future (MS/TP) Options	<u>7</u>	<u>11</u>
TOTAL UNRESOLVED	951	1,046
	24% of Opted Total	26.4% of Opted Total

SJH/ah

  
Sharon J. Hummerhielm

cc: Mr. F.E. Mackle, III  
Mr. W.I. Livingston ✓  
Mr. J. Mancilla  
Ms. M. Spaloss

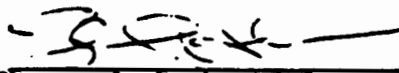
OPTION PROGRAM STATUS  
AS OF 10/1/85

MARCO SHORES

	<u>Opted (Interest Expressed)</u> <u>Lot Count</u>		<u>Signed Agreement</u> <u>Lot Count</u>	
Transfer to:				
Other Contracts	233	9.0%	228	9.7%
Marco Property	263	10.2%	244	10.4%
3-Seasons Property	281	10.9%	268	11.4%
Condo/House Package	102	3.9%	101	4.3%
Refund	1,580	61.4%	1,508	64.2%
Will Wait	33	1.3%	-	-
Undecided	8	.3%	-	-
No Direct Contact	<u>78</u>	<u>3.0%</u>	<u>-</u>	<u>-</u>
TOTAL	<u>2,578</u>	<u>100.0%</u>	<u>2,349</u>	<u>100.0%</u>

Recap of Unresolved Contracts

	<u>10/1/85</u>	<u>10/1/84</u>
Opted .....	2,578	2,574
Deduct Executed Options .....	(2,349)	(2,313)
Add Outstanding Refunds.....	343	345
Add Signed Future (MS/TP) Options	<u>22</u>	<u>31</u>
TOTAL UNRESOLVED	594	637
	23.04% of Opted Total	24.7% of Opted Total

  
Sharon J. Hummerhielm

SJH/ah

cc: Mr. F.E. Mackle, III  
Mr. W.I. Livingston  
Mr. J. Mancilla  
Ms. M. Spaloss

October 2, 1985

MARCO ISLAND

	<u>This Month</u>	<u>Project to Date: Last Month</u>	<u>Difference</u>
Beginning Count	3,964	3,964	-0-
Resolved - Exchange	1,774	1,771	+3
Resolved - Cash (Signed Option Minus Unpaid)	<u>1,246</u>	<u>1,246</u>	<u>-0-</u>
Remaining Unresolved	944	947	+3

MARCO SHORES

Beginning Count	2,578	2,578	-0-
Resolved - Exchange	841	840	+1
Resolved - Cash (Signed Option Minus Unpaid)	<u>1,165</u>	<u>1,165</u>	<u>-0-</u>
Remaining Unresolved	<u>572</u>	<u>573</u>	<u>+1</u>
Total Unresolved	1,516	1,520	+4

SJH/ah

  
Sharon J. Hummerhielm



THE DELTONA CORPORATION

Trust Reports as of SEPTEMBER 28, 1985

- A) Cumulative current refund obligation:
- |  | <u>Island</u> | <u>Island II</u> | <u>Shores</u> |
|--|---------------|------------------|---------------|
|  | \$4,324,312   | \$3,136,874      | \$4,771,660   |
- B) Number of lot refund agreements in process and dollar amount:
- |                               | <u>Island</u> | <u>Island II</u> | <u>Shores</u> |
|-------------------------------|---------------|------------------|---------------|
| (i) Number of lots in process | -0-           | 106              | 72            |
| (ii) Amount                   | \$ -0-        | \$1,227,589      | \$ 877,141    |
| (iii) <u>12%</u> of Amount    | \$ -0-        | \$ 147,311       | \$ 105,257    |
- C) Calculation of the net value of each trust:
- |                                      | <u>Pourover Trust</u> | <u>Marco Island</u> | <u>Marco Shores</u> |
|--------------------------------------|-----------------------|---------------------|---------------------|
| Value of unsold property             | \$17,607,020          | \$5,548,600         | \$ -0-              |
| Contract receivable of sold property | \$ 550,958            | \$ -0-              | \$ 72,549           |
| Monies in Escrow                     | \$ 17,811             | \$ 858,980          | \$ 9,390            |
| Less projected selling cost          | <\$ 1,936,772>        | <\$ 619,476 >       | \$ -0-              |
| Net trust value                      | \$16,239,017          | \$5,788,104         | \$ 81,939           |
- D) Status of Net Trust Values compared to requirements:
- |   |                |
|---|----------------|
| Total Net Value of All Trusts from C above                          | \$22,109,060   |
| Less: Total dollar amount of A above times trust value requirement: |                |
| Island x 100% =   | <\$ 4,324,312> |
| Island II x 125% =  | <\$ 3,921,092> |
| Shores x 125% =   | <\$ 5,964,575> |
| Total dollar amount of B(iii) x 100%                                | <\$ 252,568>   |
| POSITIVE <NEGATIVE> NET TRUST VALUE                                 | \$ 7,646,513   |
- E) Cumulative number of purchasers who elect to await litigation and/or permits:
- |  | <u>Island</u> | <u>Shores</u> |
|--|---------------|---------------|
|  | 78            | 57            |
- F) Cumulative report on each option by type, lot count and customer count:

<u>Option Type</u>	<u>Marco Island</u>		<u>Marco Shores</u>	
	<u>Lot Count</u>	<u>Customer Count</u>	<u>Lot Count</u>	<u>Customer Count</u>
Contract Consolidation	247	207	233	190
Marco Exchange	1,104	867	263	190
Three Seasons Exchange	344	312	281	261
Condo/House	141	114	102	95
Refund	1,577	1,344	1,580	1,417
Refund - Island II	425	378	-----	-----
Will Wait	54	49	33	26
Undecided	35	31	8	8
TOTALS	3,927	3,302	2,500	2,187

Quarterly Information:


- G) Calculation of percentage of purchasers changing to Refund Category: Percentage figures are for the 2nd quarter of 1985 and will be used for calculations of the number of agreements "In-Process" and the dollar amount for each monthly report submitted during the 3rd quarter of 1985.

Number of customers "In-Process" during Quarter	363
Persons changing to Refund Category	-21*
Percentage of persons changing to Refund Category	0%

- H) Total refunds made from operations during the 3rd quarter of 1985:
- |  | <u>Island</u> | <u>Pourover Trust</u> | <u>Shores</u> |
|--|---------------|-----------------------|---------------|
|  | \$ -0-        | \$ -0-                | \$ -0-        |

This report is true and correct to the best of my knowledge and belief.

THE DELTONA CORPORATION, by

  
Sharon J. Hummerbaum, Director/Regulatory Affairs

\*Persons previously on Refund list opting for exchange to other properties. No new refunds signed.

**EXHIBIT "2" CONTINUED**

**CONSOLIDATION PROGRAM STATUS REPORT AND**  
**DELAYED IMPROVEMENT SUMMARY ACTIVITY**

**CUSTOMER SERVICE**  
**CONSOLIDATION PROGRAM PROGRESS REPORT**

Month of September 19 85

	<u>CURRENT MONTH</u>	<u>PROGRAM TO DATE</u>
Total Letters Sent	362	1,195

**EXCHANGES BEING CONSIDERED**

	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Considering Exchanges	122	94	324	244
Considering Change to Build	0	0	0	0
Considering Exchange Condominium	0	0	0	0

**EXCHANGE DOCUMENTS EXECUTED**

	<u># Contracts</u>	<u># Purchasers</u>	<u>FINALIZED TO DATE</u>	<u># Contracts</u>	<u># Purchasers</u>
Subdivision (Lot)	50	42		146	114
Different Division (Lot)	3	3		11	7
Change to Build	0	0		0	0
Change to Condominium	0	0		0	0

**PURCHASERS UNDECIDED**

(PROGRAM TO DATE)

	<u># Contracts</u>
RESPONSE	694
OWNERS WITH PRESENT PROPERTY	1
PENDING UNAVAILABLE APPLICATIONS	21
FUNDS AUTHORIZED	4 (\$13,409.54)

## CUSTOMER SERVICE

## Delayed Improvement Summary Activity

Month of September, 1985CURRENT MONTHPROGRAM TO DATE  
(8/78 - 9/85)

Total Affected Lots	118		30,952	
Total Letters Sent	91		23,541	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
# Active Refund Requests	4	3	7	5
# Considering Lot Exchanges	11	10	13	12
# Considering Exchange to Build	0	0	0	0
# Undecided	0	0	0	0
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL OPEN CUSTOMER FILES	15	13	20	17
=====				
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Approved Refunds:	2	2	968	634
Dollars Amount	<u>\$13,867.50</u>		<u>\$5,421,614.54</u>	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Accepted Exchanges:				
Same Subdivision	5	4	473	244
Different Subdivision	1	1	229	174
Total Accepted Exchange to Build:	0	0	28	16
Total Changed to Accept Deeds:	0	0	586	436
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL CLOSED FILES	8	7	2,284	1,504
=====				
TOTAL SPECIAL DEEDS	<u>132</u>		<u>32,120</u>	

COMMENTS:

## Delayed Improvement Summary Activity

Month of September, 1985

	<u>CURRENT MONTH</u>		<u>PROGRAM TO DATE</u> <u>(8/78 - 9/85)</u>	
Total Affected Lots	5		15,933	
Total Letters Sent	3		11,882	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
# Active Refund Requests	3	2	5	3
# Considering Lot Exchanges	8	7	8	7
# Considering Exchange to Build	0	0	0	0
# Undecided	0	0	0	0
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL OPEN CUSTOMER FILES	11	9	13	10
=====				
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Approved Refunds:	0	0	363	206
Dollars Amount	<u>\$ - 0 -</u>		<u>\$1,628,155.61</u>	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Accepted Exchanges:				
Same Subdivision	1	1	412	118
Different Subdivision	1	1	106	78
Total Accepted Exchange to Build:	0	0	25	13
Total Changed to Accept Deeds:	0	0	308	238
	<u># Contracts</u>	<u>#Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL CLOSED FILES	2	2	1,214	653
-----				
TOTAL SPECIAL DEEDS	<u>7</u>		<u>15,085</u>	
COMMENTS:				

## CITRUS SPRINGS

Open Customer Files as of 09/30/85

## Late Improvements

<u>NAME</u>	<u>CONTRACT NO.</u>	<u>UNIT-LOT-BLOCK</u>	<u>STATUS</u>
**Brophy	05-25046	17-9-1173	(Ex.)
**Dagg	05-31719	05-04-544	(Ex.)
**Galik	05-33082	23-02-1774	(Ex.)
**Hulshouser	05-21589	19-14-1268	(Ex.)
Maiorana	05-18804	19-03-1250	(R)
"	05-18805	19-04-1250	"
**Mikalinis	05-32415	26-21-507	(R)
**Ohmer	05-36511	21-22-1435	(Ex.)
**Phillips	05-22174	19-20-1241	(Ex.)
**Stagliano	05-35734	23-37-1757	(R)
"	05-35514	23-07-1750	"
**Wallace	05-13416	06-11-561	(Ex.)
"	05-13415	06-10-561	"

\* Customers appearing on previous months status sheet whose status has altered.

\*\* New Listing

## Delayed Improvement Summary Activity

Month of September, 1985

	<u>CURRENT MONTH</u>		<u>PROGRAM TO DATE</u> <u>(8/78 - 9/85)</u>	
Total Affected Lots	98		5,705	
Total Letters Sent	77		4,551	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
# Active Refund Requests	0	0	1	1
# Considering Lot Exchanges	3	3	5	5
# Considering Exchange to Build	0	0	0	0
# Undecided	0	0	0	0
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL OPEN CUSTOMER FILES	3	3	6	6
=====				
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Approved Refunds:	1	1	149	114
Dollars Amount	<u>\$9,491.89</u>		<u>\$1,183,266.35</u>	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Accepted Exchanges:				
Same Subdivision	4	3	19	12
Different Subdivision	0	0	10	8
Total Accepted Exchange to Build:	0	0	0	0
Total Changed to Accept Deeds:	0	0	46	40
	<u># Contracts</u>	<u>#Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL CLOSED FILES	5	4	224	174
=====				
TOTAL SPECIAL DEEDS	<u>115</u>		<u>15,676</u>	
COMMENTS:				

MARION OAKS

Open Customer Files as of 09/30/85

Late Improvements

<u>NAME</u>	<u>CONTRACT NO.</u>	<u>UNIT-LOT-BLOCK</u>	<u>STATUS</u>
Izquierdo	06-11839	07-01-1047	(Ex.)
**McClure	06-15625	07-10-1019	(Ex.)
Moncada	06-18383	01-16-152	(Ex.)
**Pinhas	06-10452	07-08-1122	(Ex.)
**Schmitz	06-08520	07-27-1052	(Ex.)

\* Customers appearing on previous months status sheet whose status has altered.

\*\* New Listing



## Delayed Improvement Summary Activity

Month of September, 1985

	<u>CURRENT MONTH</u>		<u>PROGRAM TO DATE</u> <u>(8/78 - 9/85)</u>	
Total Affected Lots	9		8,285	
Total Letters Sent	7		7,027	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
# Active Refund Requests	0	0	0	0
# Considering Lot Exchanges	0	0	0	0
# Considering Exchange to Build	0	0	0	0
# Undecided	0	0	0	0
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL OPEN CUSTOMER FILES	0	0	0	0
=====				
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Approved Refunds:	1	1	372	237
Dollars Amount	<u>\$4,375.61</u>		<u>\$1,404,102.44</u>	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Accepted Exchanges:				
Same Subdivision	0	0	146	97
Different Subdivision	0	0	122	88
Total Accepted Exchange to Build:	0	0	1	1
Total Changed to Accept Deeds:	0	0	155	112
	<u># Contracts</u>	<u>#Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL CLOSED FILES	0	0	795	534
=====				
TOTAL SPECIAL DEEDS	<u>1</u>		<u>1,196</u>	
COMMENTS:				

SUNNY HILLS

Open Customer Files as of 09/30/85

Late Improvements

NAME

CONTRACT NO.

UNIT-LOT-BLOCK

STATUS

\* Customers appearing on previous months status sheet whose status has altered.

