

ALLOCATION OF WATER RESOURCE AGREEMENT

This agreement made this 1st day of September, 1991 by and between J.L. Property Owner's Association, Inc. (hereinafter referred to as "Association") with principal offices at 17290 Jonathan Drive, Jupiter, Florida 33477 and Jonathan's Landing Golf Club, Inc. (hereinafter referred to as "Sub-Association"), with principal offices at 185 E. Indiantown Road, Suite 108 Jupiter, Florida 33477.

WHEREAS, Association is the owner of that certain parcel of land lying and being in Palm Beach County, Florida, as more particularly described in Exhibit "A" attached hereto and incorporated herein (hereinafter referred to as the "Property"); and

WHEREAS, Association has obtained a Water Withdrawal Permit from South Florida Water Management District (hereinafter referred to as "District") permitting Association to withdraw a certain quantity of water each month; and

WHEREAS, Association desires to allocate the water withdrawn to various Sub-Associations who have jurisdiction to maintain certain portions of land located within those lands known as Jonathan's Landing and the Golf Club maintaining the golf course located within Jonathan's Landing;

WHEREAS, Sub-Associations is a Sub-Association having jurisdiction over certain lands located within Jonathan's Landing, as more particularly described in Exhibit "B", attached hereto and incorporated herein by reference (hereinafter referred to as "Golf Course Property"); and

WHEREAS, Sub-Association desires to withdraw and receive from the Lake Adjacent to the Golf Course Property (hereinafter referred to as Lake), an allocated portion of water withdrawn by Association.

NOW, THEREFORE, in consideration of \$10.00 and other good and valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

1. Withdrawal and Receipt of Water. Within thirty days of Sub-Association giving Association written notice that said Sub-Association is ready, willing, and able to commence withdrawing and receiving of the water (hereinafter referred to as the "Starting Time") and continuing thereafter for the term of this Agreement. The Association agrees to permit the Sub-Association to withdraw an allocated portion of the water retained in the Lake as required by Sub-Association, in an amount not to exceed 16,000,000 gallons per month ("Maximum Gallons"). Association hereby retains the right to change this method of allocating water on a per month basis and/or the amount of water to Sub-Association in the event the District changes its method of allocating water on a per month basis and/or the amount allocated to Association. In the event the amount allocated to Association to withdraw from the Property is decreased, or in the event the Association declares a water shortage emergency exists, then Association shall have the right, at its sole discretion, to decrease the amount which Sub-Association is entitled to receive. Any decrease to Sub-Association shall be in an amount proportional to the decrease to all other residential and common areas to which Association has obligated itself to supply water from the property. Said decrease shall be computed as follows: the Maximum Gallons referenced above divided by the total Maximum Gallons to all Sub-Associations and Golf Club multiplied by total gallons to be decreased.

2. Additional Volumes. Sub-Association may request, in writing delivered to Association, the right to withdraw and

GC now uses 20mg.

receive from the Association additional gallons of water in excess of the amount allocated to Sub-Associations as stated in paragraph 1 above. The Association may, at the Association's election, allow Sub-Association to withdraw such additional volumes as the same may be available upon terms mutually agreeable to the parties. There shall be no fee for such additional volume. Association shall approve or disapprove the request for such additional volume within 5 business days of Association's receipt of the request.

3. Facilities for the Transmission and Delivery of Water. Sub-Association shall have the obligation to timely plan, construct and install in accordance with specifications approved by the Association all pipes, casings, valves and other equipment (hereinafter referred to as the "Sub-Association Facilities"), from the Lake to the point of final delivery to the Sub-Association. After installation of the Sub-Association Facilities, Sub-Association shall retain ownership of and maintain, repair, replace and keep in good operating order the Sub-Association Facilities, which costs to so maintain, repair, replace, and keep in good operating order shall be the cost of the Sub-Association. Association hereby grants Sub-Association an easement over, under and upon the real property described in Exhibit "C" for the purpose of constructing, reconstructing, installing, maintaining, repairing and replacing said pipes, casing, valves and other equipment.

4. Payment for the Water.

(a) Cost of Water Actually Delivered. There shall be no fee for the water actually withdrawn by Sub-Association, unless Sub-Association withdraws more water than has been allocated to it as stated in Paragraph 1 and 2 above. In the event Sub-Association does withdraw more water than has been allocated to it, the Association shall have the option of terminating this Agreement as provided in Paragraph 6 below or charging Sub-Association a fee for the water withdrawn in excess of the amount allocated to Sub-Association.

