

LEE COUNTY BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY **BLUE SHEET NO: 20020570-UTL**

1. REQUESTED MOTION:

ACTION REQUESTED:

Conduct Public Hearing and adopt a Resolution approving Petition from Bonita Springs Utilities, Inc. (BSU) to extend term of Franchise Agreement with Lee County including the Exhibit A.

WHY ACTION IS NECESSARY:

As the franchising authority for this not-for-profit utility, Board approval is required for the approval of extension of Franchise Agreement.

WHAT ACTION ACCOMPLISHES:

The renewal and extension of the Franchise Agreement to a term of 30 years, in order to assist in the marketing and sale of the approximately \$60,000,000 Lee County Industrial Development Authority Bond Issue (Series 2002) with a 30-year maturity from 2002.

2. DEPARTMENTAL CATEGORY: 10 - UTILITIES
COMMISSION DISTRICT #: 3

5:00 #1

3. MEETING DATE: 05-28-2002

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED: 15 Min.

5. REQUIREMENT/PURPOSE:

- (Specify)
- STATUTE
 - ORDINANCE
 - ADMIN. CODE
 - OTHER Franchise Agmt

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER: _____
- B. DEPARTMENT: Lee County-Public Works
- C. DIVISION/SECTION: Utilities Division
- BY: Rick Diaz, Utilities Director
- DATE: 5-16-02

7. BACKGROUND:

On February 11, 1970 the Board of County Commissioners granted a franchise to Bonita Springs Water System. As the franchising authority for this not-for-profit utility, Board approval is required for all future changes in the tariffs or franchise area.

On May 2, 1990, the Board of County Commissioners confirmed their desire to have the Bonita Springs Water System as the County's franchisee to provide water and sewer services within its franchise area.

On November 21, 1990, the Board of County Commissioners adopted an "Amended and Restated Franchise Agreement by and between the Bonita Springs Water System and Lee County" which significantly added to the service territory of BSU; and revised name to Bonita Springs Utilities, Inc.

(CONT'D.)

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL

(A) DEPARTMENT DIRECTOR	(B) PURCH. OR CONTRACTS	(C) HUMAN RESOURCES	(D) OTHER	(E) COUNTY ATTORNEY	(F) BUDGET SERVICES				(G) COUNTY MANAGER
					OA	OM	Risk	GC	
J. Lavender Date: 5-16-02	N/A Date:	N/A Date:	N/A Date:	[Signature] 5/16/02	[Signature] 5/16/02	[Signature] 5/16/02	[Signature] 5/16	[Signature] 5/16/02	J. Lavender Date: 5-16-02

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

Rec. by CoAtty
 Date: 5/16/02
 Time: 3:45pm
 Forwarded to:
 Budget 5/16/02 4:00pm

RECEIVED BY
 COUNTY ADMIN. [Signature]
 5/16 4:10
 COUNTY ADMIN. [Signature]
 FORWARDED TO:
 5/16 1:30

LEE COUNTY RESOLUTION NO. _____

**A RESOLUTION OF LEE COUNTY APPROVING THE
PETITION OF BONITA SPRINGS UTILITIES, INC.
("BSU"), RELATING TO AN EXTENSION TO THE
TERM OF ITS WATER AND SEWER FRANCHISE;
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, BONITA SPRINGS UTILITIES, INC. ("BSU") is the present holder of a water and sewer franchise in Lee County, granted by Resolution of the Board of County Commissioners in and for Lee County, Florida, on February 11, 1970, as amended; and,

WHEREAS, BSU has pursuant to said franchise authority, made application for an extension to the term of its franchise (Exhibit A, hereto); and,

WHEREAS, the Board of County Commissioners of Lee County, Florida, has set the said Petition for a public hearing on Tuesday, May 28, 2002, at 5:00 p.m., and caused due notice thereof to be published in the Fort Myers News-Press, copies of which said notice are attached hereto; and,

WHEREAS, a public hearing was held on Tuesday, May 28, 2002, in the Board of County Commissioners' Chambers, Fort Myers, Florida, at which time BSU presented evidence and testimony in support of its Petition for an extension to its franchise term, and all interested parties were permitted to address the Board and to make a statement of record, and the Board, after being fully advised in the premises makes the following determinations;

NOW THEREFORE, be it resolved by the Board of County Commissioners of Lee County, Florida, that:

1. The requested extension to the term of the Bonita Springs Utilities franchise is hereby approved and granted.

2. The provisions of this Resolution shall take effect immediately upon its adoption by the Board of County Commissioners at the conclusion of the public hearing.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and, being put to a vote, the vote was as follows:

DOUGLAS ST. CERNY _____
BOB JANES _____
RAY JUDAH _____
ANDREW COY _____
JOHN E. ALBION _____

DULY PASSED AND ADOPTED this ____ day of _____, 20____.

ATTEST:
CHARLIE GREEN, CLERK

BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

By: _____
Deputy Clerk

By: _____
Chairman

APPROVED AS TO FORM:

By: _____
Office of County Attorney

BONITA SPRINGS UTILITIES, INC.

PETITION TO EXTEND FRANCHISE

BONITA SPRINGS UTILITIES, INC., f/k/a Bonita Springs Water System, Inc. (hereinafter "BSU"), a not-for-profit Florida corporation, by and through its undersigned attorneys, presents this Petition to Extend Franchise and would show unto the Honorable Board of County Commissioners of Lee County, Florida, the following:

1. On February 11, 1970, Lee County did, by Resolution bearing the same date, grant to BSU an exclusive right, privilege and franchise to construct, maintain, equip and operate a water and sewer collection, disposal and distribution system over and in the areas as detailed in the Resolution granting the exclusive franchise.

2. The County has from time to time, by resolution, amended, extended, and restated BSU's Franchise.

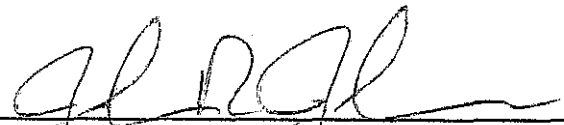
3. The financial advisors to BSU have indicated that a renewal and extension of the Company's Franchise, in accordance with current law, extending the Franchise term from its remaining years to a term of 30 years hence, is necessary in order to assist in the marketing and sale of the approximately \$60,000,000 Lee County Industrial Development Authority Bond Issue (Series 2002) with a 30-year maturity. Through the Series 2002 Bond Issue, BSU plans to undertake and continue a Capital Improvement Program to meet the needs of existing and future customers and increasing regulatory standards.

4. The purpose of this Petition is to obtain Lee County's approval for an extension of the Franchise, such that the Franchise term of 30 years will begin to run as of the date of the Board's action by resolution approving this Petition.

WHEREFORE, Petitioner requests that this Honorable Commission renew, approve, and extend its Amended and Restated Franchise Agreement in the form attached hereto as Exhibit "A."

The Petitioner further requests that this Honorable Commission set a Public Hearing as may be required by law to hear this Petition, and that this Honorable Commission grant the terms of this Petition by County resolution.

Respectfully submitted this 22nd day of October, 2001, by:



JOHN R. JENKINS, ESQ.
STEVEN T. MINDLIN, ESQ.
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

EXHIBIT A

Lee County Contract No. _____

BONITA SPRINGS UTILITIES, INC.
AMENDED AND RESTATED FRANCHISE AGREEMENT
BY AND BETWEEN THE BONITA SPRINGS UTILITIES, INC.
AND LEE COUNTY, FLORIDA

A RESOLUTION GRANTING TO THE BONITA SPRINGS UTILITIES, INC., ITS SUCCESSORS AND ASSIGNS, THE EXCLUSIVE RIGHT, PRIVILEGE OR FRANCHISE FOR A PERIOD OF THIRTY YEARS TO CONSTRUCT, MAINTAIN, EQUIP AND OPERATE A WATER SUPPLY, TREATMENT AND DISTRIBUTION SYSTEM AND A SEWER COLLECTION, TREATMENT AND DISPOSAL SYSTEM AND GRANTING THE EXCLUSIVE RIGHT AND PRIVILEGE TO PROVIDE WATER AND SEWER SERVICES TO THE FOLLOWING DESCRIBED PROPERTY IN LEE COUNTY, FLORIDA, TO WIT:

Bonita Springs and Bonita Beach area, more particularly described in **EXHIBIT "A"** hereto.