\*\* New Listing

## Delayed Improvement Summary Activity

Month of September, 1985

	<u>CURRENT MONTH</u>		<u>PROGRAM TO DATE</u> <u>(8/78 - 9/85)</u>	
Total Affected Lots	6		1,321	
Total Letters Sent	4		871	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
# Active Refund Requests	1	1	1	1
# Considering Lot Exchanges	0	0	0	0
# Considering Exchange to Build	0	0	0	0
# Undecided	0	0	0	0
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL OPEN CUSTOMER FILES	1	1	1	1
=====				
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Approved Refunds:	0	0	81	78
Dollars Amount	<u>\$ - 0 -</u>		<u>\$1,319,918.89</u>	
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
Total Accepted Exchanges:				
Same Subdivision	0	0	6	6
Different Subdivision	0	0	2	2
Total Accepted Exchange to Build:	0	0	1	1
Total Changed to Accept Deeds:	0	0	54	52
	<u># Contracts</u>	<u># Purchasers</u>	<u># Contracts</u>	<u># Purchasers</u>
TOTAL CLOSED FILES	0	0	144	139
=====				
TOTAL SPECIAL DEEDS	<u>9</u>		<u>1,012</u>	
COMMENTS:				

PINE RIDGE

Open Customer Files as of 09/30/85

Late Improvements

<u>NAME</u>	<u>CONTRACT NO.</u>	<u>UNIT-LOT-BLOCK</u>	<u>STATUS</u>
**Sherbak	12-00569	03-16-40	(R)

\* Customers appearing on previous months status sheet whose status has altered.

\*\* New Listing

**EXHIBIT "2" CONTINUED**

**CORPORATE DEBT AND CONSTRUCTION LOAN BALANCES**

## THE DELTONA CORPORATION

## CORPORATE DEBT

SEPTEMBER 30, 1985

	RECEIVABLE REVOLVER	UTILITY LOAN	P.M.N. LOAN	TOTAL
CITIBANK, N.A.	\$14,550,000		\$2,490,811	\$17,040,811
CHEMICAL BANK	11,190,000		1,842,316	\$13,032,316
FLEET NAT'L BANK	3,950,000		550,238	\$4,500,238
N.C.N.B.	270,000		29,477	\$299,477
UTILITY PRIVATE PLACEMENT		\$30,000,000		\$30,000,000
TOTAL	\$30,000,000	\$30,000,000	\$4,912,642	\$64,912,642
Default	Interest		Principal & Interest	

## THE DELTONA CORPORATION

## CONSTRUCTION LOAN BALANCES

SEPTEMBER 30, 1985

	HOUSE CONSTRUCTION LOAN						TOTAL
	SINGLE-FAMILY	TERM LAND	MULTI-FAMILY	TROPIC SCHOONER	CONQUISTADOR	SURFCLUB	
CITIBANK, N.A.	\$336,323	\$900,000	\$170,168	\$9,521,293			10,927,784
CHEMICAL BANK	224,215	600,000	113,445		\$408,974	\$8,851,891	10,197,725
FLEET NAT'L BANK	93,423	250,000	47,269				390,692
N.C.N.B.	93,423	250,000	47,269				390,692
TOTAL	\$747,384	\$2,000,000	\$378,151	\$9,521,293	\$408,974	\$8,851,891	\$21,926,693
Default	Interest	Interest	Interest	Interest		Interest	

**EXHIBIT 3**

JUDICIAL OR ADMINISTRATIVE ACTIONS, SUITS,  
PROCEEDINGS, OR INVESTIGATIONS PENDING OR THREATENED



The status of all litigation affecting Deltona and its subsidiaries, is set forth in this Litigation Status Report. It is noted that the last section of this Litigation Status Report sets forth all litigation and administrative proceedings, including rate-making proceedings, affecting the Utility Subsidiaries.

Numerical notations indicate:

- 1 - Not previously reported
- 2 - Significant change of status since last report
- 3 - Resolved through court action, settlement, etc. since last report

Litigation Involving DelMarco Corporation

Abernathy vs. Employers Insurance of Wausau, et al.  
Collier County Circuit Court  
2/9/84

Action arising from an accident at the South Seas West jobsite. Plaintiff was employed by the Company.

Unspecified damages.

COUNSEL FOR INS. CARRIER  
TERRY & TERRY  
John O. Terry  
IN HOUSE  
J. Mancilla

Motion for Summary Judgment granted on 7/25/85 in favor of the Company.

American Olean Tile vs. Marco Seaside, Inc., et al.  
Collier County Circuit Court  
8/25/82

Action to enforce a mechanic's lien filed by Plaintiff for materials supplied by Plaintiff for Summit House.

\$17,146.04 plus interest, costs and attorney's fees.

IN HOUSE  
G. Betz

American Olean required to pay \$1,153.71 in costs and attorney's fees.

Bolger vs. Osentoski Realty of Bad Axe, Inc. et al.  
State of Michigan, Circuit Court for Oakland County  
11/21/84

Action to recover deposit on SSNW unit based upon mortgage approval clause. Action also alleges breach of contract, violation of Michigan Land Sales Act and seeks damages under multiple counts on various legal theories.

\$20,828.00 paid in; plus interest, costs, attorneys fees and unspecified damages.

OUTSIDE COUNSEL  
RADNER & RADNER  
R. Radner  
IN HOUSE  
J. Mancilla

Discovery

Chernow vs. Deltona et al.  
Collier County Circuit Court  
3/1/84

Action alleges fraud. The action also alleges that Plaintiff's name was forged on quitclaim deed to Marco Shores lot.

Unspecified.

IN HOUSE  
J. Mancilla

Discovery.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Cioffi vs. Deltona and Marco Seaside, Inc.</u> U.S. District Court Southern District 10/30/84	Action to recover deposit on a Summit House Unit based upon mortgage approval clause.	\$24,900.00 paid in; plus interest.	IN HOUSE J. Mancilla	Discovery.
<u>Cohn vs. Deltona</u> Common Pleas Court of Montgomery County, PA 6/6/85	Action alleging breach of contract involving an undeveloped lot on Marco.	\$15,093.20 paid in; plus interest.	IN HOUSE J. Mancilla	Settled for \$30,000.
<u>Countywide Drywall &amp; Stucco, Inc. vs. Marco Island Construction Co., et al.</u> Collier County Circuit Court 6/1/82	Action alleging breach of contract. Action brought by Subcontractor for work performed on South Seas East. This action has been consolidated with <u>United Trowel Trades, Inc., vs. Marco Island Const., Inc. et al.</u>	\$130,000.00 plus interest and attorney's fees. Company's counter claim for damages in excess of \$5,000.00.	IN HOUSE J. Mancilla	Discovery.
<u>Curtis vs. Gomez, et. al.</u> Collier County Circuit Court 3/10/82	Action arising out of an assignment of a Marco lot contract between Plaintiff, Gomez and Neri. Action alleges Breach of Contract for failure to make the required payment. Plaintiff wants Deltona to assign the contract to Plaintiff's and for Plaintiff's to make payments under original contract.	Cross-claim filed against Deltona for unspecified damages.	IN HOUSE J. Mancilla	Discovery.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Deltona vs. Othman, et al.</u> Collier County Circuit Court 5/8/85	Action to quiet title on Marco Beach Unit 11 park-site.	Non-monetary.	IN HOUSE J. Mancilla	Discovery.
<u>Deltona-Marco Properties, II, Inc. vs. Sam Colding, et al.</u> Collier County Circuit Court 12/10/84	Action contesting the 1984 ad-valorem property tax assessments on the Surf Club.	\$106,830.07 amount of tax in dispute.	IN HOUSE J. Mancilla	Discovery.
<u>Deltona-Marco Properties, II, Inc. vs. Collins</u> Collier County Circuit Court 10/21/85	Action to foreclose one mortgage on a timeshare unit in the Surf Club.	\$5,632.18 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Serving Defendants in New York.
<u>Deltona-Marco Properties II, Inc. vs. Espinosa</u> Collier County Circuit Court 9/19/85	Action to foreclose two mortgages on a timeshare unit in the Surf Club.	\$14,274.44 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Notice of Action published. Attorney ad litem to be Appointed.
<u>Deltona-Marco Properties, II, Inc. vs. Gomez</u> Collier County Circuit Court 9/20/85	Action to foreclose four mortgages on a timeshare unit in the Surf Club.	\$29,069.76, plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Notice of Action published. Motion for Default to be filed.
<u>Deltona-Marco Properties II, Inc. vs. Johns, et al.</u> Collier County Circuit Court 9/30/85	Action to foreclose two mortgages on a timeshare unit in the Surf Club.	\$5,225.70. plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Notice of Action published. Defendant called for reinstatement figures.
<u>Deltona-Marco Properties II, Inc. vs. McGill, et al.</u> Collier County Circuit Court 7/22/85	Action to foreclose one mortgage on a timeshare unit in the Surf Club.	\$4,574.45 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Mortgage Reinstated. Deltona reimbursed for costs and attorney fees. Action to be Dismissed.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COMMENT	STATUS OF ACTION
<u>Deltona-Marco Properties II, Inc. vs. Naponic et al.</u> Collier County Circuit Court 8/5/85	Action to foreclose one mortgage on a timeshare unit in the Surf Club.	\$7,389.00 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Notice of Action published. Attorney ad litem to be appointed.
<u>Deltona-Marco Properties II, Inc. vs. Naponic, Jr.,</u> Collier County Circuit Court 8/8/85	Action to foreclose one mortgage on a timeshare unit in the Surf Club.	\$6,303.22 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Notice of Action published. Attorney ad litem to be appointed.
<u>Deltona-Marco Properties II, Inc. vs. Newtown</u> Collier County Circuit Court 10/4/85	Action to foreclose five mortgages on a timeshare unit in the Surf Club.	\$14,642.00 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Notice of Action published. Defendant has called for reinstatement figures.
<u>Deltona-Marco Properties II, Inc. vs. Richichi</u> Collier County Circuit Court 7/22/85	Action to foreclose one mortgage on a timeshare unit in the Surf Club.	\$7,900.00 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Summary Judgment granted. Foreclosure sale set for November 19, 1985.
<u>Deltona-Marco Properties II, Inc. vs. Reif</u> Collier County Circuit Court 6/6/85	Action to foreclose mortgage on a timeshare unit in the Surf Club.	\$16,406.16 plus; interest, costs, title search expenses and attorney's fees.	IN HOUSE P. Hecht J. Mancilla	Amended Answer filed.
<u>Deltona-Marco Properties II, Inc. vs. Tafur</u> Collier County Circuit Court 9/30/85	Action to foreclose three mortgages on a timeshare unit in the Surf Club.	\$20,852.15 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Notice of Action published. Attorney ad litem to be appointed.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Deltona-Marco Properties II, Inc. vs. Ungo et al.</u> Collier County Circuit Court 9/25/85	Action to foreclose one mortgage on a timeshare unit in the Surf Club.	\$2,334.20 plus; interest, costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Notice of Action published. Attorney ad litem to be appointed.
<u>Deltona-Marco Properties II, Inc. vs. Wu et al.</u> Collier County Circuit Court 9/16/85	Action to foreclose two mortgages on a timeshare unit in the Surf Club.	\$11,336.34 plus; interest; costs, title search expenses, and attorney's fees.	IN HOUSE P. Hecht	Service in New York being attempted.
<u>Fausnaugh vs. Deltona-Marco Properties, II, Inc., et al.</u> Saginaw County Circuit Court State of Michigan 6/22/84	Action alleges that Plaintiff was induced to purchase a timeshare unit at the Surf Club to procure employment as a real estate agent for co-defendant Busiger. Plaintiff was later terminated.	\$2,270.00 paid in; plus \$390.00 in travel expenses along with costs and attorney's fees.	OUTSIDE COUNSEL W. Martin IN HOUSE J. Mancilla	Discovery.
<u>In Re: George Hunt</u> U.S. Bankruptcy Court for the Middle District of Fla. Tampa Division 11/15/82	Bankruptcy Action: Deltona is a general unsecured creditor.	\$63,201.23 plus interest.	OUTSIDE COUNSEL STRASKE, FARFANTE, etc. IN HOUSE G. Betz	Awaiting confirmation of Chapter 11 plan.
<u>Jarell vs. Cross</u> Collier County Circuit Court 3/6/85	Action to Quiet Title on a Marco lot. Plaintiff's claim title to the property by virtue of 1984 tax deed.	Non-monetary.	IN HOUSE J. Mancilla	Discovery.
<u>Kahn, et al. vs. Marco Shoreline Properties, et al.</u> Dade County Circuit Court 12/8/82	Action to recover deposit on Royal Seafarer unit based upon mortgage approval clause.	\$62,325.00 paid in; plus interest, costs and attorney's fees.	IN HOUSE J. Mancilla	Discovery.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Leeber, et al. vs. Maine Florida Properties, et al.</u> Superior Court, ME 4/4/83	Action to recover deposit on South Seas Northwest unit based upon mortgage approval clause.	\$22,530.00 paid in; Complaint seeks a total of \$44,330.00.	OUTSIDE COUNSEL Richard Davis IN HOUSE J. Mancilla	Discovery.
<u>LoRusso, et. al. vs. Marco Tropical Properties, Inc.</u> U.S. District Court, New York 8/18/83	Action to recover deposit on Tropic Schooner unit based upon mortgage approval clause.	\$16,500.00 paid in; plus interest.	OUTSIDE COUNSEL Pusatier, Sherman White & London Rich Abbott IN HOUSE J. Mancilla	Motion for Change of Venue filed 9/7/83.
<u>Marco Island Shores Development Corporation vs. Deltona Corpor- ation et al.</u> U.S. District Court Eastern District of Wisconsin 10/17/85	Action alleging breach of contract involving an undeveloped lot on Marco Island. The action also alleges violation of the Interstate Land Sale Dis- closure Act; U.S. Crimi- nal Code and the R.I.C.O. Act.	\$127,101.37 paid in; plus interest, costs, attorneys's fees and damages in an unspecified	IN HOUSE J. Mancilla	Complaint filed.
<u>Charles A. McClure, Trustee, Deltona Corporation</u> U.S. District Court 10/24/85	Action alleging breach of contract involving an undeveloped lot on Marco Island.	\$13,139.00 paid in; plus interest costs plus interest, costs and attorney's fees.	IN HOUSE J. Mancilla	Complaint filed.
<u>Joseph A. McClure vs. Deltona Corporation</u> Dade County Circuit Court 10/24/85	Action alleging breach of contract involving an undeveloped lot on Marco Island.	\$11,343.43 paid in; plus interest, costs and attorney's fees.	IN HOUSE J. Mancilla	Complaint filed.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF CASE
<u>Matonak vs. Marco Shoreline Properties, Inc.</u> U.S. District Court Southern	Action to recover deposit on a Royal Seafarer unit based upon mortgage approval clause.	\$30,750.00 paid in; plus interest, costs, attorney's fees and unspecified amount of damages.	IN HOUSE J. Mancilla	Discovery.
<u>NCNB National Bank Of South Fla. vs. Hideaway Development Corporation et al.</u> Collier County Circuit Court 9/19/84	Action to foreclose mortgage on Hideaway Development Corporation NCNB is the Collateral Trustee.	\$1,946,559.67 plus interest, cost and attorney's fees.	IN HOUSE J. Mancilla	Action stayed pending disposition of bankruptcy action filed by Defendant. Judgment entered in the Company's favor in Federal Bankruptcy Court.
<u>Penna, et al. vs. Deltona, et al.</u> Dade County Circuit Court 10/26/82	Action to recover deposit on South Seas Northwest unit based upon mortgage approval clause.	\$20,625.00 paid in; plus unspecified punitive damages, interest and costs.	IN HOUSE J. Mancilla	Discovery.
<u>Petricca vs. Deltona</u> State of New York Supreme Ct. 5/31/84	Action alleging breach of contract for failure to convey a Marco Shores lot. Action alleges fraud and seeks damages under multiple counts or various theories of law.	\$22,327.82 paid in; plus interest and damages.	OUTSIDE COUNSEL Pusatier, Sherman and White, R. Abbott IN HOUSE J. Mancilla	Discovery.
<u>Poniatowski, et al. vs. Deltona</u> U.S. District Court, Michigan 8/22/83	Class action alleging illegal & corrupt sales activities with regard to shelter products. This action involves a SSNW II Unit and two Conquistador Units.*	\$30,000.00 per class member.	OUTSIDE COUNSEL Radner & Radner IN HOUSE J. Mancilla	Discovery.