(b) The Metering. The Sub-Association shall install meters which measure the amount of water delivered to Sub-Association. The cost of each meter shall be a cost of the Sub-Association. Such meters shall be owned, maintained, repaired and kept in good working order by the Sub-Association and Association is hereby given the right to enter upon any Property at any reasonable time to inspect and test each meter to insure the meters are accurate. If any such inspection and test shall show the meter is not accurate within plus or minus 2%, the Sub-Association shall promptly repair or replace the meter at a cost to the Sub-Association.

(c) Billing and Payment. On the 25th day of each month Sub-Association shall read Sub-Association's meters for the purpose of determining the amount of water received by Sub-Association since the previous monthly reading. Sub-Association shall deliver a written report within 5 days of said reading in a form acceptable to Association, stating the said amount of water received by Sub-Association since the previous monthly reading. The parties agree that Association shall have the right to come upon Sub-Association's property for the purpose of reading Sub-Association's meters at any time in order that Association can verify the said meter readings.

5. Rules and Regulations. Sub-Association hereby agrees to abide by each and every rule and regulation specified in Exhibit "D" attached hereto and incorporated herein by reference and any amendments thereto existing now or in the future; and, in addition, to do no act which would place Sub-Association or Association in violation of said rules and regulations.

6. Term. Subject to the provisions herein, this Declaration shall have a term beginning at Starting Time and ending on a date twenty years after Starting Time.

7. Termination.

(a) Termination by the Association. The Association shall have the right to terminate this Agreement at any time upon providing Sub-Association written notice of termination upon the occurrence of any of the following events:

(i) If the Association or Sub-Association according to the responsibilities of each as set forth in this Agreement, shall at any time after the Starting Time, be unable after using all reasonable efforts to do so, including, without limitation, exhausting all administrative or judicial remedies, to renew, extend or re-obtain any permit, license or approval from any governmental agency or instrumentality which it held prior to the Starting Time and which is required by any existing statute, rule, order or regulation to transport or deliver the water to the Sub-Association;

(ii) If at any time after the Starting Time because of any change, amendment or modification of existing law, rule, regulation or order (other than any rule, regulation or order adopted by the Association) or because of the enactment or adoption of any new law, rule, regulation or order (other than any new rule, regulation or order adopted by the Association) it shall become unlawful for the Association to transport or deliver the water to the Sub-Association or for the Sub-Association to so withdraw, transport, receive or deliver the water.

(iii) If at any time the Association is ready, willing and able to have Sub-Association withdraw the water in accordance with this Agreement and Sub-Association is unable to withdraw, transport, deliver and/or receive the water.

(iv) If at any time the Sub-Association withdraws more water than has been allocated to it by Association.

(v) If at anytime the Sub-Association shall be in violation of any provisions of this Agreement including, but not limited to any rule or regulation specified in Exhibit "D" attached hereto and incorporated herein by reference and any amendments thereto.

(b) Termination by Sub-Association. Sub-Association shall have the right to immediately discontinue receiving water from the Lake upon providing the Association written notice of said desire.

(c) Force Majeure Termination. The Association shall have the right to cease providing and the Sub-Association shall have the right to cease withdrawing and receiving water from the Lake upon providing the other party notice of termination at least sixty (60) days prior to the due date of said cessation if an event of Force Majeure (as herein defined) shall occur and continue uninterrupted for a period of ninety days or more.

(d) Failure of Performance. Notwithstanding the above, in the event Sub-Association shall fail to perform any of the covenants on its part hereby made and entered into, Association shall have the option to terminate this Agreement.

(e) Exclusive Remedies. The remedies set forth in this Declaration shall be the exclusive remedies of the Association and Sub-Association in the event of cessation of the distribution or receiving of water from the Lake.