[legal description has been moved to EXHIBIT "A"]

WHEREAS, on February 11, 1970, Lee County did, by Resolution, grant to the Bonita Springs Water System, Inc., an exclusive right, privilege and franchise to construct, maintain, equip, and operate a water and sewer collection, disposal, and distribution system over and in the areas as described in the Resolution granting the exclusive franchise; and,

WHEREAS, on May 2, 1990, the Board of County Commissioners ratified and confirmed their desire to have the Bonita Springs Water System engage in a substantial financing and construction effort in order to provide central sanitary sewer service to the Bonita Springs area; and,

WHEREAS, on November 21, 1990, the Board of County Commissioners adopted an "Amended and Restated Franchise Agreement by and between the Bonita Springs Water System, Inc. and Lee County, Florida" which significantly added to the service territory of the Grantee; and

WHEREAS, BONITA SPRINGS WATER SYSTEM, INC. has subsequently changed its name to BONITA SPRINGS UTILITIES, INC.; and,

WHEREAS, BONITA SPRINGS UTILITIES, INC. has made application to the County Commissioners of Lee County, Florida, to grant, ratify, confirm and restate the Amended Franchise as granted in the Franchise Agreement of May 1, 1996, to provide sewerage and water services within the area in Lee County, Florida, described heretofore; and,

WHEREAS, the laws of Florida authorize the granting of such franchise;

NOW BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF
LEE COUNTY, FLORIDA:

1. BONITA SPRINGS UTILITIES, INC., a Florida corporation, hereinafter referred to as the "Grantee", is hereby granted the exclusive right, privilege or franchise to construct, maintain and operate in, under, upon, over and across the present and future streets, roads, terraces, alleys, bridges, easements and other public places located anywhere within the foregoing described franchise area in accordance with established practice with respect to sewerage and water service or services, construction, operation and maintenance of sewerage collection facilities (including pumping stations, gravity water services and all service or services incidental or necessary with respect thereto, to the above described franchise area and all buildings located thereon and the occupants thereof.

2. The Grantee shall possess and exercise the exclusive privileges and authorities herein granted, except as may hereinafter be provided, for the term of thirty (30) years from this date.

3. All work done hereunder, in, under, upon, over and across the present and future streets, avenues, alleys, highways, bridges, easements, and other public places in Lee County, Florida, for the purpose of carrying out the provisions of this exclusive franchise shall be done and performed in a good workmanlike manner, and all excavations or damage by Grantee by reason of such work shall within a reasonable time and as early as practicable after such excavation or damage, be replaced by Grantee in as good a condition as it was at the time of such excavation and damage.

4. In consideration for the granting of this Franchise, the Grantee agrees, (a) to prevent the creation of any obstructions or conditions which are or may become dangerous to the travelling public; (b) to repair any damage or injury to the road or highway by reason of the exercise of the privileges granted herein and to repair the road or highway promptly, restoring it to a condition at least equal to that which existed immediately prior to the infliction of such damage or injury; (c) to hold the Board of County Commissioners and members thereof harmless from the payment of any compensation or damage resulting from the exercise of the privileges granted herein; (d) to keep the facilities properly insured for the protection of the County and the public; and, (e) Grantee agrees that in the event of widening, repair, or reconstruction of any road, that Grantee shall move or remove such water or sewer lines at no cost to the County, unless specifically otherwise agreed to by and between the parties hereto.

5. The Grantee is authorized and empowered to establish, charge and enforce the initial rates to individual users of the sewerage and water system shown on the rate schedules attached hereto as Exhibit "A"; however, notwithstanding such rate schedules, Grantee is authorized and empowered to establish, amend, revise and enforce from time to time or times to times in the future, different rates or rate schedules reflecting rates lower or higher than those shown on Exhibit "A"; however, any such lower or higher rates or rate schedule so established and enforced from time to time by Grantee shall at all times be reasonable and must have the prior written consent of the Board

of County Commissioners of Lee County, Florida, before the said revised rates can be placed into effect.

Grantee may further establish, amend or revise from time to time in the future and enforce rules and regulations for sewerage and water services and covering the sewerage and water services within or on the franchised property; provided, however, all such rules and regulations established by service company from time to time shall at all times be reasonable and subject to the approval of the Board of County Commissioners of Lee County, Florida.

6. All water and sewerage system facilities used, useful or held for use in connection with the sewerage and water services under the terms of this franchise and installed and furnished by the Grantee, shall at all times remain the sole, complete and exclusive property of Grantee and under its exclusive, complete and sole ownership, title control and operation. No person, firm or corporation shall have the right to connect to the facilities of the Grantee or to obtain any sewerage or water services furnished by Grantee under the terms of this franchise except with the consent of the Grantee and upon full compliance with the rules and regulations promulgated from time to time by the Grantee and payment of any contribution in aid of construction (a/k/a aid to new construction fees), connecting charges, fees or rates which may be established or charged by the Grantee under the terms of this franchise.

7. Neither this franchise, nor any of the rights hereunder, may be sold, assigned, or transferred by the Grantee without first obtaining the written consent of the Board of County Commissioners. All assignees shall be bound to the same extent as the original Grantee.

8. The County Commissioners agree to adopt all resolutions and take all actions necessary or suitable, both for the reasonable protection of the rights and property of the Grantee and to enable the Grantee to enforce any of said Grantee's reasonable rules and regulations for the management, operation and control of the sewerage and water system to be provided hereunder and to pass any reasonable resolutions and take any reasonable action that may be necessary or suitable in order to fully confirm to said Grantee the rights herein or hereby granted or intended so to be.

9. In accordance with the provisions of this franchise the Grantee will provide at its cost and expense sewerage and water services to the property described above and to the buildings located thereon and the occupants thereof in a manner to conform with all reasonable requirements of the State of Florida Board of Health and all other public or governmental agencies or bodies having jurisdiction over the Grantee's water service operations. No installations or alterations shall be made by Grantee prior to the plans therefor being submitted to the Board of County Commissioners, or its duly authorized agent, which shall have the right at all times to inspect the facilities installed by Grantee to see that they are constructed according to sound engineering practices.

10. Failure on the part of the Grantee to comply in any substantial respect with the provisions of the franchise shall be grounds for forfeiture of this grant. Provided, however, that no such forfeiture shall be exercised until written notice of such failure to comply has been given to Grantee. Upon receipt of such notice, Grantee shall have ninety (90) days within which to comply or show cause to the Board of County Commissioners its failure so to do.

11. The Board of County Commissioners of Lee County, Florida, shall have the option at any time after this grant to proceed with eminent domain in order to acquire the Grantee's sanitary sewerage and water system if the purchase price for same cannot be agreed upon, should the Grantor elect to pursue acquisition of the Grantee's utility system. Nothing herein contained, however, shall be so construed so as to prevent the Grantee from contesting the issue of public necessity, or otherwise opposing the condemnation of its system.

12. Within thirty (30) days after the first anniversary date of this grant and within thirty (30) days after each such succeeding anniversary date of this grant, Grantee shall pay to the Board of County Commissioners of Lee County, Florida, an amount which is six percent (6%) of Grantee's gross revenues derived from the sale of sewerage and water services to residential and commercial customers within the limits of the area hereinabove described, excluding connection charges for the twelve (12) fiscal months preceding the actual anniversary date. At the time the Grantee pays the amount herein required to be paid, it shall furnish to the Board of County Commissioners, Lee County, Florida, an audit verified by a competent CPA as to the total gross revenues collected by Grantee. In addition thereto, Grantee's books, records and accounts shall, at all times, remain available to the Board of County Commissioners, Lee County, Florida, for the purpose of verifying the payments made to it under this provision. Provided, however, that in the event the Grantee is a non-profit association or corporation that this provision as to the payment of six percent (6%) of the gross revenues to Lee County shall not apply. It shall be the Grantee's burden to file the necessary instruments and proof to show that it is a non-profit association or corporation in order to be relieved and released from the operation of this paragraph.

13. As a part of the consideration for this franchise, the Grantee agrees that it will construct at its sole cost and expense, all of the buildings, plants, systems and appurtenant facilities necessary, proper or required to furnish a central sanitary sewerage and water system and will extend the required collection lines or other facilities, to and within the franchise area, as, when, and where the same are necessary, and economically feasible, so that the said franchise area and the buildings located thereon and the occupants thereof, will be provided when and as necessary and when economically feasible with sewerage and water services satisfactory to and meeting the approval of all public, governmental and other agencies having supervision, regulation, direction or control of such sewerage system and services rendered in connection therewith.