\* Also included under Three Seasons Corporation.



CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Quarrymasters vs. Deltona,</u> <u>et al.</u> Collier County Circuit Court 9/14/82	Action to enforce a mechanic's lien for ceramic tile and marble supplied by Plaintiff for Royal Seafarer and Tropic Schooner.	\$39,230.90 plus costs and attorney's fees for Tropic Schooner; \$57,132.00 plus costs and attorney's fees for Royal Seafarer. The Company has filed a Counter Claim for damages in excess of \$5,000.	IN HOUSE J. Mancilla	Discovery.
<u>Santillo v. Deltona</u> Superior Court of New Jersey Passaic County 1/9/84	Action to recover deposit on Summit House Unit based upon mortgage approval clause.	\$25,035.00 paid in; together with interest costs, attorney fees and unspecified compensatory & punitive damages.	OUTSIDE COUNSEL Hoffman & Fiorello J. Fiorello IN HOUSE J. Mancilla	Discovery.
<u>Sherafat v. Marco Tropical</u> <u>Properties, Inc.</u> Collier County Circuit Court 4/4/84	Action to recover deposit on a Tropic Schooner Unit. Action alleges that certain material representations were made to Plaintiff by Defendant as inducement to enter said contract and such representations were never fulfilled.	\$16,500.00 paid in; plus interest, damages, costs and attorney's fees.	IN HOUSE J. Mancilla	Partial Summary Judgment entered in favor of the Company. The Plaintiff has filed an appeal which has been dismissed by the Appellate Court.
<u>South Seas East Condo Apts</u> <u>of Marco Island vs. Deltona</u> <u>et al.</u> Collier County Circuit Court 10/10/84	Class action brought by Condo Assoc. Action alleges breach of Implied statutory warranty Breach of Common Law Warranties Negligence. Complaint lists deficiencies related to the construction of the Condo.	Unspecified damages, costs and attorneys fees.	IN HOUSE J. Mancilla	Settled for \$28,000.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Stinchcomb vs. The Surf Club of Marco, Inc.</u> Collier County Circuit Court 9/14/84	Action alleges breach of oral contract and misrepresentation. Action alleges that Plaintiff entered into an oral agreement with Defendant whereby the Defendant would have an exclusive concession for parasailing and waterskiing at the Surf Club.	Unspecified damages.	IN HOUSE J. Mancilla	Discovery.
<u>United Trowel Trade, Inc. vs. Marco Island Construction</u> Collier County Circuit Court 6/1/82	Action alleging breach of contract. Action brought by subcontractor for work performed on South Seas East. This action has been consolidated with <u>Countywide Drywall &amp; Stucco, Inc., vs. Marco Island Const., et al.</u>	\$130,000.00 plus interest and attorney's fees. The company has filed a counter claim for damages in excess of \$5,000.	IN HOUSE J. Mancilla	Discovery.
<u>Wilson d/b/a Dee Investment co. vs. Marco Tropical Properties</u> Circuit Court of Cook County, Ill. Law Division 12/28/83	Action alleging breach of contract. Action alleges misrepresentation regarding beach access.	\$16,000 paid in plus attorney's fees and costs.	OUTSIDE COUNSEL Mayer, Brown & Platt, T. McNeil IN HOUSE J. Mancilla	Discovery.

Addendum to DelMarco Litigation Report

Tutino vs. The Deltona  
Corporation

Collier County Circuit Court  
10/31/85

Action to collect monies  
due under a Refund & Option  
Agreement involving a  
Marco Island Lot.

\$13,796.99 paid in;  
plus interest, cost  
and damages in an  
unspecified amount.

IN HOUSE  
J. Mancilla

Complaint filed.

Litigation Involving Three Seasons Corporation

Adamczyk vs. Deltona  
Volusia County Circuit Ct.  
10/25/79

Action arising from flooding in Deltona Lakes. Action alleges that flooding resulted from Deltona's drainage design which includes pumping into Clear Lake.

Injunction to prevent future pumping into Clear Lake; Unspecified amount for property damage.

IN HOUSE  
J. Mancilla

A Judgment was entered against the Company in the amount of \$13,716. on 7/22/85. The Company has filed an appeal in the Fifth D.C.A.

Ageloff, et al. vs. The Deltona Corporation  
New York Supreme Court  
9/30/85

Action involving three undeveloped lots in Sunny Hills. Action also alleges fraud & seeks rescission of contracts.

\$10,656.27 paid in; plus interest, costs and attorney's fees.

IN HOUSE  
J. Mancilla

Complaint filed.

Bermudez vs. Deltona  
Hernando County Circuit Ct.  
1/2/80

Action alleges breach of contract for failure to complete a house contract in Spring Hill on time.

\$2,400.00 paid in.

IN HOUSE  
J. Mancilla

Judgment in favor of Plaintiffs. The Company filed an appeal in Hernando County Circuit Court.

Boutwell vs. Deltona  
Marion County Circuit Court  
7/22/85

Action seeking declaratory judgment for Plaintiff for a prescriptive easement over property of Defendant.

non monetary

IN HOUSE  
G. Betz

Discovery.

Bunch vs. Deltona  
Marion County Circuit Court  
4/4/85

Action arising from a house sales contract. Action alleges breach of contract for failure to complete the house within the time specified. Action seeks damages under multiple counts and legal theories.

Unspecified.

IN HOUSE  
J. Mancilla

Settled for \$3,300.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Cezard vs. Deltona Corp.</u> Dade County Circuit Court 8/6/85	Action seeking rescission and cancellation of a contract for a undeveloped lot in Marion Oaks. The action also alleges breach of warranty and unfair and deceptive trade practices.	\$75,477.02 paid in; plus interest, cost and attorney's fees.	IN HOUSE J. Mancilla	Settlement negotiation.
<u>Climo v. Deltona</u> State of Main District Court 7/31/85	Action alleging breach of contract involving a undeveloped lot in Citrus Springs.	\$3,207.54 paid in; plus interest.	IN HOUSE	Settled for \$3,207.54.
<u>Combined Companies, Inc. et al. vs. Deltona Corp.</u> U.S. Bankruptcy Court District Court of Minn. 10/8/85	This is an adversary proceeding to collect monies allegedly owed to one or more of the Plaintiff's by Deltona.	\$3,842.69, plus finance charges, costs disbursements & attorney's fees.	IN HOUSE G. Betz	Complaint filed.
<u>Deltona vs. Bailey, Tax Assessor, Volusia County</u> Volusia County Circuit Ct. 12/74	Action to contest the ad-valorem assessments made on Plaintiff's real property in Volusia County, for the tax years 1973 and 1974.	\$137,834.54 (amount of tax payment in dispute).	IN HOUSE J. Mancilla	Discovery.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Deltona, et al. vs. Empire of Carolina, Inc. and Maurice Halperin</u> U.S. District Court So. District of Florida 10/30/85	Action by Deltona and its Directors against Empire and Halperin for fraud. Deltona is seeking a preliminary and permanent injunction prohibiting Empire from soliciting consents from Deltona shareholders on the basis of misrepresentations and omissions in Empire's Consent Solicitation in violation of the Securities and Exchange Act of 1934. Deltona is also seeking a judicial declaration that all consents obtained by Empire are void and is further seeking to enjoin Empire from exercising any control over Deltona prior to a hearing on this action.	Non-monetary	OUTSIDE COUNSEL Paula Morency Alan Salpeter MAYER, BROWN & PLATT IN HOUSE J. Mancilla	Complaint filed 10/9/85.
<u>Deltona vs. Muckenfuss, et al.</u> Marion County Circuit Ct. 7/10/81	Action to contest the 1980 ad-valorem property tax assessment on Deltona's real property located in Marion County.	\$369,807.29 (amount of tax payment in dispute)	OUTSIDE COUNSEL Dearing & Smith R. Smith IN HOUSE J. Mancilla	Final Judgment entered in favor of the Company. The County has filed an appeal. The Company will file a cross appeal to seek attorneys fees.
<u>Deltona vs. Muckenfuss, et al.</u> Marion County Circuit Court 1/25/82	Action to contest the 1981 ad-valorem property tax assessment on Deltona's real property located in Marion County.	\$625,429.44 (amount of tax payment in dispute)	OUTSIDE COUNSEL Dearing & Smith R. Smith IN HOUSE J. Mancilla	Discovery.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Deltona vs. Muckenfuss, et al.</u> Marion County Circuit Court 12/10/82	Action to contest the 1982 ad-valorem property tax assessment on Deltona's real property located in Marion County.	\$635,047.11 (amount of tax payment in dispute)	OUTSIDE COUNSEL Dearing & Smith R. Smith IN HOUSE J. Mancilla	Discovery.
<u>Deltona vs. Muckenfuss, et al.</u> Marion County Circuit Court 12/21/83	Action to contest the 1983 ad-valorem property tax assessment on Deltona's real property located in Marion County.	\$501,836.64 (amount of tax payments in dispute).	OUTSIDE COUNSEL Dearing & Smith R. Smith IN HOUSE J. Mancilla	Discovery.
<u>Deltona's Mackle-Built Const. Co. Inc., vs. Muckenfuss, et al.</u> Marion County Circuit Court 12/21/83	Action to contest the 1983 ad-valorem property tax assessment on Deltona's real property located in Marion County.	\$64,142.46 (amount of tax payment in dispute).	OUTSIDE COUNSEL Dearing & Smith R. Smith IN HOUSE J. Mancilla	Discovery.
<u>Empire of Carolina, Inc. vs. Frank E. Mackle, Jr. et al.</u> U.S. District Court So. District of Florida 10/7/85	Derivative Stockholders Action against Deltona and its Directors for fraud and breach of fiduciary duty. Plaintiff is seeking a preliminary and permanent injunction against Deltona to prevent the closing of the proposed transaction with Topeka Group, Inc., involving a sale of Preferred Stock.	Non-monetary	OUTSIDE COUNSEL Paula Morency Alan Salpeter MAYER, BROWN & PLATT IN HOUSE J. Mancilla	Hearing on Motion for Preliminary Injunction scheduled for 11/1/85.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Empire of Carolina, Inc.</u> <u>vs. Frank E. Mackle, Jr.</u> <u>et al.</u> State of Delaware Court of Chancery 10/15/85	Action by Empire as a Stockholder of Deltona alleging violation of Delaware Corporate law. Plaintiff is seeking a judicial declaration that 10/7/85 is the record date for determining stockholders entitled to express consent with respect to certain actions proposed by Plaintiff and that Deltona's setting of a record date of 11/15/85 is void, Plaintiff further seeks and injunction against Deltona to prevent Deltona from taking any action inconsistent with a record date of 10/7/85.	Non-monetary	Retained Counsel Paula Morency Alan Salpeter MAYER, BROWN & PLATT IN HOUSE J. Mancilla	Preliminary Hearing was held on 10/24/85. Awaiting decision by trial court.
<u>Fedor, et al., vs. Joertz,</u> <u>Pine Ridge Service Corp.,</u> <u>et al.</u> Citrus County Circuit Court 4/3/85	Action to quiet title on a Pine Ridge lot. Pine Ridge Service Corp. has filed a claim of lien on the lot for delinquent maintenance fees.	Amount of lien \$343.20; plus \$10.00 in recording fees, \$20.00 service charge and \$61.78 in interest.	IN HOUSE J. Mancilla	Final Order of Summary Judgment entered in favor of Plaintiff. No monies were awarded to Pine Ridge Service Corp.
<u>Fedor, et al. vs. Joertz,</u> <u>Pine Ridge Service Corp.,</u> <u>et al.</u> Citrus County Circuit Court 4/3/85	Action to quiet title on a Pine Ridge. Pine Ridge Service Corp. has filed a claim of lien on the lot for delinquent maintenance fees.	Amount of lien \$504.90; plus \$10.00 recording fees, \$25.00 service charge and \$59.10 in interest.	IN HOUSE J. Mancilla	Final Order of Summary Judgment entered in favor of Plaintiff. No monies were awarded to Pine Ridge Service Corp.



CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Florida Power Corporation vs. Deltona, et al.</u> Citrus County Circuit Court 6/26/85	This is an action for condemnation of permanent clearing and/or guying easements on certain of Deltona's properties situated in Citrus County.	Non-monetary.	IN HOUSE J. Mancilla	Settled for \$2,000. Payment made to the Company.
<u>Hinds vs. Deltona</u> Marion County Circuit Court 9/19/85	Action alleging breach of contract involving two undeveloped lots in Marion Oaks.	\$20,565.23 paid in; plus interest, costs, attorney's fees and damages in an unspecified amount.	IN HOUSE J. Mancilla	Discovery.
<u>Jacupke vs. Rushing, et al.</u> Marion County Circuit Court 6/20/85	Action to quiet title to two Marion Oaks lots. The lots in question were deeded by Deltona in 1978 & 1979.	Non-monetary.	IN HOUSE J. Mancilla	Discovery.
<u>Kapchan vs. Florida Mackle Bros., et al.</u> New York Supreme Court 4/23/82	Action to recover deposits on a Spring Hill lot and an Edgewater unit. Action also alleges fraud.	\$37,000.00 paid in; plus interest from 10/24/80.	OUTSIDE COUNSEL M. Benimowitz IN HOUSE J. Mancilla	Discovery.
<u>Kent vs. Deltona, et al.</u> Volusia County Circuit Court 11/28/84	Action to quiet title to property in Deltona Lakes. Specifically certain deed restrictions placed upon the property by Deltona in 1963.	Non-monetary.	IN HOUSE J. Mancilla	Discovery.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Lighton vs. Deltona</u> Washington County Circuit Court 5/22/85	Action alleging breach of contract. The action involves 4 lots in Sunny Hills, 2 of which are undeveloped. The action also alleges violation of Fla. Land Sales Act and Plaintiff seeks the rescission of all four contracts.	\$10,392.75 paid in, plus interest, costs and attorney fees.	IN HOUSE J. MANCILLA	Settled for \$10,600.75, representing monies paid in plus taxes.
<u>Long vs. Deltona</u> State of New York Supreme Court 9/6/85	Action alleging breach of contract involving an undeveloped lot in Sunny Hills.	\$4,085.94 paid in; plus interest.	IN HOUSE J. Mancilla	Settled for \$4,895.72, representing monies paid in plus interest.
<u>Lupo vs. Permble, et al.</u> Marion County Circuit Court 6/17/85	Action to quiet title to a lot in Marion Oaks. Deltona deeded said lot in 1978.	Non-monetary.	IN HOUSE J. Mancilla	Answer filed 6/17/85.
<u>Metivier vs. Baggesen Assoc. and Deltona</u> Rhode Island Superior Ct. 7/9/80	Action alleging breach of contract involving a Spring Hill lot. Action also alleges fraud and seeks damages under multiple counts involving various theories of law.	\$3,370.83 paid in; plus damages.	OUTSIDE COUNSEL Tillinghast, Collins & Graham J. Hahn IN HOUSE J. Mancilla	Discovery.
<u>Morris v. Deltona</u> Citrus County Circuit Court 4/19/85	Action seeking reformation of Purchase Sale Agreement and Warranty Deed to Citrus Springs lot.	Non-monetary.	IN HOUSE J. Mancilla	The Plaintiff has filed a Motion for Summary Judgment.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Morson vs. R&amp;R Associates, et al.</u> Superior Court, Commonwealth of Massachusetts 3/26/82	Action alleging breach of contract arising from sale of three Marion Oaks house contracts. Action also alleges fraud and seeks damages under multiple counts on various theories of law.	\$15,640.00 paid in; seeks multiple damages, interest, attorney's fees, etc.	OUTSIDE COUNSEL Goodwin, Proctor & Hoar J. Cotter, S. Reed IN HOUSE J. Mancilla	Settled for \$21,000.
<u>Piarulle vs. Intercoastal Properties, et. al.</u> New York Supreme Court Monroe County 5/5/83	Action to recover deposit on Conquistador unit. Contract was cancelled for failure to obtain mortgage approval.	\$9,068.00 paid in; plus punitive damages.	OUTSIDE COUNSEL Fitzgerald & Fitzgerald D. Fitzgerald IN HOUSE J. Mancilla	Discovery.
<u>Poniatowski vs. Deltona</u> U.S. District Court, Michigan 8/22/83	Action alleging illegal and corrupt sales activities regarding sale of shelter products. This action involves a SSNW II Unit and two Conquistador Units.*	\$38,078.00 retained by the Company upon cancellation of contracts.	OUTSIDE COUNSEL Radner, Radner and Ross R. Radner IN HOUSE J. Mancilla	Discovery.
<u>Schalekamp vs. Deltona</u> Hernando County Circuit Court 8/20/85	Action to quiet & conform title to property in Spring Hill. This action is solely directed to the Declaration of Restrictions filed by Deltona in 1968.	Non-monetary	IN HOUSE J. Mancilla	Discovery.

\* Also included under DelMarco.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
Skeens vs. Deltona Hernando County Circuit Court 5/14/84	Action arising from a motorcycle accident in Spring Hill. Action alleges accident resulted from poor road surface conditions. Action also alleges negli- gence.	Unspecified damages.	COUNSEL FOR INS. CARRIER H. Vance Smith IN HOUSE J. Mancilla	Discovery.

Litigation Involving United Florida Utilities Corporation

In re: Application of St. Augustine Shores Utilities, a division of United Florida Utilities Corporation, for increased water and sewer rates and charges to its customers in St. Johns County, Florida. Board of County Commissioners St. Johns County, Florida 6/21/85.

Rate Case

Annual revenues increase requested: Water: \$153,460. Sewer: \$149,396.

IN HOUSE  
G. Betz

Filed 6/21/85.  
Interim rates 7/21/85.  
Jurisdiction transferred to P.S.C. 7/25/85. Rates final 10/19/85.

In re: Investigation of Rates and charges of St. Augustine Shores Utilities, a division of United Florida Utilities Corporation.

Informal Investigation

Annual revenues increase requested: Water: \$153,460. Sewer: \$149,396.

IN HOUSE  
G. Betz

Investigation initiated 1/10/85. Rates finalized in County rate proceeding under corporate guarantee until determination that Utility is not "over earning". System capacity charge of \$400.00 per ERC granted to water and sewer utility 1/10/85.

Litigation Involving Deltona Utilities, Inc.

In re: Application of Spring Hill Utilities, a division of Deltona Utilities, for increased water and sewer service rates and a change in its service availability charges to its customers in Hernando County, Florida  
Spring Hill Utilities vs. Florida Public Service Commission vs. Citizens of the State of Florida  
Florida Public Service Commission  
5/16/83

Rate Case

Annual revenue increase requested: Water: \$292,593  
Sewer: \$398,277.

IN HOUSE  
G. Betz

Final Public Service Commission decision rendered 8/27/84. Motion for Reconsideration denied. Appealed to 1st DCA. Appellant's Brief filed May 29, 1985; Motion to Strike Brief pending.

In re: Application of Seaboard Utilities Corporation for increased water and sewer service rates and changes in its service availability charges to its customers in Hillsborough County, Florida.  
Board of County Commissioners, Hillsborough County, Florida  
11/15/84

Rate Case

Annual revenue increase requested: Water: \$100,560  
Sewer: \$133,262.

IN HOUSE  
G. Betz

Hearing scheduled for November 22, 1985.

Litigation Involving Deltona Marco Realty Company

Cavallo vs. Deltona, et al.  
Orange County Court  
7/22/85

Action alleging breach of contract. Plaintiff entered into a contract with San Marco Development, Inc., for a condominium on Marco Island. Marco Island Realty, Co. acted as agents for San Marco Development, Inc.

\$4,295.00 paid to the developer; plus damages in an unspecified amount.

IN HOUSE  
J. Mancilla

Discovery.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Litigation Involving Deltona Marketing Corporation</u>				
<u>Damen vs. Deltona</u> US District Court So. District of Florida 1/9/80	Action for alleged breach of fiduciary duty, fraud and deceit arising from a Security Agreement in connection with a transaction involving a former salesman and Plaintiff.	\$105,000.00 plus punitive damages.	IN HOUSE J. Mancilla Co-counsel Richard Goldstein	Judgment entered for Plaintiff in the amount of \$350,477.66. The Company filed an appeal which is pending.
<u>Sharma vs. Sarin, et al.</u> Dade County Circuit Court 6/23/81	Action alleging breach of contract. Action to enjoin Deltona from deeding property pending determination of ownership. Action also has a Cross-claim of fraud against Deltona.	\$36,000.00 plus punitive damages.	IN HOUSE J. Mancilla	Sharma's claim dismissed at trial. Action on the Sarin's Cross-Claim remains pending against Sharma and the Company. The Company has filed a Motion to Dismiss for lack of prosecution.
<u>Sichel vs. R&amp;R Associates, et al.</u> District Court of Massachusetts 12/28/82	Action to recover real estate commission.	\$10,580.00 amount of commission.	IN HOUSE J. Mancilla	Discovery.
<u>Skipper, John et al. vs. Deltona</u> Superior Court Commonwealth of Massachusetts 7/25/84	Action to collect commissions and overrides allegedly owed to Plaintiff while employed by Med Secure Group, Inc. a/k/a R&R Assoc.	\$33,849.29, plus interest and costs.	OUTSIDE COUNSEL J. Cotter IN HOUSE J. Mancilla	Discovery.



CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
<u>Litigation Involving Deltona Utilities, Inc.</u>				
<u>Deltona Utilities vs. Florida Public Service Commission</u> State of Florida, PSC 4/6/82	Administrative action seeking permission to terminate service to Enterprise Utilities.	Non-monetary.	IN HOUSE G. Betz	In abeyance while Deltona Utilities, Inc. is receiver for Enterprise Utilities.
<u>Cochran v. Marco Island Utilities</u> Equal Employment Opportunity Commission 4/17/85	EEOC action alleging that a former employee was terminated based upon race discrimination.	Unspecified.	IN HOUSE G. Betz	Decision in favor of Utility 8/22/85. No evidence of discrimination.
<u>Deltona Utilities v. Department of Environmental Regulations</u> State of Florida DOAH 3/19/84	Administrative action requesting formal hearing for permit denial - Lake Monroe outfall.	Non-monetary.	IN HOUSE G. Betz	Settlement Negotiations.
<u>Lulinski vs. Deltona &amp; Spring Hill Utilities, et. al.</u> Pinellas County Circuit Court 6/21/84	Action to collect damages arising from a traffic accident involving a vehicle owned & operated by Spring Hill Utilities a division of Deltona Utilities, Inc. Action alleges gross negligence.	Unspecified damages.	COUNSEL FOR INS. CARRIER Wetz, Fuller & Lamb W. Brasfield IN HOUSE J. Mancilla	Discovery.
<u>Von Steiner v. Marco Island Utilities</u> Collier County Circuit Court 2/18/85	Action alleges that Utilities' propane gas tank is encroaching on his property.	\$1,200.00, payment for trespass to property, survey, and other damages.	IN HOUSE G. Betz	Decision for Plaintiff in the amount of \$100.00 plus \$44.00 cost 8/13/85.

CASE	SUBJECT OF ACTION	AMOUNT IN CONTROVERSY	COUNSEL	STATUS OF ACTION
In re: Application of Marco Island Utilities, a division of Deltona Utilities, Inc., for increased water and sewer charges to its customers in Collier County, Florida Collier County Utility Rate & Regulation Board 2/28/85 Changed to FPSC jurisdiction April 16, 1985.	Rate Case	Annual revenue increase requested: water: \$771,940. Sewer: \$226,215.	IN HOUSE G. Betz	Interim rates of \$198,507, water and \$98,365, sewer granted 6/28/85. Minimum Filing Requirement's filed 9/11/85.

Litigation Involving The Deltona Corporation

<u>Baptist Hospital of Miami, Inc. vs. Barbara A. Brown vs. The Deltona Corporation</u> Dade County Circuit Court 6/28/82	Action to enforce insurance coverage of former Deltona employee. Deltona joined as third party.	\$5,033.12 plus interest, costs and Attorney's fees.	IN HOUSE J. Mancilla	Discovery.
<u>Deltona v. Deltona Transformer Corporation</u> Volusia County, Circuit Court 2/7/85	Action alleging breach of lease. The Company seeks declaratory relief and recovery possession of property.	Loss of rental income of \$16,000.00.	IN HOUSE J. Mancilla	Discovery.
<u>Granoff Corp. vs. Deltona Corp.</u> Volusia County Circuit Court 2/16/83	Action arising from the sale of Deltona Inn. Action alleges breach of contract for failure to disclose defects.	Unspecified damages, interest, costs and attorney's fees.	IN HOUSE J. Mancilla	Discovery.
<u>Hernando County vs. The Deltona Corporation</u> Hernando County Circuit Court 10/30/85	Complaint filed by the County for alleged breach of development obligations. The Action seeks specific performance and damages in excess of One million dollars.	Damages in excess of \$1 million dollars	IN HOUSE J. Mancilla	Complaint filed.
<u>Intercontinental Properties, Inc. vs. Deltona</u> Dade County Circuit Court 5/17/84	Action arising from lease on Royal Trust office space. Action alleges breach of lease for failure to pay additional monies due pursuant to lease renewal option.	\$98,000.00 representing the additional rent monies for remainder of lease plus interest, costs and attorney's fees.	IN HOUSE J. Mancilla	Trial scheduled for November 25, 1985.

Litigation Involving Tierra Verde Company

Yacht & Racquet Club, Ltd.  
vs. Madonna & Delverde  
Pinellas County Circuit Court  
6/23/81

Action arising from sale  
of Tierra Verde Hotel.  
Plaintiff alleges that  
fraudulent representa-  
tions were made with re-  
spect to the condition of  
the roof, etc.

Unspecified cost of  
repairs, punitive damages,  
attorney's fees, court  
costs, etc.

IN HOUSE  
J. Mancilla  
G. Betz

Discovery.

Litigation Involving Imperial Lumber Company, Inc.

<u>Ft. Lauderdale Baptist Temple, et al. vs. Precision Roof Sys- tems and Imperial of Broward</u> Broward County Circuit Court 4/5/83	Action resulting from col- lapse of roof trusses manu- factured by the successor in interest to the Broward Division of Imperial. Action alleges negligent manufac- turing.	\$23,584.00.	IN HOUSE J. Mancilla	This action was dismissed by Plaintiff against Imperial on 7/30/85.
<u>Hale and Pugel vs. Deltona</u> Hillsborough County Circuit Court 11/10/83	Insurance Claim: Action arising from a traffic accident involving a vehicle owned and operated by Imperial.	Unspecified damages.	OUTSIDE COUNSEL J. Allen IN HOUSE J. Mancilla	Discovery.
<u>Parker vs. Imperial</u> Manatee County Circuit Court 10/2/84	Insurance claim: Action arising from a traffic ac- cident involving a vehicle owned and operated by Imperial.	Unspecified damages.	OUTSIDE COUNSEL Dickenson, O'Riorder, etc. M. Tabak IN HOUSE J. Mancilla	Discovery.