8. Force Majeure. In the event that either Sub-Association or the Association being rendered unable, wholly or in part, by Force Majeure to carry out or fulfill its obligations as stated in this Agreement, the party claiming Force Majeure shall give notice and reasonably full particulars of the Force Majeure cause or causes by telephone or telegraph (and properly confirmed by letter) to the other party as soon as possible after the Force Majeure cause or causes and thereupon the obligation of both parties insofar as and to the extent they are affected by such Force Majeure, shall be suspended; and such Force Majeure cause or causes shall insofar as possible be remedied with all reasonable dispatch, that nothing contained herein shall be construed as requiring a party to settle any labor disputes by acceding to any opposing demands when such course is inadvisable in the discretion of the party having the difficulty. The term "Force Majeure" as used herein shall mean strikes; concerted acts of workmen; lockouts or other industrial disturbances; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; arrests or restraints; requisitions and priorities of the government, either federal, state, civil or military; civil disturbances; explosions; future rules, regulations, orders, laws or proclamations of governmental authorities acting under claim of color or authority; disruption or breakdown in transportation facilities; actions, suits or proceedings which seek to restrain, enjoin, prohibit or invalidate the transactions contemplated hereby or the use of the water by the Sub-Association or which seek to subject any party to substantial damages by reason of the continuation of the performance of this Agreement; and any other cause or causes, acts of God or weather related conditions, which are not reasonably within the control of the party claiming suspension.

9. Water Quality. The Association shall not be responsible for the quality of the water delivered to Sub-Association and Sub-Association shall receive the water in "as is" condition at Sub-Association's risk.

10. Assignment.

(a) Assignment by Sub-Association. The Sub-Association shall not assign its right or delegate its duties hereunder.

11. Indemnity. Sub-Association agrees to indemnify the Association, its officers, governing board, employees and agents against all claims, demands, causes of actions, suits, judgments, fines, penalties or losses incurred by Association by reason of the withdrawal, transport, delivery and receipt of the water from the Lake to Sub-Association.

12. Notices. All notices required pursuant to this Agreement shall be in writing and shall, except as otherwise set forth in this Agreement, be deemed to have been effectively given when delivered in person to the party to receive the notice or when deposited in the United States mail with postage prepaid and addressed to the parties at the address stated above, or at such other address agreed upon by the parties as the notice address.

13. Amendments. No amendment, alteration, modification, or waiver of this Agreement shall be valid or enforceable unless in writing and duly executed by the authorized officers of the Association and Sub-Association.

14. Non-Waiver/Cumulative Remedies. No failure or delay on the part of the Association or the Sub-Association in exercising any right, power or privilege hereunder and no course of dealing between the Association and Sub-Association shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other

right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which either party hereto would otherwise have.

15. Severability of Provisions. If any provision of this Agreement or portion thereof, or the application thereof to any person or circumstance, is held invalid, the application of such provision or portion thereof to other persons or circumstances or other jurisdictions, and the remainder of such provisions and this Agreement shall not be effected thereby and shall remain in full force and effect.

16. Headings. Paragraph headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this agreement for any other purpose.

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

IN WITNESS WHEREOF, the parties have set their hands and seals on this 1st day of September, 1991.

Signed, sealed and delivered in the presence of:

Lucy Ann Kellar
June P. van Duyf

J.L. PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation

By: [Signature]
R.W. Kiskaddon, President

Attest: [Signature]
C.L. Combs, Secretary/Treasurer
(CORPORATE SEAL)

Lucy Ann Kellar
June P. van Duyf

By: [Signature]
Robert W. Kiskaddon, President
Jonathan's Landing Golf Club, Inc.

Attest: [Signature]
Craig L. Combs, Secretary
Jonathan's Landing Golf Club, Inc.
(CORPORATE SEAL)

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared Robert W. Kiskaddon and Craig L. Combs, well known to me to be the President and Secretary, respectively, of J.L. Property Owners Association, Inc., a Florida corporation, and that they severally acknowledged executing the same freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid, this 1st day of September, 1991.

Cecy-Ann Kellar
NOTARY PUBLIC
STATE OF FLORIDA-AT-LARGE

(NOTARY SEAL)

My Commission Expires:

STATE OF FLORIDA)
) ss.
COUNTY OF PALM BEACH)

**NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. FEB. 4, 1993
BONDED THRU GENERAL INS. UND.**

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared Robert W. Kiskaddon and Craig L. Combs, well known to me to be the President and Secretary, respectively, of Jonathan's Landing Golf Club, Inc., a Florida Corporation, and that they severally acknowledged executing the same freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid, this 1st day of September, 1991.

Cecy-Ann Kellar
NOTARY PUBLIC
STATE OF FLORIDA-AT-LARGE

(NOTARY SEAL)

My Commission Expires:

AN5Y

**NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. FEB. 4, 1993
BONDED THRU GENERAL INS. UND.**