14. The Grantee shall have the first right to provide sewerage and water services to all parts of the franchise area, but in the event that there is any portion of the franchise area with respect to which the Grantee is not providing such sewerage and water service, then the Board of County Commissioners, after first giving the Grantee a reasonable opportunity in which to provide such services, may grant such right to any other person or firm which is ready, willing and able to provide sewerage and water services to such area.

15. This franchise shall take effect and be in force from the date of its adoption by the Board of County Commissioners of Lee County, Florida, and its acceptance in writing by the Grantee.

ADOPTED this 1st day of June, 2001.

BONITA SPRINGS UTILITIES, INC.

Attest:

T. Harry Haines
Secretary

By: [Signature]
John Mathes
President

LEE COUNTY, A political subdivision
of the State of Florida

Attest:

Charlie Green
Clerk of the Court

By: Michele S. Lesmer
Deputy Clerk

By: [Signature]
Chairman

Bonita\05\Franchis.05

[Signature]
CLERK OF COUNTY ATTORNEY

LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BIAIRSTONE PINES DRIVE

TALAHASSEE, FLORIDA 32301

(850) 877-6555

May 14, 2002

VIA FEDERAL EXPRESS

CIRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMPER, P.A.
JOHN L. WHARTON

David M. Owen, Esquire
Chief Assistant County Attorney
Lee County, Florida
2115 Second Street
Fort Myers, Florida 33902

Re: Bonita Springs Utilities, Inc.;
Franchise Term Extension
Our File No. 20989.08

Dear David:

In advance of the upcoming public hearing on the above-referenced matter, I am enclosing a copy of the new Franchise Agreement for execution by the County. As you will recall, the purpose of this Petition was to extend the Franchise term, so that the Franchise will run for 30 years from the date of Board action. As Paragraph 2 of the Franchise already contemplates a 30 year term, there are no changes required to the existing Franchise, aside from the date of Board action.

Should you have any questions, please do not hesitate to let me know. As always, I appreciate your assistance.

Yours very truly,

ROSE, SUNDSTROM & BENTLEY, LLP

Steve Mindlin

Steven T. Mindlin, P.A.

For the Firm

Copy To: J. Lawson
R. Ditz
I. Vellez

DM I. Vellez

THANKS.

Bonita/franchise/Owen7/lt

STM:Its
Enclosure
cc: G. Donald Thomson, Esq.
Mr. Fred Partin
Ms. Patti Garrett

02 MAY 15 AM 9:15
LEE CO. ATTORNEY

Mailing Address
Post Office Box 1567
Tallahassee, Florida 32302-1567
TELECOPIER (850) 656-4029
ROBERT M. C. ROSE
WAYNE L. SCHIFFELBEIN
OF COUNSEL

Lee County Contract No. _____

BONITA SPRINGS UTILITIES, INC.
AMENDED AND RESTATED FRANCHISE AGREEMENT
BY AND BETWEEN THE BONITA SPRINGS UTILITIES, INC.
AND LEE COUNTY, FLORIDA

A RESOLUTION GRANTING TO THE BONITA SPRINGS UTILITIES, INC., ITS SUCCESSORS AND ASSIGNS, THE EXCLUSIVE RIGHT, PRIVILEGE OR FRANCHISE FOR A PERIOD OF THIRTY YEARS TO CONSTRUCT, MAINTAIN, EQUIP AND OPERATE A WATER SUPPLY, TREATMENT AND DISTRIBUTION SYSTEM AND A SEWER COLLECTION, TREATMENT AND DISPOSAL SYSTEM AND GRANTING THE EXCLUSIVE RIGHT AND PRIVILEGE TO PROVIDE WATER AND SEWER SERVICES TO THE FOLLOWING DESCRIBED PROPERTY IN LEE COUNTY, FLORIDA, TO WIT:

Bonita Springs and Bonita Beach area, more particularly described in **EXHIBIT "A"** hereto.

[legal description has been moved to EXHIBIT "A"]

WHEREAS, on February 11, 1970, Lee County did, by Resolution, grant to the Bonita Springs Water System, Inc., an exclusive right, privilege and franchise to construct, maintain, equip, and operate a water and sewer collection, disposal, and distribution system over and in the areas as described in the Resolution granting the exclusive franchise; and,

WHEREAS, on May 2, 1990, the Board of County Commissioners ratified and confirmed their desire to have the Bonita Springs Water System engage in a substantial financing and construction effort in order to provide central sanitary sewer service to the Bonita Springs area; and,

WHEREAS, on November 21, 1990, the Board of County Commissioners adopted an "Amended and Restated Franchise Agreement by and between the Bonita Springs Water System, Inc. and Lee County, Florida" which significantly added to the service territory of the Grantee; and

WHEREAS, BONITA SPRINGS WATER SYSTEM, INC. has subsequently changed its name to BONITA SPRINGS UTILITIES, INC.; and,

WHEREAS, BONITA SPRINGS UTILITIES, INC. has made application to the County Commissioners of Lee County, Florida, to grant, ratify, confirm and restate the Amended Franchise as granted in the Franchise Agreement of May 1, 1996, to provide sewerage and water services within the area in Lee County, Florida, described heretofore; and,

WHEREAS, the laws of Florida authorize the granting of such franchise;

NOW BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF
LEE COUNTY, FLORIDA:

1. BONITA SPRINGS UTILITIES, INC., a Florida corporation, hereinafter referred to as the "Grantee", is hereby granted the exclusive right, privilege or franchise to construct, maintain and operate in, under, upon, over and across the present and future streets, roads, terraces, alleys, bridges, easements and other public places located anywhere within the foregoing described franchise area in accordance with established practice with respect to sewerage and water service or services, construction, operation and maintenance of sewerage collection facilities (including pumping stations, gravity water services and all service or services incidental or necessary with respect thereto, to the above described franchise area and all buildings located thereon and the occupants thereof.

2. The Grantee shall possess and exercise the exclusive privileges and authorities herein granted, except as may hereinafter be provided, for the term of thirty (30) years from this date.

3. All work done hereunder, in, under, upon, over and across the present and future streets, avenues, alleys, highways, bridges, easements, and other public places in Lee County, Florida, for the purpose of carrying out the provisions of this exclusive franchise shall be done and performed in a good workmanlike manner, and all excavations or damage by Grantee by reason of such work shall within a reasonable time and as early as practicable after such excavation or damage, be replaced by Grantee in as good a condition as it was at the time of such excavation and damage.

4. In consideration for the granting of this Franchise, the Grantee agrees, (a) to prevent the creation of any obstructions or conditions which are or may become dangerous to the travelling public; (b) to repair any damage or injury to the road or highway by reason of the exercise of the privileges granted herein and to repair the road or highway promptly, restoring it to a condition at least equal to that which existed immediately prior to the infliction of such damage or injury; (c) to hold the Board of County Commissioners and members thereof harmless from the payment of any compensation or damage resulting from the exercise of the privileges granted herein; (d) to keep the facilities properly insured for the protection of the County and the public; and, (e) Grantee agrees that in the event of widening, repair, or reconstruction of any road, that Grantee shall move or remove such water or sewer lines at no cost to the County, unless specifically otherwise agreed to by and between the parties hereto.

5. The Grantee is authorized and empowered to establish, charge and enforce the initial rates to individual users of the sewerage and water system shown on the rate schedules attached hereto as Exhibit "A"; however, notwithstanding such rate schedules, Grantee is authorized and empowered to establish, amend, revise and enforce from time to time or times to times in the future, different rates or rate schedules reflecting rates lower or higher than those shown on Exhibit "A"; however, any such lower or higher rates or rate schedule so established and enforced from time to time by Grantee shall at all times be reasonable and must have the prior written consent of the Board

of County Commissioners of Lee County, Florida, before the said revised rates can be placed into effect.

Grantee may further establish, amend or revise from time to time in the future and enforce rules and regulations for sewerage and water services and covering the sewerage and water services within or on the franchised property; provided, however, all such rules and regulations established by service company from time to time shall at all times be reasonable and subject to the approval of the Board of County Commissioners of Lee County, Florida.