Litigation Involving The Deltona Asphalt Company, Inc.

City of Ocala vs. Turner  
Construction et. al.  
Marion County Circuit Court  
6/8/83

Action alleges breach of warranty. Action alleges that the asphaltic concrete manufactured by Deltona and supplied by the contractor was defective and not fit for the intended purposes at the time of delivery to the contractor. Action also alleges negligence.

\$175,000.00 in damages.

IN HOUSE  
J. Mancilla  
G. Betz

Deltona dismissed from case with no liability August 6, 1985.

Turner Construction vs. Deltona  
Marion County Circuit County  
7/20/83

Action to collect monies due under a contract with Defendant to supply lime rock to Plaintiff.

\$20,825.84 balance due under the contract.

IN HOUSE  
J. Mancilla  
G. Betz

Counter-claim by Deltona for \$19,000 set-off. Counsel for Turner Construction has withdrawn, July 30, 1985.

Litigation Involving Marco Island Airways, Inc.

Marco Island Airways, Inc. vs.  
Bahia Plane Associates #2  
County Court, Collier County,  
Florida  
10/6/82

Action to collect monies  
owed by Defendant for  
parts and labor provided to  
aircraft.

\$3,422.20 plus  
interest.

IN HOUSE  
G. Betz

Discovery.

Freeport Flight Services,  
Ltd., vs. Marco Island Air-  
ways, Inc., and Deltona  
Dade County Circuit Court  
6/20/85

Action alleging breach of  
contract. The action al-  
leges that MIA owes Plain-  
tiff monies for labor and  
services provided under the  
contract. Defendant, Deltona,  
has guaranteed the debts of  
MIA, Inc., pursuant to the  
contract.

\$8,847.28 plus interest,  
cost and attorney fees.

IN HOUSE  
G. Betz

Answered July 22, 1985.  
Discovery.

CERTIFICATE OF DESIGNATION,  
PREFERENCES AND RIGHTS

OF

THE DELTONA CORPORATION

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Pursuant to Section 151 of the  
Delaware Corporation Law

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We, Frank E. Mackle III, President and Michelle R. Garbis, Secretary, of THE DELTONA CORPORATION, a corporation organized and existing under the Delaware Corporation Law (the "Corporation"), in accordance with the provisions of Section 151 thereof,

DO HEREBY CERTIFY:

That, pursuant to the authority expressly granted to and vested in the Board of Directors by the provisions of Article Fourth of the Restated Certificate of Incorporation of the Corporation and pursuant to the provisions of Section 151 of the Delaware Corporation Law, at a meeting duly called and held on October 17, 1985, which meeting was duly adjourned and reconvened on October 30, 1985, the Board of Directors adopted the following resolution creating a series of 4,545,000 shares of Preferred Stock of the par value of \$1.00 per share designated as "Series A Cumulative Preferred Stock":

RESOLVED that, pursuant to the authority expressly granted to and vested in the Board of Directors of the Corporation by the provisions of Article



Fourth of the Restated Certificate of Incorporation of the Corporation, this Board of Directors hereby creates a series of Cumulative Preferred Stock of the Corporation with the designation and amount, and the powers, preferences and rights, and the qualifications, limitations or restrictions thereon (in addition to the powers, preferences and rights, and the qualifications, limitations or restrictions thereon, if any, set forth in the Restated Certificate of Incorporation of the Corporation, which are applicable to all series of Preferred Stock of the Corporation) as follows:

Section 1. Definitions.

"Common Stock" means the Corporation's common stock, par value \$1.00 per share entitling the holder thereof to one vote per share and any other capital stock of any class of the Corporation which has no preference in respect of dividends, redemption, conversion, exchange, voting rights or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"Series A Issue Date" means, with respect to shares of Series A being issued, the date(s) on which such shares of Series A Cumulative Preferred

Stock are issued. The "First Series A Issue Date" means the first date on which such shares of Series A Cumulative Preferred Stock are issued.

"Stockholders' Equity" of a corporation means the aggregate amount of all of its assets which may properly be classified as such, other than assets which properly should be classified as intangible assets, less all reserves which are properly treated as deductions from assets (including Contributions in Aid of Construction) and its aggregate indebtedness, all as determined in accordance with generally accepted accounting principles consistently applied on the same basis as in prior years; provided, however, that for the purposes hereof the Liquidation Preferences of the Series A as determined pursuant to Section 7 shall be considered indebtedness.

Section 2. Designation and Amount; Stated Value.

(a) The distinctive serial designation of this series shall be "Series A Cumulative Preferred Stock" ("Series A"). Each share of Series A shall be identical in all respects with the other shares of Series A.

(b) The number of shares in Series A shall initially be 4,545,000; provided, however, that

after the anniversary date of the First Series A Issue Date the number of shares in Series A shall be the number then outstanding. Shares of Series A redeemed or purchased by the Corporation shall be cancelled and shall revert to authorized but unissued Preferred Stock undesignated as to series.

Section 3. Voting.

(a) Each holder of shares of Series A shall be entitled to vote on every question submitted to holders of record of the Common Stock, and shall be entitled to one vote for every share of Series A standing in such holder's name on the books of the Corporation. Except as otherwise provided herein, the holders of shares of Series A and the holders of all other outstanding capital stock of the Corporation shall vote as a single class.

(b) As long as any shares of Series A remain outstanding, the consent of the holders of at least two-thirds of the shares of the Series A outstanding at the time (voting separately as a class) given in person or by proxy, either in writing or at any special or annual meeting called for the purpose, shall be required to permit or effect any one or more of the following:

(i) the authorization, creation, issuance or increase in the rights, preferences or number

of authorized or issued shares, of any class or series of stock (including any class or series of preferred stock) or any securities convertible into any class or series of stock (including any class or series of preferred stock) ranking prior to or on a parity with (as such terms are hereinafter defined in this Section 3) the Series A; or

(ii) the amendment of any of the provisions of the Restated Certificate of Incorporation of the Corporation, including this Series A Certificate of Designation, which would (x) change the rights, preferences or aggregate number of authorized shares of Series A; or (y) effect an exchange, reclassification, or cancellation of all or part of the shares of Series A; or (z) effect an exchange, or create a right of exchange, of all or any part of the shares of another class or series of stock for shares of Series A;

(iii) any merger or consolidation of the Corporation with or into another corporation or any sale, mortgage, lease, conveyance or other disposition of all or a significant portion of the Corporation's properties or business; or

(iv) any amendment of any of the provisions of the Restated Certificate of Incorporation

or Bylaws of the Corporation relating to the election, terms of office or removal of directors, or which would provide for a classified Board of Directors.

(c) Any class or classes of stock or other securities having an equity interest in the Corporation shall be deemed to rank:

(i) prior to the Series A if the holders of such class shall be entitled to more than one vote per share or shall be entitled to rights of conversion, exchange, redemption, the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of the Series A; and

(ii) on a parity with the Series A if the holders of such class of stock and the Series A shall be entitled to the receipt of dividends or of amounts distributable upon redemption, liquidation, dissolution or winding up, as the case may be (whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share are different from those of Series A), in proportion to their respective dividend rates or redemption or liquidation prices, without preference or priority one over the other.

(d) Special meetings of the stockholders, for any purpose or purposes, including the election or removal of directors, unless prescribed by statute or by the Restated Certificate of Incorporation, shall be called by the Chairman of the Board or the President or Secretary at the request in writing of stockholders owning one-fourth in amount of the shares of Series A issued and outstanding.

Section 4. Dividends.

(a) The holders of shares of Series A shall be entitled to receive cumulative quarterly cash dividends on the first business day of January, April, July and November in each year ("Quarterly Dividend Payment Date"), commencing January 1, 1986 at the annual rate of \$.55 per share; provided, however, that the dividends payable on shares of Series A for any period from the Series A Issue Date in respect of such shares until the next Quarterly Dividend Payment Date or from one Quarterly Dividend Payment Date to the next Quarterly Dividend Payment Date shall be pro rated. (Any period between the Series A Issue Date and the next Quarterly Dividend Payment Date and the period between Quarterly Dividend Payment Dates is hereinafter called "Dividend Payment Period.")

(b) The amount of any dividend "accrued" on any share of Series A shall be the amount of any unpaid dividends accumulated thereon to and including the last preceding Quarterly Dividend Payment Date, whether or not earned or declared, plus the pro rata amount, based on the annual dividend rate provided for in Section 4(a) for the period after such last preceding Quarterly Dividend Payment Date to and including the date as of which the calculation is made, whether or not earned or declared; provided, however, that if the shares of Series A are acquired by the Corporation (except pursuant to Section 7) or the Utility Subsidiaries, the holders of shares of Series A shall not be entitled to receive any dividend attributable to the period between the last preceding Quarterly Dividend Payment Date and the Closing of any such acquisition.

(c) If the Corporation fails to pay any cash dividend on the shares of Series A, based on the annual dividend rate provided for in Section 4(a) on any Quarterly Dividend Payment Date, such accrued but unpaid dividends ("Unpaid Dividends") shall bear interest at the rate of 10 percent per annum from such Quarterly Dividend Payment Date.

Section 5. Limitation on Dividends, Etc.

(a) As long as any of the shares of Series

A shall remain outstanding the Corporation shall not declare or pay any dividend (including stock dividends) on any shares of Common Stock or other capital stock of the Corporation not ranking prior to or on a parity with (as such terms are defined in Section 3) the Series A unless (i) full dividends on the Series A for all past Dividend Payment Periods plus any accrued interest thereon at the rate fixed and determined in Section 4(c) shall have been paid, (ii) full dividends on the Series A for the current Dividend Payment Period shall have been declared, and funds for the payment thereof shall have been set aside; and (iii) after giving effect thereto, the Corporation's Stockholders' Equity shall be at least 110% of the Liquidation Preferences of the Series A determined pursuant to Section 7.

(b) So long as any of the shares of Series A shall remain outstanding the Corporation shall not make any distribution with respect to, or purchase, redeem or otherwise acquire any shares of Common Stock or other capital stock of the Corporation not ranking prior to or on a parity with the Series A.

Section 6. Redemption; Conversion. The Series A have no conversion rights and are not subject to mandatory redemption by the Corporation.



Section 7. Liquidation Preferences. In the event of voluntary dissolution or liquidation of the Corporation, before any payment or distribution ("Distribution") of assets of the Corporation shall be made to or set apart for the holders of any capital stock not ranking prior to or on a parity with Series A, the holders of shares of Series A shall be entitled to receive, out of the assets of the Corporation available for distribution to stockholders, \$5.50 per share plus preferential dividends (at the rate fixed and determined in Section 4(a)), accumulated and unpaid, whether or not declared to the date designated for such Distribution, together with accrued interest on Unpaid Dividends (at the rate fixed and determined in Section 4(c)), and no more. In the event of any involuntary dissolution or liquidation of the Corporation, before any Distribution shall be made to or set apart for the holders of any capital stock not ranking prior to or on a parity with the Series A, the holders of shares of Series A shall be entitled to receive, out of the assets of the Corporation available for distribution to stockholders, \$5.50 per share plus preferential dividends (at the rate fixed and determined in Section 4(a)), accumulated and unpaid, whether

or not declared to the date designated for such Distribution, together with accrued interest on Unpaid Dividends (at the rate fixed and determined in Section 4(c)), and no more.

Section 8. Preemptive Rights. The holders of shares of Series A shall have preemptive rights to subscribe for shares of voting capital stock of the Corporation and securities convertible into shares of voting capital stock of the Corporation.

IN WITNESS WHEREOF, this Certificate has been made under the seal of THE DELTONA CORPORATION and has been signed by Frank E. Mackle III, its President, and attested to by Michelle R. Garbis, its Secretary, this \_\_\_\_ day of November, 1985.

ATTEST:

\_\_\_\_\_  
STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this day of \_\_\_\_\_, 1985, by \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of the corporation.

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

EXHIBIT C  
**NON-NEGOTIABLE  
PROMISSORY NOTE**

\$18,000,000.00  
Ten (10%) Percent Interest

Saint Paul, Minnesota  
November 8, 1985

FOR VALUE RECEIVED, the undersigned, TOPEKA GROUP INCORPORATED, a Minnesota corporation ("Maker"), on or before November 22, 1985, promises to pay to THE DELTONA CORPORATION, a Delaware corporation, at its offices at 3250 Southwest Third Avenue, Miami, Florida 33145, or such other place as the holder hereof may designate in writing, the principal sum of EIGHTEEN MILLION AND NO/100 (\$18,000,000.00) DOLLARS together with interest thereon at the rate of Ten (10%) Percent per annum from the date hereof.

This Promissory Note evidences indebtedness incurred under that certain Purchase Agreement dated November \_\_\_\_\_, 1985 among The Deltona Corporation, Deltona Utilities, Inc., Pelican Utility Company, United Florida Utilities Corporation, Deltona Utilities Consultants, Inc. and Topeka Group Incorporated ("Purchase Agreement") and this Promissory Note and the Maker's obligations hereunder are subject to all of the provisions thereof.

The undersigned hereby waives presentment for payment, notice of non-payment, protest and notice of protest, consents to the extension and renewal of this Note without notice and agrees to pay in the event of default hereunder, the cost of collection, including reasonable attorneys' fees.

TOPEKA GROUP INCORPORATED

By \_\_\_\_\_  
Jack F. Rowe, Chairman

THIS WARRANT AND THE SHARES OF COMMON STOCK OR OTHER SECURITIES RECEIVABLE UPON THE EXERCISE HEREOF MAY BE SOLD, ASSIGNED, TRANSFERRED OR HYPOTHECATED ONLY IN COMPLIANCE WITH THE SECURITIES ACT OF 1933 (THE "ACT"). THE DETAILS OF THE STEPS REQUIRED TO BE TAKEN FOR SUCH COMPLIANCE ARE CONTAINED IN SECTION 2 OF THIS WARRANT.

## THE DELTONA CORPORATION

### Warrant to Purchase Common Stock

The Deltona Corporation, a Delaware corporation (the "Company"), hereby certifies that, for value received, the Topeka Group Incorporated ("Topeka") is entitled, subject to the terms set forth below, to purchase from the Company upon surrender of this Warrant, at any time or times prior to the expiration hereof as hereinafter provided ("Expiration"), fully paid and nonassessable shares of Common Stock of the Company of the par value of \$1.00 per share ("Shares").