6. All water and sewerage system facilities used, useful or held for use in connection with the sewerage and water services under the terms of this franchise and installed and furnished by the Grantee, shall at all times remain the sole, complete and exclusive property of Grantee and under its exclusive, complete and sole ownership, title control and operation. No person, firm or corporation shall have the right to connect to the facilities of the Grantee or to obtain any sewerage or water services furnished by Grantee under the terms of this franchise except with the consent of the Grantee and upon full compliance with the rules and regulations promulgated from time to time by the Grantee and payment of any contribution in aid of construction (a/k/a aid to new construction fees), connecting charges, fees or rates which may be established or charged by the Grantee under the terms of this franchise.

7. Neither this franchise, nor any of the rights hereunder, may be sold, assigned, or transferred by the Grantee without first obtaining the written consent of the Board of County Commissioners. All assignees shall be bound to the same extent as the original Grantee.

8. The County Commissioners agree to adopt all resolutions and take all actions necessary or suitable, both for the reasonable protection of the rights and property of the Grantee and to enable the Grantee to enforce any of said Grantee's reasonable rules and regulations for the management, operation and control of the sewerage and water system to be provided hereunder and to pass any reasonable resolutions and take any reasonable action that may be necessary or suitable in order to fully confirm to said Grantee the rights herein or hereby granted or intended so to be.

9. In accordance with the provisions of this franchise the Grantee will provide at its cost and expense sewerage and water services to the property described above and to the buildings located thereon and the occupants thereof in a manner to conform with all reasonable requirements of the State of Florida Board of Health and all other public or governmental agencies or bodies having jurisdiction over the Grantee's water service operations. No installations or alterations shall be made by Grantee prior to the plans therefor being submitted to the Board of County Commissioners, or its duly authorized agent, which shall have the right at all times to inspect the facilities installed by Grantee to see that they are constructed according to sound engineering practices.

10. Failure on the part of the Grantee to comply in any substantial respect with the provisions of the franchise shall be grounds for forfeiture of this grant. Provided, however, that no such forfeiture shall be exercised until written notice of such failure to comply has been given to Grantee. Upon receipt of such notice, Grantee shall have ninety (90) days within which to comply or show cause to the Board of County Commissioners its failure so to do.

11. The Board of County Commissioners of Lee County, Florida, shall have the option at any time after this grant to proceed with eminent domain in order to acquire the Grantee's sanitary sewerage and water system if the purchase price for same cannot be agreed upon, should the Grantor elect to pursue acquisition of the Grantee's utility system. Nothing herein contained, however, shall be so construed so as to prevent the Grantee from contesting the issue of public necessity, or otherwise opposing the condemnation of its system.

12. Within thirty (30) days after the first anniversary date of this grant and within thirty (30) days after each such succeeding anniversary date of this grant, Grantee shall pay to the Board of County Commissioners of Lee County, Florida, an amount which is six percent (6%) of Grantee's gross revenues derived from the sale of sewerage and water services to residential and commercial customers within the limits of the area hereinabove described, excluding connection charges for the twelve (12) fiscal months preceding the actual anniversary date. At the time the Grantee pays the amount herein required to be paid, it shall furnish to the Board of County Commissioners, Lee County, Florida, an audit verified by a competent CPA as to the total gross revenues collected by Grantee. In addition thereto, Grantee's books, records and accounts shall, at all times, remain available to the Board of County Commissioners, Lee County, Florida, for the purpose of verifying the payments made to it under this provision. Provided, however, that in the event the Grantee is a non-profit association or corporation that this provision as to the payment of six percent (6%) of the gross revenues to Lee County shall not apply. It shall be the Grantee's burden to file the necessary instruments and proof to show that it is a non-profit association or corporation in order to be relieved and released from the operation of this paragraph.

13. As a part of the consideration for this franchise, the Grantee agrees that it will construct at its sole cost and expense, all of the buildings, plants, systems and appurtenant facilities necessary, proper or required to furnish a central sanitary sewerage and water system and will extend the required collection lines or other facilities, to and within the franchise area, as, when, and where the same are necessary, and economically feasible, so that the said franchise area and the buildings located thereon and the occupants thereof, will be provided when and as necessary and when economically feasible with sewerage and water services satisfactory to and meeting the approval of all public, governmental and other agencies having supervision, regulation, direction or control of such sewerage system and services rendered in connection therewith.

14. The Grantee shall have the first right to provide sewerage and water services to all parts of the franchise area, but in the event that there is any portion of the franchise area with respect to which the Grantee is not providing such sewerage and water service, then the Board of County Commissioners, after first giving the Grantee a reasonable opportunity in which to provide such services, may grant such right to any other person or firm which is ready, willing and able to provide sewerage and water services to such area.

15. This franchise shall take effect and be in force from the date of its adoption by the Board of County Commissioners of Lee County, Florida, and its acceptance in writing by the Grantee.

ADOPTED this _____ day of _____, 2002.

BONITA SPRINGS UTILITIES, INC.

Attest:

Secretary

By: _____
John Mathes
President

LEE COUNTY, A political subdivision
of the State of Florida

Attest:

Charlie Green
Clerk of the Court

By: _____
Deputy Clerk

By: _____
Chairman

Bonita\05\Franchis.05

EXHIBIT A

Sections 11, 12, 13, 14, 24 and 25, Township 47 South, Range 24 East.

Sections 5 and 6, Township 47 South, Range 25 East, less and except those tracts or parcels of land described in Attachments 1 and 2 hereto.

Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36, and that portion of Section 4 lying west of U. S. Highway 41, Township 47 South, Range 25 East.

Sections 1, 2, 3 and 4, Township 48 South, Range 25 East.

Sections 4, 5 and 6, Township 48 South, Range 26 East.

The Southwest (SW) quarter of the Southwest (SW) quarter of Section 35, Township 46 South, Range 25 East.

For the following sections, Bonita Springs Utilities, Inc. shall be granted the first right of refusal to expand its franchise into these sections if subsequent changes are made to the Lee County Comprehensive Plan which will provide for and allow development in these areas:

Sections 1, 2, 3 and that portion of Section 4 lying east of U. S. Highway 41, Township 47 South, Range 25 East.

Sections 17, 18, 19, 20, 29, 30, 31, 32 and the South ½'s of Sections 33, 34, 35 and 36, Township 47 South, Range 26 East.

Sections 1, 2 and 3, Township 48 South, Range 26 East.

October 13, 1997

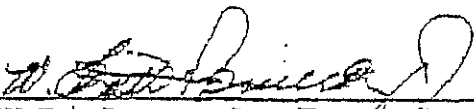
ATTACHMENT 1

DESCRIPTION
PROPOSED GULF UTILITIES AREA
SECTION 5 & 6, T. 47 S., R. 25 E.
LEE COUNTY, FLORIDA

A tract or parcel of land lying in Sections 5 & 6, Township 47 South, Range 25 East, Lee County, Florida which tract or parcel is described as follows:

Beginning at the Northeast corner of the Northwest quarter (NW-1/4) of Section 5, Township 47 South, Range 25 East run S 00° 40' 16" E for 30.00 feet to an intersection with the South line of Williams Road (60 feet wide); thence run N 89° 00' 18" E along the said South line for 165.26 feet; thence run S 00° 36' 29" E for 200.00 feet; thence run S 89° 00' 18" W for 494.00 feet; thence run S 00° 47' 09" E for 765.00 feet; thence run S 88° 57' 37" W for 327.43 feet; thence run S 00° 54' 02" E for 351.20 feet; thence run N 89° 15' 59" E for 653.45 feet to an intersection with the East line of said Northwest quarter (NW-1/4); thence run N 89° 15' 52" E for 327.60 feet; thence run S 00° 32' 41" E for 1350.95 feet; thence run S 89° 31' 44" W for 324.62 feet to the Southeast corner of the Northwest quarter (NW-1/4) of said Section 5; thence run S 89° 34' 40" W along the South line of said Northwest quarter (NW-1/4) for 2592.29 feet to the Southwest corner of said Northwest quarter (NW-1/4); thence run S 01° 31' 46" E along the West line of Section 5 for 92.78 feet; thence run S 89° 10' 55" W for 349.43 feet; thence run S 00° 49' 50" E for 162.49 feet; thence run N 81° 20' 47" W for 600.53 feet; thence run S 46° 11' 51" W for 77.45 feet; thence run N 01° 35' 45" W for 2875.95 feet to an intersection with the North line of said Section 6; thence run N 88° 56' 02" E along said North line for 1000.05 feet to the Northwest corner of said Section 5; thence run N 88° 57' 37" E along the North line of said Section 5 of 2635.42 feet to the Point of Beginning.

Bearings hereinabove mentioned are based on the East line of the Southwest quarter (SW-1/4) of Section 32, Township 46 South, Range 25 East to bear N 00° 56' 02" W.


W. Britt Pomeroy, Jr. (For The Firm LB-642)
Professional Surveyor and Mapper
Florida Certificate No. 4448

WBP/dh
21764

DESCRIPTION

A tract or parcel of land lying in the Northeast quarter (NE1/4) of Section 5, Township 47 South, Range 25 East, Lee County, Florida, being a part or portion of Lots 57B, 58B, 59B and 60B of the plat of Florida Gulf Land Company's Subdivision as recorded in Plat Book 1, Page 59, of the Public Records of Lee County, Florida, more particularly described as follows:

Commence at the Northeast corner of said Section 5, thence South 89° 53'30" West along the Northerly line of said Section for 1242.50 feet to the Westerly line of a Florida Power & Light Company easement recorded in Deed Book 244, at Pages 138-139, Public Records of Lee County, Florida, thence South 19°59'10" East along said Westerly line of the Florida Power & Light Company easement for 703.12 feet, to the East line of Lot 61B of said Plat of Florida Gulf Land Company's Subdivision; thence South 0°52'05" West along the Easterly line of said Lot 61B for 695.95 feet to the Southeast corner of said Lot 61B; thence North 89°48'44" West along the Southerly lines of Lots 60B and 61B of said Florida Gulf Land Company's Subdivision for 475.86 feet to the point of beginning of the hereinafter described property; thence continue North 89°48'44" West along the Southerly lines of Lots 56B, 59B and 60B, of said Florida Gulf Land Company's Subdivision for 834.54 feet to the Southeast corner of Lot 57B of said Florida Gulf Land Company's Subdivision; thence North 0°20'36" East along the Easterly line of said Lot 57B for 287.52 feet; thence North 89°48'44" West for 151.70 feet (151.57 by deed); thence North 0°19'05" East for 35.04 feet; thence North 89°53'21" East for 450.07 feet (481.5 by deed) to a point on the Easterly line of Lot 58B of said Florida Gulf Land Company's Subdivision; thence North 0°28'28" East along the Easterly line of said Lot 58B for 734.00 feet; thence North 89°53'30" East for 330.05 feet to the Easterly line of Lot 59B of said Florida Gulf Land Company's Subdivision; thence North 0°36'22" East for 264.06 feet to a point on the Southerly line of a County road (Williams Road, 60' right-of-way); thence North 89°53'30" East along the Southerly right-of-way line for 162.81 feet; thence South 0°06'30" East for 1325.62 feet to the point of beginning. Containing 15.7698 acres ±.

Reserving unto the Seller an easement for ingress and egress over the easterly 30' of Northerly 300' of the above-described property.

Together with an easement for ingress and egress over a 30' strip adjoining the easement hereinabove reserved on the east.

#2

A tract or parcel of land lying in the North half (N 1/2) of Section 5, Township 47 South, Range 25 East, Lee County, Florida, being a part of Lots 55B, 56B and 57B of the Plat of FLORIDA GULF LAND COMPANY SUBDIVISION, recorded in Plat Book 1, at Page 59, Public Records of Lee County, Florida, more particularly described as follows:

Commence at the North quarter (N 1/4) corner of said Section 5; thence North 89 degrees 53'30" East along the North line of said Section 5 for 165.24 feet to the intersection of the centerline of a 60 foot wide roadway easement; thence South 0 degrees 16'20" West along said roadway centerline for 230.00 feet to the Point of Beginning; thence continue South 0 degrees 16' 20" West for 1120.50 feet to the South line of said Lots 55B, 56B and 57B; thence North 89 degrees 49'30" West along said South line for 816.96 feet to the West line of said Lot 55B; thence North 0 degrees 01'19" West along said West line for 351.43 feet; thence North 89 degrees 53'30" East for 327.39 feet to the East line of said Lot 55B; thence North 0 degrees 05'34" East for 765.00 feet along said East line; thence North 89 degrees 53'30" East for 493.98 feet to the Point of Beginning. Subject to and together with a 60 foot wide roadway easement that lies 30 feet to each side of the line common to said Lots 55B and 56B beginning at the North line of said Section 5 and terminating a point 995 feet Southerly thereof. Further subject to easements, restrictions and reservations of record and occupation.

1. Affiant(s) is/are the only owner of the real property hereinafter referred to as the "property", described as:

Part of Lot 57-B, FLORIDA GULF LAND COMPANY'S SUBDIVISION, according to the map or plat thereof on file and recorded in the Office of the Clerk of the Circuit Court of Lee County, Florida, in Plat Book 1, Page 59, more particularly described as follows:

Beginning at the Southeast corner of said Lot 57-B, FLORIDA GULF LAND COMPANY'S SUBDIVISION, thence N 0 degrees 20' 35" E along the Easterly line of said Lot and along a Westerly line of the parcel conveyed to O'Donnell in Official Records Book 1586, Pages 488 through 489 for 287.52 feet; thence N 89 degrees 48' 44" W along Southerly line of said parcel conveyed to O'Donnell for 151.7 feet to the East line of King Road; thence S 0 degrees 19' 05" W along the East line of said King Road for 287.52 feet, more or less to the Southerly line of said Lot 57-B, thence S 89 degrees 48' 44" E along said Southerly line for 151.57 feet, more or less to the point of beginning.

2. Subject to easements, restrictions, reservations of record, taxes for the current year and subsequent years.

#4

EXHIBIT "A"

Lots 2 & 3, Block 20, at that certain unrecorded subdivision known as ESTERO SPRINGS UNIT 2, according to the map or plat recorded in Official Records Book 61, Page 415, in the Public Records of Lee County, Florida, more fully described as follows:

From the Southeast corner of the Northeast 1/4 of Section 05, Township 47 South, Range 25 East, Lee County, Florida, run North 89 degrees 53' West for 1402.75 feet to a point, thence deflecting 90 degrees 23'50" right run North 0 degrees 30'50" East for 1210 feet to a point, thence deflecting 90 degrees 23'50" left run North 89 degrees 53' West for 640 feet to the point of beginning.

From the said point of beginning continue North 89 degrees 53' West for 160 feet to a point, thence deflecting 89 degrees 36'10" right run North 0 degrees 30'50" East for 153.41 feet, thence deflecting 89 degrees 41'20" right run South 89 degrees 45'50" East for 160 feet to a point, thence deflecting 90 degrees 16'40" right, run South 0 degrees 30'50" West for 153.14 feet to the point of beginning.

ATTACHMENT 3

Exhibit "B"
Description

Parcel In
Section 2, Township 48 S, Range 25 E
Lee County, Florida

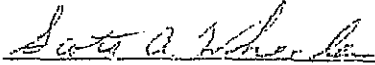
A tract or parcel of land lying in Section 2, Township 48 S, Range 25 E, Lee County, Florida. Said tract or parcel being more particularly described as follows:

Commencing at the south 1/4 corner of Section 2, Township 48 South, Range 25 East, Lee County, Florida, run N.88°57'52"E. along the south line of the southeast quarter (SE-1/4) of said Section 2 for 373.80 feet to the POINT OF BEGINNING, said point being a point on a curve:

From said POINT OF BEGINNING run northeasterly along the arc of curve to the right of radius 1,225.00 feet (delta 20°30'58") (chord bearing N 32°04'57"E) (chord 436.30 feet) for 438.64 feet to a point of tangency; thence run N 42°20'26"E for 176.36 feet to a point of a curvature; thence run northeasterly along the arc of said curve to the left of radius 500.00 feet (delta 11°30'01") (chord bearing N 36°35'25"E) (chord 100.19 feet), for 100.36 feet to a point of reverse curvature; thence run northeasterly along the arc of curve to the right of radius 412.00 feet (delta 00°54'51") (chord bearing N 31°17'50"E) (chord 6.57 feet) for 6.57 feet to a point of reverse curvature; thence run northeasterly along the arc of curve to the left of radius 370.00 feet (delta 00°40'07") (chord bearing N 31°25'12"E) (chord 4.32 feet) for 4.32 feet; thence run S 67°24'12"E along a non-tangent line for 201.43 feet to the point on a non-tangent curve; thence run southwesterly along the arc of curve to the right of radius 570.00 feet (delta 03°39'32") (chord bearing S 29°55'30"W) (chord 36.39 feet) for 36.40 feet to a point of reverse curvature; thence run southwesterly along the arc of curve to the left of radius 212.00 feet (delta 06°21'20") (chord bearing S 28°34'36"W) (chord 23.50 feet) for 23.52 feet to a point of reverse curvature; thence run southwesterly along the arc of curve to the right of radius 188.00 feet (delta 12°55'33") (chord bearing S 31°51'42"W) (chord 42.32 feet) for 42.41 feet to a point of compound curvature; thence run southwesterly along the arc of curve to the right of radius 575.00 feet (delta 04°00'57") (chord bearing S 40°19'57"W) (chord 40.29 feet) for 40.30 feet to a point of tangency; thence run S 42°20'26"W for 214.53 feet to a point of a curvature; thence run southwesterly along the arc of said curve to the left of radius 1,025.00 feet (delta 15°42'44") (chord bearing S 34°29'03"W) (chord 280.21 feet), for 281.09 feet to an intersection with the south line of the southeast quarter (SE -1/4) of said Section 2; thence run S 88°57'52"W along said south line for 220.95 feet to the POINT OF BEGINNING.

Containing 3.14 acres, more or less.

Bearings hereinabove mentioned are State Plane for the Florida West Zone (1983/90 adjustment) and are based on the south line of the southeast quarter (SE 1/4) of said Section 2 to bear N 88°57'52"E.


Scott A. Wheeler (For The Firm)
Professional Surveyor and Mapper
Florida Certificate No. 5949

ATTACHMENT 5

Exhibit "B" Description

Parcel in
Section 2, Township 48 S, Range 25 E
Lee County, Florida

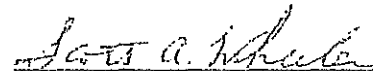
A tract or parcel of land lying in Section 2, Township 48 S, Range 25 E, Lee County, Florida. Said tract or parcel being more particularly described as follows:

From the southeast corner of Section 2, Township 48 South, Range 25 East, Lee County, Florida, run S 88°57'52"W along the south line of the southeast 1/4 of said Section 2 for 889.87 feet to the Point of Beginning:

From said point of beginning continue along said south line S 88°57'52"W for 200.27 feet; thence run N 01°51'50"E for 6.38 feet to a point of curvature; thence run northerly along the arc of said curve to the right of radius 725.00 feet (delta 22°32'58") (chord bearing N 13°08'19"E) (chord 283.50 feet), for 285.33 feet to a point of reverse curvature; thence run northerly along the arc of curve to the left of radius 200.00 feet (delta 26°14'17") (chord bearing N 11°17'40"E) (chord 90.79 feet) for 91.59 feet; thence run N 82°42'34"E along a non-tangent line for 200.59 feet to a point on a non-tangent curve; thence run southerly along the arc of curve to the left of radius 212.00 feet (delta 04°37'25") (chord bearing S 09°25'51"E) (chord 17.10 feet) for 17.11 feet to a point of reverse curvature; thence run southerly along the arc of curve to the right of radius 188.00 feet (delta 09°04'07") (chord bearing S 07°12'30"E) (chord 29.73 feet) for 29.76 feet to a point of tangency; thence run S 02°40'27"E for 17.82 feet to a point of curvature; thence run southerly along the arc of said curve to the right of radius 175.00 feet (delta 31°54'13") (chord bearing S 13°16'40"W) (chord 96.19 feet), for 97.44 feet to a point of reverse curvature; thence run southwesterly along the arc of curve to the left of radius 525.00 feet (delta 26°57'22") (chord bearing S 15°45'06"W) (chord 244.73 feet) for 247.00 feet to the POINT OF BEGINNING.

Containing 1.84 acres, more or less.

Bearings hereinabove mentioned are State Plane for the Florida West Zone (1983/90 adjustment) and are based on the south line of the southeast quarter (SE-1/4) of said section 2 to bear S 88°57'52" W.



Scott A. Wheeler (For The Firm)
Professional Surveyor and Mapper
Florida Certificate No. 5949

21501
Exhibit 1

ATTACHMENT 6

Exhibit "B" Description

Parcel In
Sections 1 and 2, Township 48 S, Range 25 E
Lee County, Florida

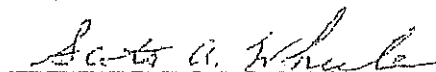
A tract or parcel of land lying in Sections 1 and 2, Township 48 S, Range 25 E, Lee County, Florida. Said tract or parcel being more particularly described as follows:

Beginning at the southeast corner of Section 2, Township 48 South, Range 25 East, Lee County, Florida run S 88°57'52"W along the south line of the southeast quarter (SE-1/4) of said Section 2 for 16.10 feet to a point on a non-tangent curve; thence run westerly along the arc of curve to the right of radius 255.00 feet (delta 28°12'41") (chord bearing N 72°58'11"W) (chord 124.29 feet) for 125.56 feet to a point of reverse curvature; thence run westerly along the arc of curve to the left of radius 200.00 feet (delta 41°30'18") (chord bearing N 79°37'00"W) (chord 141.73 feet) for 144.88 feet to a point of reverse curvature; thence run westerly along the arc of curve to the right of radius 770.00 feet (delta 13°58'35") (chord bearing S 86°37'09"W) (chord 187.36 feet) for 187.83 feet to a point of reverse curvature; thence run westerly along the arc of curve to the left of radius 500.00 feet (delta 18°46'33") (chord bearing S 84°13'11"W) (chord 163.12 feet) for 163.85 feet to a point of reverse curvature; thence run westerly along the arc of curve to the right of radius 550.00 feet (delta 22°23'46") (chord bearing S 86°01'46"W) (chord 213.62 feet) for 214.99 feet to a point on a non-tangent curve; thence run northerly along the arc of curve to the right of radius 475.00 feet (delta 22°25'23") (chord bearing N 18°01'05"E) (chord 184.71 feet) for 185.89 feet to a point of reverse curvature; thence run northeasterly along the arc of curve to the left of radius 225.00 feet (delta 03°52'21") (chord bearing N 27°17'36"E) (chord 15.20 feet) for 15.21 feet to a point of reverse curvature; thence run northeasterly along the arc of curve to the right of radius 50.00 feet (delta 58°35'10") (chord bearing N 54°39'01"E) (chord 48.93 feet) for 51.13 feet to a point of reverse curvature; thence run easterly along the arc of curve to the left of radius 330.00 feet (delta 09°06'43") (chord bearing N 79°23'15"E) (chord 52.43 feet) for 52.48 feet to a point of reverse curvature; thence run easterly along the arc of curve to the right of radius 720.00 feet (delta 18°46'33") (chord bearing N 84°13'10"E) (chord 234.89 feet) for 235.94 feet to a point of reverse curvature; thence run easterly along the arc of curve to the left of radius 550.00 feet (delta 15°31'25") (chord bearing N 85°50'44"E) (chord 148.56 feet) for 149.01 feet to a point of reverse curvature; thence run easterly along the arc of curve to the right of radius 375.00 feet (delta 30°01'48") (chord bearing S 86°54'04"E) (chord 194.30 feet) for 196.55 feet to a point of compound curvature; thence run southeasterly along the arc of curve to the right of radius 100.00 feet (delta 41°14'51") (chord bearing S 51°15'45"E) (chord 70.45 feet) for 71.99 feet to a point of reverse curvature; thence run easterly along the arc of curve to the left of radius 55.00 feet (delta 158°01'44") (chord bearing N 70°20'49"E) (chord 107.98 feet) for 151.70 feet to a point on a non-tangent curve; thence run southeasterly

along the arc of curve to the right of radius 865.00 feet (delta 12°39'20") (chord bearing S 58°10'28"E) (chord 190.67 feet) for 191.06 feet to a point of compound curvature; thence run southerly along the arc of curve to the right of radius 25.00 feet (delta 80°57'51") (chord bearing S 11°21'53"E) (chord 32.46 feet) for 35.33 feet to a point of compound curvature; thence run southwesterly along the arc of curve to the right of radius 255.00 feet (delta 55°53'56") (chord bearing S 57°04'01"W) (chord 239.03 feet) for 248.78 feet to an intersection with the south line of the southwest quarter (SW-1/4) of said Section 1; thence run S 88°58'32"W along said south line for 19.06 feet to the POINT OF BEGINNING.