The number of Shares to be purchased by Topeka upon exercise of this Warrant and the purchase price therefor shall be as determined and provided in Section 3.

As used herein, the term "Company" includes any corporation which shall succeed to or assume the obligations of the Company hereunder, and the term "Shares" includes all stock of any class or classes (however designated) of the Company the holders of which shall have the right (without limitation as to amount) either to all or to a share of the balance of current dividends and liquidating distributions after the payment of dividends and distributions on any shares entitled to preference.

#### Section 1. Certain Definitions.

"Aggregate Series A Value" means the product determined by multiplying the Series A Value by the total number of issued and outstanding shares of Series A.

"Common Stock" means the Company's common stock, par value \$1.00 per share entitling the holder thereof to one vote per share and any other capital stock of any class of the Company which has no preference in respect of dividends, redemption, conversion, exchange, voting rights or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company.

"Event of Default" means the occurrence of one or more of the following:

(i) a breach or default by the Company of or under any term, covenant, condition, representation, warranty or provision of the Certificate of Designation, Preferences and Rights of the Company pertaining to the shares of Series A or any other agreement between it and Topeka including, but not limited to, that certain Purchase Agreement dated November \_\_\_\_\_, 1985 among the Company, the Utility Subsidiaries and Topeka, all of the terms, conditions, agreements, warranties, representations, covenants and provisions of which are incorporated herein and made a part hereof and that certain Security Agreement between Topeka and the Company;

(ii) a breach or default by the Company of or under any term, covenant, condition, representation, warranty or provision of any loan or other agreement between the Company and any of its secured lenders.

(iii) if the Company makes a general assignment for the benefit of creditors, admits in writing an inability to pay its debts generally as they become due, files or has filed against it a petition in bankruptcy under the Federal Bankruptcy Code, consents to the appointment of a trustee or receiver for it or its respective properties, or takes any action for the purpose of affecting or consenting to any of the foregoing; or

(iv) if the Company's Stockholders' Equity is at any time less than Fifteen Million (\$15,000,000) Dollars.

"Per Share Book Value of the Company's Common Stock" means, at the time of any such determination, the quotient obtained by dividing the Company's Stockholders' Equity by the number of shares of the Company's Common Stock issued and outstanding on a fully diluted basis. (In determining the Per Share Book Value of the Company's Common Stock shares of Common Stock held in treasury and shares of Common Stock issuable upon exercise of this Warrant shall be disregarded.)

"Series A" means the Company's Series A Cumulative Preferred Stock.

"Series A Value" means with respect to each outstanding share of Series A the sum of \$5.50 plus (i) preferen-



tial dividends accumulated and unpaid, whether or not declared, as of the most recent Quarterly Dividend Payment Date and (ii) accrued interest thereon as provided in the Company's Restated Certificate of Incorporation as amended by the Certificate of Designation, Preferences and Rights creating the Series A.

"Subsidiary Warrant" means a Warrant to purchase common stock of a Utility Subsidiary issued to Topeka by a Utility Subsidiary (collectively "Subsidiary Warrants").

"Stockholders' Equity" of the Company means the aggregate amount of all of its assets which may properly be classified as such, other than assets which properly should be classified as intangible assets, less all reserves which are properly treated as deductions from assets (including Contributions in Aid of Construction) and the Company's aggregate indebtedness all as determined in accordance with generally accepted accounting principles consistently applied on the same basis as in prior years; provided, however, that for the purposes hereof the Aggregate Series A Value shall be considered indebtedness.

"Utility Subsidiary" means any of the following: Deltona Utilities, Inc., Pelican Utility Company, United Florida Utilities Corporation and Deltona Utilities Consultants, Inc. (collectively "Utility Subsidiaries").

Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Company's Restated Certificate of Incorporation as amended by the Certificate of Designation, Preferences and Rights with respect to the Series A.

Section 2. Compliance with the Act. Topeka acknowledges that neither this Warrant nor the Shares issuable upon exercise of this Warrant has been registered under the Act and agrees that this Warrant and all Shares purchased upon exercise hereof shall be disposed of only in accordance with the Act and the rules and regulations of the Securities and Exchange Commission promulgated thereunder. Topeka further agrees not to sell, transfer or otherwise dispose of this Warrant or any Shares issuable upon exercise of this Warrant to any other person unless a registration statement covering the sale, transfer or other disposition shall then be effective under the Act, or there shall have been delivered to the Company an opinion of Briggs and Morgan, Professional Association or other counsel acceptable to the Company, to the effect that such sale, transfer or other disposition may be effected without compliance with the registration and prospectus delivery requirements of the Act. Each certificate evidencing Shares issuable upon

exercise of this Warrant shall bear a legend to the foregoing effect, and the person in whose name that certificate is registered shall be required, at or before receipt of that certificate, to execute and deliver to the Company a letter to the effect that it is acquiring the Shares evidenced by that certificate for its own account and not with a view to, or for resale in connection with, any distribution thereof in violation of the Act.

Section 3. Number of Shares; Purchase Price; Payment. Upon the exercise of this Warrant in the manner hereinafter described Topeka shall be entitled to receive the number of Shares equal to the quotient determined by dividing the then Aggregate Series A Value by the greater of:

(i) the Per Share Book Value of the Company's Common Stock as of the close of business at the end of the calendar quarter immediately preceding the Exercise; or

(ii) \$4.00 (minimum per share purchase price for the Shares).

Topeka shall pay for the Shares by the transfer to the Company of all of the issued and outstanding shares of Series A.

Section 4. Adjustment; Generally. Appropriate adjustment of the minimum per share purchase price for the Shares shall be made for changes in the capital structure of the Company, including any stock dividend, whether on the shares of Series A or on the Company's Common Stock, split-up, reverse split-up or recapitalization.

Section 5. Adjustment for Reorganization, Consolidation, Merger, etc. In case of any capital reorganization or reclassification of the Shares of the Company, any consolidation or merger of the Company with or into any other corporation, or any sale to another corporation of the properties and assets of the Company as or substantially as an entirety, Topeka shall have the right to receive upon the exercise of the Warrants, at any time after the consummation of the reorganization, reclassification, consolidation, merger or sale, the kind and amount of shares of stock or other securities or property receivable upon such reorganization, reclassification, consolidation, merger or sale by Topeka of the number of Shares issuable upon the exercise of this Warrant immediately prior to the reorganization, reclassification, consolidation, merger or sale; and in any such case, if necessary, the provisions set forth herein with respect to the rights and interests thereafter of Topeka shall be appropriately adjusted so as

to be applicable, as nearly as may reasonably be, to any shares of stock or other securities or property thereafter receivable upon the exercise of this Warrant. The above provisions of this Section 5 similarly shall apply to successive reclassifications and changes of Shares and to successive consolidations, merger, sales or conveyances.

Section 6. Reservation of Shares; Listing. The Company shall reserve and have at all times available sufficient Shares deliverable against the due exercise of this Warrant to satisfy the rights and privileges contained herein, and effective no later than July 1, 1986 shall cause all such Shares to be duly authorized for listing, upon official notice of issuance, on any national securities exchange on which the Shares are listed or admitted to trading.

Section 7. Termination. Topeka is the holder of a Subsidiary Warrant issued by each Utility Subsidiary. Upon the exercise of the Subsidiary Warrants this Warrant shall be void and no rights herein given to Topeka shall exist thereafter. (For the purposes hereof the Subsidiary Warrants shall not be deemed exercised until Topeka has received Common Stock of the Utility Subsidiaries as contemplated thereby.)

Section 8. Mandatory Exercise. Subject to the provisions of Section 9, if this Warrant is issued and outstanding on the business day next following the expiration of the Subsidiary Warrants, Topeka shall conclusively be deemed to have exercised this Warrant.

Section 9. Exception to Mandatory Exercise. Notwithstanding the provisions of Section 8, Topeka shall not be deemed to have exercised this Warrant if an Event of Default has occurred and is then continuing or if Deltona fails to make any required filings under the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976 ("Hart-Scott-Rodino Act"), or the waiting period required thereby has not expired; provided, however, that if the waiting period required by the Hart-Scott-Rodino Act expires or if the Company cures any such default at any time after the fourth anniversary date of the First Series A Issue Date, and at the time of such cure no other Event of Default has occurred and is then continuing, Topeka shall conclusively be deemed to have exercised this Warrant and all other provisions of Section 8 shall apply.

Section 10. Exercise of Warrant. Subject to the provisions of Section 8, this Warrant may be exercised at any time by notice in writing, by registered or certified mail, return receipt requested, to the Company. The Warrant shall be deemed exercised for all purposes when the notice of exercise, which shall be substantially in the form of the Subscription Agreement



annexed hereto and made a part hereof as Exhibit A, is deposited in the United States mail and the date of postmark on the receipt for such certified or registered mail article shall be deemed conclusively to be the date of exercise. Notwithstanding any provisions hereof to the contrary if any action, including any administrative proceeding, is commenced against Topeka or the Company challenging or investigating this Warrant or the transactions contemplated hereby, the closing shall be extended until any such suit or proceeding has been finally concluded. For all of the purposes hereof, any such suit or proceeding shall be deemed to be concluded after a Stipulation of Dismissal with Prejudice has been filed or a final order or judgment has been entered from which no appeal has been or can be taken. If the consummation of the transaction contemplated by this Warrant is prohibited or, if not prohibited would, in the judgment of Topeka arrived at in its sole discretion, adversely affect Topeka as the result of any final order or judgment, Topeka's obligation to close the transaction contemplated hereby (including Topeka's obligations under Section 8) shall be cancelled, whether or not this Warrant has been exercised, and neither Topeka nor the Company shall have any further right or obligation to the other in connection herewith.

Section 11. Determination of Per Share Book Value of the Company's Common Stock; Dispute Resolution. Unless Topeka and the Company can agree on the Per Share Book Value of the Company's Common Stock, for purposes of determining the number of Shares to be issued to Topeka upon the exercise hereof, the Per Share Book Value of the Company's Common Stock shall be determined ("Determination") by the certified public accountants then serving the Company. Such Determination of Per Share Book Value of the Company's Common Stock shall become final thirty (30) days after delivery of the Determination to Topeka unless within said 30-day period Topeka shall notify the Company, in writing, of any objections it may have thereto and its reasons therefor. Topeka and the Company shall negotiate in good faith to resolve to their mutual satisfaction any exceptions taken by Topeka to the Determination. If the parties are unable to resolve any of such objections, Topeka and the Company shall select a Big 8 accounting firm which has no association with Topeka, the Company or any of their subsidiaries or affiliates to determine the Per Share Book Value of the Company's Common Stock in accordance herewith and the Company shall cooperate with whichever of such firms so acts and shall make available to it whatever information it requests. Such accounting firm shall make its determination in writing within sixty (60) days of its acceptance of its engagement and such determination shall be binding on the parties and enforceable in any court.

Section 12. Closing. The closing shall take place at the offices of the Company not more than five (5) days after the Per Share Book Value of the Company's Common Stock has been determined as herein provided.

Section 13. Deliverables at Closing. At the closing Topeka hereof shall deliver to the Company (a) this Warrant, and (b) certificate(s) for all of the outstanding shares of Series A, duly endorsed for transfer either on the certificate(s) or on separate stock powers duly signed by an officer of Topeka, with such signature guaranteed by an officer of a national bank, (c) certificates representing the shares of the Utility Subsidiaries pledged to Topeka and then in Topeka's actual possession, and (d) the letter required by Section 2. At the closing the Company shall deliver the certificate(s) for the number of Shares determined pursuant to Section 3, duly signed by its appropriate corporate officers.

Section 14. Partial Exercise. This Warrant may not be exercised in part.

Section 15. Assignment. Subject to compliance with all applicable state and federal securities laws this Warrant may be assigned by Topeka to any person, firm or corporation to whom Topeka assigns all of the issued and outstanding shares of Series A and the Subsidiary Warrants.

Section 16. Notices. All notices and other communications hereunder shall be in writing and (a) if sent to Topeka shall be sent to 30 West Superior Street, Duluth, Minnesota 55802, Attention: Mr. Jack McDonald; and (b) if sent to the Company, shall be sent to 3250 S.W. Third Avenue, Miami, Florida 33129, Attention: Earle D. Cortright, Jr., Senior Vice President. All such notices and other communications shall be made by certified or registered mail, delivered in person, or telegraphed or telexed and confirmed in writing. Any address given above may be changed by notice given as provided in this Section 16.

Dated: November \_\_\_\_, 1985

THE DELTONA CORPORATION

[SEAL]

By \_\_\_\_\_

Attest:

\_\_\_\_\_

COUNTY OF RAMSEY ) ss.

described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of such corporation; and that he signed his name thereto by like order.

8

EXHIBIT A

SUBSCRIPTION AGREEMENT

THE DELTONA CORPORATION

The undersigned hereby exercises the right to purchase shares covered by that certain Warrant to Purchase Common Stock issued to Topeka Group Incorporated on November \_\_\_\_, 1985.

Signature \_\_\_\_\_  
Address \_\_\_\_\_

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

ASSIGNMENT

FOR VALUE RECEIVED \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ that certain Warrant to Purchase Common Stock issued to Topeka Group Incorporated on November \_\_\_\_, 1985 and does hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney, to transfer said Warrant on the books of The Deltona Corporation with full power of substitution in the premises.

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

NOTICE: The signature to this assignment must correspond with name as written upon the face of the Certificate, in every particular, without alteration or enlargement, or any change whatever.

THIS WARRANT AND THE SHARES OF COMMON STOCK OR OTHER SECURITIES RECEIVABLE UPON THE EXERCISE HEREOF MAY BE SOLD, ASSIGNED, TRANSFERRED OR HYPOTHECATED ONLY IN COMPLIANCE WITH THE SECURITIES ACT OF 1933 (THE "ACT"). THE DETAILS OF THE STEPS REQUIRED TO BE TAKEN FOR SUCH COMPLIANCE ARE CONTAINED IN SECTION 2 OF THIS WARRANT.

DELTONA UTILITIES, INC.