Containing 5.04 acres, more or less.

Bearings hereinabove mentioned are State Plane for the Florida West Zone (1983/90 adjustment) and are based on the south line of the southeast quarter (SE-1/4) of said section 2 to bear S 88°57'52" W.



Scott A. Wheeler (For The Firm)
Professional Surveyor and Mapper
Florida Certificate No. 5949

21501
Exhibit2

ATTACHMENT 4

Exhibit "B" Description

Parcel In
Section 2, Township 48 S, Range 25 E
Lee County, Florida

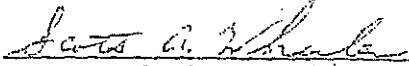
A tract or parcel of land lying in Section 2, Township 48 S, Range 25 E, Lee County, Florida. Said tract or parcel being more particularly described as follows:

Commencing at the the south 1/4 corner of Section 2, Township 48 South, Range 25 East, Lee County, Florida, run N 88°57'52"E along the south line of the southeast quarter (SE-1/4) of said Section 2 for 651.61 feet to the POINT OF BEGINNING, said point being a point on a curve:

From said POINT OF BEGINNING run northeasterly along the arc of curve to the right of radius 975.00 feet (delta 14°09'39") (chord bearing N 35°15'36"E) (chord 240.36 feet) for 240.97 feet to a point of tangency; thence run N 42°20'26"E for 214.53 feet to a point of a curvature; thence run northeasterly along the arc of said curve to the left of radius 625.00 feet (delta 05°52'49") (chord bearing N 39°24'01"E) (chord 64.12 feet), for 64.14 feet to a point of reverse curvature; thence run northeasterly along the arc of curve to the right of radius 188.00 feet (delta 06°28'47") (chord bearing N 39°42'00"E) (chord 21.25 feet) for 21.26 feet to a point of reverse curvature; thence run northeasterly along the arc of curve to the left of radius 212.00 feet (delta 12°40'46") (chord bearing N 36°36'01"E) (chord 46.82 feet) for 46.92 feet to a point of compound curvature; thence run northeasterly along the arc of curve to the left of radius 630.00 feet (delta 02°41'24") (chord bearing N 28°54'55"E) (chord 29.58 feet) for 29.58 feet; thence run S 67°24'12"E along a non-tangent line for 124.71 feet to a point of a curvature; thence run easterly along the arc of said curve to the left of radius 835.00 feet (delta 05°13'42") (chord bearing S 70°01'03"E) (chord 76.17 feet), for 76.19 feet to the point of a non-tangent curve; thence run southwesterly along the arc of curve to the right of radius 830.00 feet (delta 04°07'51") (chord bearing S 28°11'42"W) (chord 59.83 feet) for 59.84 feet to a point of compound curvature; thence run southwesterly along the arc of curve to the right of radius 412.00 feet (delta 10°42'27") (chord bearing S 35°36'51"W) (chord 76.88 feet) for 76.99 feet to a point of reverse curvature; thence run southwesterly along the arc of curve to the left of radius 500.00 feet (delta 03°21'37") (chord bearing S 39°17'16"W) (chord 29.32 feet) for 29.32 feet to a point of reverse curvature; thence run southwesterly along the arc of curve to the right of radius 825.00 feet (delta 04°43'58") (chord bearing S 39°58'27"W) (chord 68.13 feet) for 68.15 feet to a point of tangency; thence run S 42°20'26"W for 214.53 feet to a point of a curvature; thence run southwesterly along the arc of said curve to the left of radius 775.00 feet (delta 05°29'35") (chord bearing S 39°35'38"W) (chord 74.27 feet), for 74.30 feet to an intersection with the south line of the southeast quarter (SE-1/4) of said Section 2; thence run S 88°57'52"W along said south line for 239.29 feet to the POINT OF BEGINNING.

Containing 2.62 acres, more or less.

Bearings hereinabove mentioned are State Plane for the Florida West Zone (1983/90 adjustment) and are based on the south line of the southeast quarter (SE 1/4) of said Section 2 to bear N 88°57'52" E.


Scott A. Wheeler (For The Firm)
Professional Surveyor and Mapper
Florida Certificate No. 5949

LEE COUNTY
NOTICE OF INTENT TO ENACT A COUNTY RESOLUTION

TO WHOM IT MAY CONCERN:

NOTICE IS HEREBY GIVEN that on Tuesday, the 28th day of May, 2002, at 5:00 o'clock, p.m., in the County Commissioners' Meeting Room, Old Lee County Courthouse, 2120 Main Street, Fort Myers, Florida, the Board of County Commissioners of Lee County, Florida, will consider the enactment of a County Resolution pursuant to Chapter 125, Florida Statutes. The title of the proposed County Resolution is as follows:

A RESOLUTION OF LEE COUNTY APPROVING THE
PETITION OF BONITA SPRINGS UTILITIES, INC.
("BSU"), RELATING TO AN EXTENSION TO THE
TERM OF ITS WATER AND SEWER FRANCHISE;
PROVIDING FOR AN EFFECTIVE DATE.

1. Copies of this Notice and the proposed Resolution are on file in the Minutes Office of the Clerk of Courts of Lee County. The public may inspect or copy the Resolution during regular business hours at the Office of Public Resources. The Minutes Office and Public Resources are located in the Courthouse Administration Building, 2115 Second Street, Fort Myers, Florida. Public Resources is located on the first floor and the Minutes Office is located on the second floor of the Courthouse Administration Building.
2. Interested parties may appear at the meeting in person or through counsel, and be heard with respect to the adoption of the proposed Resolution.
3. Anyone wishing to appeal the decision(s) made by the Board with respect to any matter considered at this meeting, will need a record of the proceedings for such appeal, and may need a verbatim record, to include all testimony and evidence upon which

the appeal is to be based.

4. The Resolution shall take effect immediately upon its adoption by the Board of County Commissioners at the public hearing.

5. If you have a disability that will require special assistance or accommodations for your attendance at the public hearing, please call the Lee County Division of Public Resources at 335-2269 for information.

PLEASE GOVERN YOURSELF ACCORDINGLY.

The text of this Notice is pursuant to and in conformance with Section 125.66, Florida Statutes (2001).

BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

By: _____
Charlie Green, Ex-Officio Clerk
to the Board of County Commissioners
of Lee County, Florida

APPROVED AS TO FORM:

By:  _____
Office of the County Attorney

Ad Size: 2 x 5

Publishing Dates: 5/18/02 & 5/23/02

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November 20, 2001

ROBERT M. C. ROSE
OF COUNSEL

David M. Owen, Esquire
Assistant County Attorney
Lee County, Florida
2115 Second Street
Fort Myers, Florida 33902

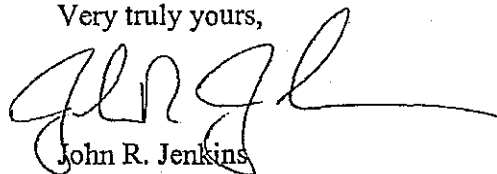
Re: Bonita Springs Utilities, Inc.;
Petition to Extend Franchise
Our File No. 20989.08

Dear David:

Attached hereto please find seven copies of Bonita Springs Utilities, Inc.'s Petition to Extend its Franchise Agreement with Lee County including Exhibit "A" which was inadvertently left off the Petition sent to you on October 22, 2001. As the exhibits to the Franchise are rather lengthy and are already on file with the County, they have been omitted. However, they will be provided if necessary.

Should you have any questions regarding the enclosed, please do not hesitate to call.

Very truly yours,


John R. Jenkins
For the Firm

JRJ:ls

Enclosure

cc: Mr. Fred Partin
Ms. Patti Garrett
G. Donald Thomson, Esquire

COPY TO: J. LAVENDER
R. DIAZ
I. VELAZ

Bonita/Franchise/Owen6.ltr

NOV 27 2001

THANKS.
D.