Warrant to Purchase Common Stock

Deltona Utilities, Inc., a Florida corporation (the "Company"), hereby certifies that, for value received, the Topeka Group Incorporated ("Topeka") is entitled, subject to the terms set forth below, to purchase from the Company, upon surrender of this Warrant at such times as are hereinafter set forth, 10,000 shares of fully paid and nonassessable Common Stock of the Company of the par value of \$1.00 per share (the "Shares").

The purchase price for the Shares shall be as determined and provided in Section 3.

As used herein, the term "Company" includes any corporation which shall succeed to or assume the obligations of the Company hereunder, and the term "Shares" includes all stock of any class or classes (however designated) of the Company the holders of which shall have the right (without limitation as to amount) either to all or to a share of the balance of current dividends and liquidating distributions after the payment of dividends and distributions on any shares entitled to preference.

Section 1. Certain Definitions.

"Aggregate Series A Value" means the product determined by multiplying the Series A Value by the total number of issued and outstanding shares of Series A.

"Aggregate Stockholders' Equity of the Utility Subsidiaries" means, at the time of any such determination, the sum of the Stockholders' Equity of all of the Utility Subsidiaries.

"Common Stock" means the Company's common stock, par value \$1.00 per share entitling the holder thereof

to one vote per share and any other capital stock of any class of the Company which has no preference in respect of dividends, redemption, conversion, exchange, voting rights or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company.

"Event of Default" means the occurrence of one or more of the following:

(i) if any secured lender or any bondholder, or anyone acting on their behalf, commences suit against the Company for payment, whether by acceleration or otherwise, or commences any foreclosure proceedings, whether by advertisement, action or otherwise, with respect to any of the Company's assets;

(ii) a breach or default by the Company, which remains uncured for ninety (90) days, of or under any term, covenant, condition, representation, warranty or provision of any agreement between it and Topeka including, but not limited to, that certain Purchase Agreement dated as of November 6, 1985 among Deltona, the Utility Subsidiaries and Topeka, all of the terms, conditions, agreements, warranties, representations, covenants and provisions of which are incorporated herein and made a part hereof;

(iii) except as otherwise contemplated by (i) above, a breach or default by the Company, which remains uncured for ninety (90) days, of or under any term, covenant, condition, representation, warranty or provision of any loan or other agreement between the Company and its secured lenders or bondholders, including that certain Bond Purchase Agreement dated as of December 1, 1984 and the documents, agreements and instruments pertaining or relating thereto among the Company, Southeast Bank, N.A. and the institutional purchasers signatory thereto; or

(iv) if the Company makes a general assignment for the benefit of creditors, admits in writing an inability to pay its debts generally as they become due, files or has filed against it a petition in bankruptcy under the Federal Bankruptcy Code, consents to the appointment of a trustee or receiver for it or its respective properties, or takes any action for the purpose of affecting or consenting to any of the foregoing.

"Exercise Period" means, subject to the provisions of Section 12, the one-year period beginning on November 8,

1988 and ending at 5:30 p.m. Eastern Time on November 8, 1989.

"Series A" means Deltona's Series A Cumulative Preferred Stock.

"Series A Value" means with respect to each outstanding share of Series A the sum of \$5.50 plus (i) preferential dividends accumulated and unpaid, whether or not declared, as of the most recent Quarterly Dividend Payment Date and (ii) accrued interest thereon as provided in Deltona's Restated Certificate of Incorporation as amended by the Certificate of Designation, Preferences and Rights creating the Series A.

"Sister Subsidiary" means any Utility Subsidiary except the Company (collectively "Sister Utilities").

"Sister Subsidiary Warrant" means a warrant to purchase 10,000 shares of the common stock of a Sister Subsidiary issued to Topeka by a Sister Subsidiary (collectively "Sister Utility Warrants").

"Stockholders' Equity" of a corporation means the aggregate amount of all of its assets which may properly be classified as such, other than assets which properly should be classified as intangible assets, less all reserves which are properly treated as deductions from assets (including Contributions in Aid of Construction) and the corporation's aggregate indebtedness, all as determined in accordance with generally accepted accounting principles consistently applied on the same basis as in prior years; provided, however, that for the purposes hereof, outstanding preferred stock shall be considered indebtedness.

"Utility Subsidiary" means any of the following: the Company, Pelican Utility Company, United Florida Utilities Corporation and Deltona Utilities Consultants, Inc. (collectively "Utilities Subsidiaries"), all of the issued and outstanding capital stock of which is owned by The Deltona Corporation, a Delaware corporation ("Deltona").

Section 2. Compliance with the Act. Topeka acknowledges that neither this Warrant nor the Shares issuable upon exercise of this Warrant has been registered under the Act and agrees that this Warrant and all Shares purchased upon exercise hereof shall be disposed of only in accordance with the Act and the

rules and regulations of the Securities and Exchange Commission promulgated thereunder. Topeka further agrees not to sell, transfer or otherwise dispose of this Warrant or any Shares issuable upon exercise of this Warrant to any other person unless a registration statement covering the sale, transfer or other disposition shall then be effective under the Act, or there shall have been delivered to the Company an opinion of Briggs and Morgan, Professional Association or other counsel acceptable to the Company, to the effect that such sale, transfer or other disposition may be effected without compliance with the registration and prospectus delivery requirements of the Act. Each certificate evidencing Shares issuable upon exercise of this Warrant shall bear a legend to the foregoing effect, and the person in whose name that certificate is registered shall be required, at or before receipt of that certificate, to execute and deliver to the Company a letter to the effect that it is acquiring the Shares evidenced by that certificate for its own account and not with a view to, or for resale in connection with, any distribution thereof in violation of the Act.

Section 3. Number of Shares; Purchase Price. Upon the exercise of this Warrant in the manner hereinafter described Topeka shall be entitled to receive 10,000 shares of the \$1.00 par value Common Stock of the Company. The purchase price for the Shares shall be the Stockholders' Equity of the Company as of the close of business at the end of the calendar quarter immediately preceding the exercise of this Warrant; provided, however, that in no event shall the purchase price for the Shares be less than \$1,000; and provided, further, that in no event shall the purchase price for the Shares of the Company and the shares of the Sister Subsidiaries to be issued to Topeka upon the exercise of this Warrant and the Sister Subsidiary Warrants be less than the Aggregate Series A Value.

Section 4. Adjustment; Generally. Appropriate adjustment in the number of shares to be issued upon the exercise of this Warrant shall be made for changes in the capital structure of the Company, including any stock dividend, whether on the shares of Series A or on the Company's Common Stock, split-up, reverse split-up or recapitalization.

Section 5. Adjustment for Reorganization, Consolidation, Merger, etc. In case of any capital reorganization or reclassification of the Shares of the Company, any consolidation or merger of the Company with or into any other corporation, or any sale to another corporation of the properties and assets of the Company as or substantially as an entirety, Topeka shall have the right to receive upon the exercise of the Warrant after the consummation of the reorganization, reclassification,



consolidation, merger or sale, the kind and amount of shares of stock or other securities or property receivable upon such reorganization, reclassification, consolidation, merger or sale by Topeka of the number of Shares issuable upon the exercise of this Warrant immediately prior to the reorganization, reclassification, consolidation, merger or sale; and in any such case, if necessary, the provisions set forth herein with respect to the rights and interests thereafter of Topeka shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to any shares of stock or other securities or property thereafter receivable upon the exercise of this Warrant. The above provisions of this Section 5 similarly shall apply to successive reclassifications and changes of Shares and to successive consolidations, merger, sales or conveyances.

Section 6. Payment. Payment for the Shares of the Company and the shares of the Sister Subsidiaries to be issued to Topeka upon the exercise of this Warrant and the Sister Subsidiary Warrants shall be made by transferring to the Utility Subsidiaries all of the issued and outstanding shares of Series A and, if the Aggregate Tangible Net Worth of the Utility Subsidiaries is in excess of the Aggregate Series A Value, in accordance with Topeka's promissory note ("Note"), payable jointly and severally to the Utility Subsidiaries, in the amount of such excess. Such Note shall be substantially in the form of Exhibit A annexed hereto and made a part hereof.

Section 7. Reservation of Shares. The Company shall reserve and have at all times available sufficient shares of Common Stock deliverable against the due exercise of this Warrant to satisfy the rights and privileges contained herein.

Section 8. Time of Exercise of Warrant. This Warrant may be exercised at any time during the Exercise Period. In addition, this Warrant may be exercised at any time prior to its expiration:

- (a) upon the occurrence of an Event of Default;
- (b) if any Sister Subsidiary Warrant is exercised, whether by acceleration or otherwise;
- (c) upon a Change of Control of Deltona (a "Change in the Control of Deltona" shall be deemed to have occurred if (a) any "person" [as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")], other than the holders of the shares of Series A becomes the "beneficial owner" [as defined in Rule 13(d)-3 promulgated under the Exchange

Act], directly or indirectly, of securities of Deltona representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities, or (b) if at any time individuals who on October 1, 1985 constituted the Board of Directors of Deltona cease to constitute or are claimed to cease to constitute at least a majority thereof as the result of stockholder action with respect to which the record date preceded the date hereof;

(d) if Deltona or any Sister Utility makes a general assignment for the benefit of creditors, admits in writing an inability to pay its debts generally as they become due, files or has filed against it a petition in bankruptcy under the Federal Bankruptcy Code, consents to the appointment of a trustee or receiver for it or its respective properties, or takes any action for the purpose of affecting or consenting to any of the foregoing;

(e) if any secured lender or any bondholder, or anyone acting on their behalf, commences suit against Deltona for payment, whether by acceleration or otherwise, or commences any foreclosure proceedings, whether by advertisement, action or otherwise, with respect to any of Deltona's assets securing an indebtedness of Two Million Five Hundred Thousand and No/100 (\$2,500,000.00) Dollars or more;

(f) a breach or default by Deltona, which remains uncured for ninety (90) days, of or under any term, covenant, condition, representation, warranty or provision of the Certificate of Designation, Preferences and Rights of the Company pertaining to the shares of Series A or any other agreement between it and Topeka including, but not limited to, that certain Purchase Agreement dated November \_\_\_\_\_, 1985 among the Company, the Utility Subsidiaries and Topeka, all of the terms, conditions, agreements, warranties, representations, covenants and provisions of which are incorporated herein and made a part hereof, and that certain Security Agreement between Topeka and the Company;

(g) if the Stockholders' Equity of Deltona is at any time less than Fifteen Million Dollars (\$15,000,000);

(h) if the Aggregate Stockholders' Equity of the Utility Subsidiaries is at any time less than 110% of the Aggregate Series A Value; or

(i) if any Utility Subsidiary or any sub-subsidiary of any Utility Subsidiary or any division of any such Utility Subsidiary or sub-subsidiary is condemned.

Section 9. Manner of Exercise. This Warrant may not be exercised unless Topeka simultaneously exercises the Sister Subsidiary Warrants by delivering the following to Southeast Bank N.A., 100 South Biscayne Boulevard, Miami, Florida 33131, in exchange for the Shares:

(a) this Warrant;

(b) the Sister Utility Warrants;

(c) Subscription Agreement with respect to the Company and each Sister Subsidiary, in substantially the form of Exhibit B attached hereto and made a part hereof;

(d) certificates representing all of the issued and outstanding shares of Series A (either 4,000,000 or up to 4,545,000) duly endorsed for transfer either in blank or by separate stock powers attached to such certificates, with all signatures guaranteed by an officer of a national bank, together with an affidavit signed by an officer of Topeka to the effect that such Certificates for shares of Series A represent all of the issued and outstanding shares of Series A at any time acquired by Topeka; and

(e) a letter from an officer of Topeka to the effect that Topeka is acquiring the Shares for its own account and not with a view to, or for resale in connection with, any distribution thereof in violation of the Act.

Section 10. Determination of Aggregate Stockholders' Equity of the Utility Subsidiaries. Unless Topeka and the Company can agree on the Aggregate Stockholders' Equity of the Utility Subsidiaries, such determination ("Determination") shall be made by the certified public accountants then serving the Company. Such Determination shall become final thirty (30) days after delivery of the Determination to Topeka unless within said 30-day period Topeka shall notify the Company, in writing, of any objections it may have thereto and its reasons therefor. Topeka and the Company shall negotiate in good faith to resolve to their mutual satisfaction any exceptions taken by Topeka to the Determination. If the parties are unable to resolve any of such objections, Topeka and the Company shall select a Big 8 accounting firm which has no

association with Topeka, the Company or any of their subsidiaries or affiliates to determine the Aggregate Stockholders' Equity of the Utility Subsidiaries in accordance herewith and the Company shall cooperate with whichever of such firms so acts and shall make available to it whatever information it requests. Such accounting firm shall make its determination in writing within sixty (60) days of its acceptance of its engagement and such determination shall be binding on the parties and enforceable in any court. The Company acknowledges that the determination of Aggregate Stockholders' Equity of the Utility Subsidiaries and the delivery by Topeka of any Note as required by Section 6 shall occur after the exercise of this Warrant, and upon delivery of the items referred to in Section 9 to Southeast Bank N.A., Topeka unconditionally shall be entitled to the Shares.

Section 11. Deltona Warrants. Topeka is the holder of a Warrant issued by Deltona ("Deltona Warrant"). Upon the exercise of the Deltona Warrant, this Warrant shall be void and no rights herein given to Topeka shall exist thereafter. For the purposes hereof the Deltona Warrant shall not be deemed exercised until Topeka has received Common Stock of Deltona as contemplated thereby.

Section 12. Expiration. If not exercised prior to the expiration of the Exercise Period this Warrant shall be void and no rights herein given to Topeka shall exist thereafter; provided, however, that notwithstanding any provision hereof to the contrary if any action, including any administrative proceeding, is commenced against Topeka or the Company challenging or investigating this Warrant or the transactions contemplated hereby, or if Deltona fails to make any required filing under the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976 ("Hart-Scott-Rodino Act") or the waiting period required thereby has not expired, the Exercise Period shall be extended for a period of thirty (30) days after any such suit or proceeding has been finally concluded or the waiting period required by the Hart-Scott-Rodino Act has expired. In addition the Exercise Period shall be extended for a period of thirty (30) days after any suit or proceeding before the Florida Public Service Commission with respect to this Warrant or the transactions contemplated hereby has been finally concluded. For all of the purposes hereof, any suit or proceeding shall be deemed to be concluded after a Stipulation of Dismissal with prejudice has been filed or a final order or judgment has been entered from which no appeal has been or can be taken.



Section 13. Partial Exercise. This Warrant may not be exercised in part.

Section 14. Assignment. Subject to compliance with all applicable state and federal securities laws this Warrant may be assigned by Topeka to any person, firm or corporation to whom Topeka assigns all of the issued and outstanding shares of Series A, the Deltona Warrant and the Sister Subsidiary Warrants.

Section 15. Notices. All notices and other communications hereunder shall be in writing and (a) if sent to Topeka shall be sent to 30 West Superior Street, Duluth, Minnesota 55802, Attention: Mr. Jack McDonald; and (b) if sent to the Company, shall be sent to 3250 S.W. Third Avenue, Miami, Florida 33129, Attention: Earle D. Cortright, Jr. All such notices and other communications shall be made by certified or registered mail, delivered in person, or telegraphed or telexed and confirmed in writing. Any address given above may be changed by notice given as provided in this Section 15.

Section 16. No Waiver. No delay or failure by Topeka to excise this Warrant upon the occurrence of any one or more of the events described in Section 8(a) through 8(i) shall constitute a waiver of such right.

Dated: November \_\_, 1985      DELTONA UTILITIES, INC.

[SEAL]

By \_\_\_\_\_

Attest:

\_\_\_\_\_

STATE OF MINNESOTA)

) SS.

COUNTY OF RAMSEY )

On the \_\_\_\_\_ day of November, 1985, before me personally came \_\_\_\_\_, to me known, who, being by me duly sworn, did depose and say that he resides at \_\_\_\_\_

of Deltona Utilities, Inc., the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of such corporation; and that he signed his name thereto by like order.

Notary Public

EXHIBIT A

NON-NEGOTIABLE DEMAND  
PROMISSORY NOTE

\$ \_\_\_\_\_  
No Interest

Miami, Florida

FOR VALUE RECEIVED, the undersigned, TOPEKA GROUP INCORPORATED, a Minnesota corporation ("Maker"), on demand, promises to pay to DELTONA UTILITIES, INC., PELICAN UTILITY COMPANY, UNITED FLORIDA UTILITIES CORPORATION and DELTONA UTILITIES CONSULTANTS, INC., Florida corporations, the sum of \_\_\_\_\_

( \$ \_\_\_\_\_ ) DOLLARS without interest.

This Promissory Note evidences indebtedness incurred in connection with the exercise of certain stock warrants issued by Deltona Utilities, Inc., Pelican Utility Company, United Florida Utilities Corporation and Deltona Utilities Consultants, Inc. ("Utilities") and this Promissory Note and the Maker's obligation hereunder are subject to the prior performance by The Deltona Corporation ("Deltona") and the Utilities of their respective obligations under Sections 3 and 4 of that certain Stock Redemption and Stock Purchase Agreement of even date herewith among the Maker, Deltona and the Utilities.

The undersigned hereby waives presentment for payment, notice of non-payment, protest and notice of protest, consents to the extension and renewal of this Note without notice and agrees to pay in the event of default hereunder, the cost of collection, including reasonable attorneys' fees.

TOPEKA GROUP INCORPORATED

By \_\_\_\_\_  
Jack F. Rowe, Chairman

## SUBSCRIPTION AGREEMENT

## DELTONA UTILITIES, INC.

The undersigned hereby exercises the right to purchase the 10,000 Shares of the \$1.00 par value Common Stock of Deltona Utilities, Inc. covered by that certain Warrant to Purchase Common Stock dated November \_\_\_\_, 1985 according to the conditions thereof and herewith delivers certificates representing all of the outstanding shares of the Series A Cumulative Preferred Stock of The Deltona Corporation.

Signature \_\_\_\_\_

Address \_\_\_\_\_

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

## ASSIGNMENT

FOR VALUE RECEIVED \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ that certain Warrant to Purchase Common Stock dated November \_\_\_\_, 1985 and does hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney, to transfer said Warrant on the books of Deltona Utilities, Inc. with full power of substitution in the premises.

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

NOTICE: The signature to this assignment must correspond with name as written upon the face of the Certificate, in every particular, without alteration or enlargement, or any change whatever.



Response to Schedule 14B

Item 2. Identity and Background

- (b) (2) Material occupations, positions, offices or employments during the last ten years, starting and ending dates of each and the name, principal business and address of any business corporation or other business organization in which each such occupation, position, office or employment was carried on:

Jack R. McDonald

06/01/74 to 03/31/76 - Manager, Budgets & Cost Control

06/01/76 to 12/31/77 - Manager, Corporate Planning

01/01/78 to 06/30/79 - Director, Operations Analysis

07/01/79 to 12/31/81 - Director, Materials Management

01/01/82 to 04/25/83 - Director, Corporate Diversification Studies

All of the above positions have been held at:

Minnesota Power & Light Company  
30 West Superior Street  
Duluth, MN 55802

Principal Business: Electric Utility

04/26/83 to present - General Manager

05/26/83 to present - Director

These positions have been held at:

Topeka Group, Incorporated  
30 West Superior Street  
Duluth, MN 55802

Principal Business: Diversification Management Subsidiary  
of Minnesota Power & Light Company

03/09/84 to present - Director

JayEn, Inc.  
3189 Miller Trunk Highway  
Duluth, MN 55811

*Director of Universal  
Telephone*  
*R Chairman  
& CEO*

Principal Business: Telecommunications Subsidiary  
of Topeka Group, Incorporated

Response to Schedule 14B

Item 2. Identity and Background

- (b) (2) Material occupations, positions, offices or employments during the last ten years, starting and ending dates of each and the name, principal business and address of any business corporation or other business organization in which each such occupation, position, office or employment was carried on:

Roger M. Bowman

1950 to present - President

Bowman Corporation  
500 Norwest Center  
Duluth, MN 55802

Principal Business: Property Management

1958 to present - President

General Cleaning Corporation  
511 Board of Trade Building  
Duluth, MN 55802

Principal Business: Contract Cleaning

1981 to present - President

Bowman Properties  
715 Norwest Center  
Duluth, MN 55802

Principal Business: Diversified Real Estate Development  
and Property Management

1970 to May, 1985 - Director

Minnesota Power & Light Company  
30 West Superior Street  
Duluth, MN 55802

Principal Business: Electric Utility

<sup>May 1985</sup>  
1970 to ~~present~~ - Director

Topeka Group, Incorporated (Formerly Topeka Land Company)  
30 West Superior Street  
Duluth, MN 55802

Principal Business: Diversification Management Subsidiary  
of Minnesota Power & Light Company

## SECURITY AGREEMENT

The undersigned, **THE DELTONA CORPORATION**, a Florida corporation ("Deltona"), hereby grants to **Topeka Group Incorporated**, a Minnesota corporation having its principal place of business at 30 West Superior Street, Duluth, Minnesota 55802 ("Topeka"), a security interest in the following described property ("Collateral"):

- a. One hundred (100) shares of the \$1.00 par value common capital stock of Deltona Utilities, Inc., a Florida corporation, evidenced by Certificate No. \_\_\_\_\_, representing 100% of the shares thereof issued and outstanding, accompanied by a stock power duly executed in blank with all signatures guaranteed (the "DUI Stock").
- b. One hundred (100) shares of the \$1.00 par value common capital stock of Pelican Utility Company, a Florida corporation, evidenced by Certificate No. \_\_\_\_\_, representing 100% of the shares thereof issued and outstanding, accompanied by a stock power, duly executed in blank with all signatures guaranteed (the "PUC Stock").
- c. One hundred (100) shares of the \$1.00 par value common capital stock of United Florida Utilities Corporation, a Florida corporation, evidenced by Certificate No. \_\_\_\_\_, representing 100% of the shares thereof issued and outstanding, accompanied by a stock power, duly executed in blank with all signatures guaranteed (the "UFUC Stock").
- d. One hundred (100) shares of the \$1.00 par value common capital stock of Deltona Utilities Consultants, Inc., a Florida corporation, evidenced by Certificate No. \_\_\_\_\_, representing 100% of the shares thereof issued and outstanding, accompanied by a stock power, duly executed in blank with all signatures guaranteed (the "DUC Stock").

to secure payment and the due and punctual performance and discharge of all liabilities, obligations and indebtedness of Deltona to Topeka, due or to become due, direct or indirect, absolute or contingent, joint or several, howsoever created, arising or evidenced, now existing or hereafter at any time created, arising or incurred including, but not limited to the liabilities, obligations and indebtedness arising out of or evidenced by that certain Purchase Agreement, dated November \_\_\_\_\_, 1985 by and among Deltona

Utilities, Inc., Pelican Utility Company, United Florida Utilities Corporation and Deltona Utilities Consultants, Inc. (the "Subsidiary Utilities"), Deltona and Topeka (the "Agreement"), and all replacements, renewals, amendments, and extensions of the Agreement (all such liabilities, obligations and indebtedness being hereinafter called "Secured Obligations").

Deltona represents, warrants and agrees with Topeka that:

1. Except as set forth on Exhibit A hereto, Deltona has title to the Collateral, free of all liens, encumbrances, claims, charges or options except the security interest created hereby, and Deltona has full power and authority to execute this Security Agreement, to perform Deltona's obligations hereunder, and to subject the Collateral to the security interest created hereby.

2. Deltona will keep the Collateral free and clear of all liens, encumbrances, claims, charges or options except the security interest referred to on Exhibit A and the security interest created hereby and will pay, when due, all taxes and other governmental charges levied or assessed upon or against the Collateral.

3. As between Topeka and Deltona until the security interest hereby granted is foreclosed by Topeka pursuant to the Florida Uniform Commercial Code, Deltona shall be entitled to all cash dividends declared upon the Collateral and to vote the Collateral at any meeting of the stockholders.

4. If a dividend or dividends shall be declared on the Collateral payable otherwise than in cash, such noncash dividend or dividends attributable to the Collateral, or fractional portion thereof, shall be delivered to Topeka and shall be subject to this Agreement. If the Collateral shall be changed or exchanged for a different number or kind of shares or other securities of the Subsidiary Utilities or of another corporation, whether through reorganization, recapitalization, share split-up, combination of shares, merger, consolidation or otherwise, there shall be substituted for the Collateral then subject to this Agreement, or fractional portion thereof, the number and kinds of shares or other securities into which the outstanding Collateral shall be exchanged. Thereafter the term Collateral as used in this Agreement shall be construed to mean such substituted shares or other securities and this Agreement shall apply to the shares or other securities substituted for the Collateral.

5. An Event of Default hereunder shall mean the occurrence of any one or more of the following: (a) failure of Deltona to satisfy any of the Secured Obligations; (b) failure of Deltona to perform any covenant or agreement contained herein; (c) any material misrepresentation by Deltona herein; or (d) the bankruptcy or insolvency of Deltona, or the appointment of a receiver, trustee, guardian or conservator for the property and assets of Deltona or any material portion thereof.

6. Subject to all the provisions hereof, whenever an Event of Default shall exist, Topeka may, at its option and without demand upon or notice to Deltona, exercise the rights and remedies of a secured party under the Florida Uniform Commercial Code.

7. Contemporaneously with the execution of this Security Agreement, Deltona has delivered to Topeka the DUI Stock, the PUC Stock, and the DUC Stock. Topeka's duty of care with respect to the Collateral in its possession shall be deemed fulfilled if Topeka exercises reasonable care in physically safekeeping such Collateral.

8. Topeka hereby appoints Southeast Bank N.A. ("Agent") as its agent to hold the UFUC Stock on its behalf and Agent accepts such appointment. Deltona agrees that possession of the UFUC Stock by Agent conclusively shall be deemed to be possession by Topeka for the purpose of perfecting Topeka's security interest in the UFUC Stock. The UFUC Stock is subject to a prior security interest in favor of Deltona Utilities, Inc. ("DUI") as set forth in Exhibit A hereto. Upon the receipt of an affidavit of an officer of DUI to the effect that all of the obligations of Deltona to DUI secured by the UFUC Stock have been satisfied, Agent shall promptly deliver the UFUC Stock to Topeka.

9. The execution, delivery and performance by Deltona of this Agreement has been duly authorized by all requisite corporate action and do not and will not (a) require the consent or approval of any person or governmental authority, (b) violate any law, rule, regulation, order, writ, injunction or decree applicable to Deltona, the Utility Subsidiaries or their respective properties, or (c) result in a breach or constitute a default under any contract, agreement or other writing to which Deltona or the Utility Subsidiaries are a party or by which their respective property may be bound.



10. Any notice or other communication required or permitted hereunder shall be given by certified or registered mail, postage prepaid, addressed as follows:

To Deltona:                   The Deltona Corporation  
                                  3250 S.W. Third Avenue  
                                  Miami, Florida 33129

To Topeka:                    Topeka Group Incorporated  
                                  30 West Superior Street  
                                  Duluth, Minnesota 55082

To Agent:                    Southeast Bank N.A.  
                                  100 South Biscayne Boulevard  
                                  Miami, Florida 33131

or to such other address as shall be furnished in writing by such party to the other parties hereto, and such notice or communication shall be deemed to have been given as of the date so mailed. A copy of any notice sent to any party hereto shall also be sent to the other parties hereto.

11. If any notification of intended disposition of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition as herewith provided.

12. No delay or failure by Topeka in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by Topeka of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

13. Deltona by entering into this Agreement and negotiating the terms hereof, voluntarily, intelligently and knowingly waives any rights it may have to demand any notices other than those provided for herein and any right to a hearing as a condition precedent to Topeka's exercise of its right to foreclose on the Collateral.

14. Deltona hereby acknowledges receipt from Topeka of a true and complete copy of this Agreement at the time of the execution hereof.

IN WITNESS WHEREOF the undersigned have executed or caused these presents to be executed this \_\_\_\_ day of November, 1985.

**TOPEKA GROUP INCORPORATED**

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

**THE DELTONA CORPORATION**

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

The Southeast Bank N.A. hereby accepts appointment as agent hereunder.

**SOUTHEAST BANK N.A.**

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

**EXHIBIT A**  
to that certain  
Security Agreement  
Dated  
November \_\_\_\_\_, 1985

The ten (10) shares of the \$10.00 par value common capital stock of United Florida Utilities Corporation ("United Florida") evidenced by Certificate No. \_\_\_\_\_ are subject to a prior pledge by The Deltona Corporation ("Deltona") in favor of Deltona Utilities, Inc. to secure Deltona's guaranty of that certain \$4,302,852.00 promissory note executed by United Florida to the order of Deltona Utilities, Inc.