BONITA SPRINGS UTILITIES, INC.

PETITION TO EXTEND FRANCHISE

BONITA SPRINGS UTILITIES, INC., f/k/a Bonita Springs Water System, Inc. (hereinafter "BSU"), a not-for-profit Florida corporation, by and through its undersigned attorneys, presents this Petition to Extend Franchise and would show unto the Honorable Board of County Commissioners of Lee County, Florida, the following:

1. On February 11, 1970, Lee County did, by Resolution bearing the same date, grant to BSU an exclusive right, privilege and franchise to construct, maintain, equip and operate a water and sewer collection, disposal and distribution system over and in the areas as detailed in the Resolution granting the exclusive franchise.

2. The County has from time to time, by resolution, amended, extended, and restated BSU's Franchise.

3. The financial advisors to BSU have indicated that a renewal and extension of the Company's Franchise, in accordance with current law, extending the Franchise term from its remaining years to a term of 30 years hence, is necessary in order to assist in the marketing and sale of the approximately \$60,000,000 Lee County Industrial Development Authority Bond Issue (Series 2002) with a 30-year maturity. Through the Series 2002 Bond Issue, BSU plans to undertake and continue a Capital Improvement Program to meet the needs of existing and future customers and increasing regulatory standards.

4. The purpose of this Petition is to obtain Lee County's approval for an extension of the Franchise, such that the Franchise term of 30 years will begin to run as of the date of the Board's action by resolution approving this Petition.

WHEREFORE, Petitioner requests that this Honorable Commission renew, approve, and extend its Amended and Restated Franchise Agreement in the form attached hereto as Exhibit "A."

The Petitioner further requests that this Honorable Commission set a Public Hearing as may be required by law to hear this Petition, and that this Honorable Commission grant the terms of this Petition by County resolution.

Respectfully submitted this 22nd day of
October, 2001, by:



JOHN R. JENKINS, ESQ.
STEVEN T. MINDLIN, ESQ.
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

EXHIBIT A

Lee County Contract No. _____

BONITA SPRINGS UTILITIES, INC.
AMENDED AND RESTATED FRANCHISE AGREEMENT
BY AND BETWEEN THE BONITA SPRINGS UTILITIES, INC.
AND LEE COUNTY, FLORIDA

A RESOLUTION GRANTING TO THE BONITA SPRINGS UTILITIES, INC., ITS SUCCESSORS AND ASSIGNS, THE EXCLUSIVE RIGHT, PRIVILEGE OR FRANCHISE FOR A PERIOD OF THIRTY YEARS TO CONSTRUCT, MAINTAIN, EQUIP AND OPERATE A WATER SUPPLY, TREATMENT AND DISTRIBUTION SYSTEM AND A SEWER COLLECTION, TREATMENT AND DISPOSAL SYSTEM AND GRANTING THE EXCLUSIVE RIGHT AND PRIVILEGE TO PROVIDE WATER AND SEWER SERVICES TO THE FOLLOWING DESCRIBED PROPERTY IN LEE COUNTY, FLORIDA, TO WIT:

Bonita Springs and Bonita Beach area, more particularly described in EXHIBIT "A" hereto.

[legal description has been moved to EXHIBIT "A"]

WHEREAS, on February 11, 1970, Lee County did, by Resolution, grant to the Bonita Springs Water System, Inc., an exclusive right, privilege and franchise to construct, maintain, equip, and operate a water and sewer collection, disposal, and distribution system over and in the areas as described in the Resolution granting the exclusive franchise; and,

WHEREAS, on May 2, 1990, the Board of County Commissioners ratified and confirmed their desire to have the Bonita Springs Water System engage in a substantial financing and construction effort in order to provide central sanitary sewer service to the Bonita Springs area; and,

WHEREAS, on November 21, 1990, the Board of County Commissioners adopted an "Amended and Restated Franchise Agreement by and between the Bonita Springs Water System, Inc. and Lee County, Florida" which significantly added to the service territory of the Grantee; and

WHEREAS, BONITA SPRINGS WATER SYSTEM, INC. has subsequently changed its name to BONITA SPRINGS UTILITIES, INC.; and,

WHEREAS, BONITA SPRINGS UTILITIES, INC. has made application to the County Commissioners of Lee County, Florida, to grant, ratify, confirm and restate the Amended Franchise as granted in the Franchise Agreement of May 1, 1996, to provide sewerage and water services within the area in Lee County, Florida, described heretofore; and,

WHEREAS, the laws of Florida authorize the granting of such franchise;

NOW BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF
LEE COUNTY, FLORIDA:

1. BONITA SPRINGS UTILITIES, INC., a Florida corporation, hereinafter referred to as the "Grantee", is hereby granted the exclusive right, privilege or franchise to construct, maintain and operate in, under, upon, over and across the present and future streets, roads, terraces, alleys, bridges, easements and other public places located anywhere within the foregoing described franchise area in accordance with established practice with respect to sewerage and water service or services, construction, operation and maintenance of sewerage collection facilities (including pumping stations, gravity water services and all service or services incidental or necessary with respect thereto, to the above described franchise area and all buildings located thereon and the occupants thereof.

2. The Grantee shall possess and exercise the exclusive privileges and authorities herein granted, except as may hereinafter be provided, for the term of thirty (30) years from this date.

3. All work done hereunder, in, under, upon, over and across the present and future streets, avenues, alleys, highways, bridges, easements, and other public places in Lee County, Florida, for the purpose of carrying out the provisions of this exclusive franchise shall be done and performed in a good workmanlike manner, and all excavations or damage by Grantee by reason of such work shall within a reasonable time and as early as practicable after such excavation or damage, be replaced by Grantee in as good a condition as it was at the time of such excavation and damage.

4. In consideration for the granting of this Franchise, the Grantee agrees, (a) to prevent the creation of any obstructions or conditions which are or may become dangerous to the travelling public; (b) to repair any damage or injury to the road or highway by reason of the exercise of the privileges granted herein and to repair the road or highway promptly, restoring it to a condition at least equal to that which existed immediately prior to the infliction of such damage or injury; (c) to hold the Board of County Commissioners and members thereof harmless from the payment of any compensation or damage resulting from the exercise of the privileges granted herein; (d) to keep the facilities properly insured for the protection of the County and the public; and, (e) Grantee agrees that in the event of widening, repair, or reconstruction of any road, that Grantee shall move or remove such water or sewer lines at no cost to the County, unless specifically otherwise agreed to by and between the parties hereto.

5. The Grantee is authorized and empowered to establish, charge and enforce the initial rates to individual users of the sewerage and water system shown on the rate schedules attached hereto as Exhibit "A"; however, notwithstanding such rate schedules, Grantee is authorized and empowered to establish, amend, revise and enforce from time to time or times to times in the future, different rates or rate schedules reflecting rates lower or higher than those shown on Exhibit "A"; however, any such lower or higher rates or rate schedule so established and enforced from time to time by Grantee shall at all times be reasonable and must have the prior written consent of the Board

of County Commissioners of Lee County, Florida, before the said revised rates can be placed into effect.

Grantee may further establish, amend or revise from time to time in the future and enforce rules and regulations for sewerage and water services and covering the sewerage and water services within or on the franchised property; provided, however, all such rules and regulations established by service company from time to time shall at all times be reasonable and subject to the approval of the Board of County Commissioners of Lee County, Florida.

6. All water and sewerage system facilities used, useful or held for use in connection with the sewerage and water services under the terms of this franchise and installed and furnished by the Grantee, shall at all times remain the sole, complete and exclusive property of Grantee and under its exclusive, complete and sole ownership, title control and operation. No person, firm or corporation shall have the right to connect to the facilities of the Grantee or to obtain any sewerage or water services furnished by Grantee under the terms of this franchise except with the consent of the Grantee and upon full compliance with the rules and regulations promulgated from time to time by the Grantee and payment of any contribution in aid of construction (a/k/a aid to new construction fees), connecting charges, fees or rates which may be established or charged by the Grantee under the terms of this franchise.

7. Neither this franchise, nor any of the rights hereunder, may be sold, assigned, or transferred by the Grantee without first obtaining the written consent of the Board of County Commissioners. All assignees shall be bound to the same extent as the original Grantee.

8. The County Commissioners agree to adopt all resolutions and take all actions necessary or suitable, both for the reasonable protection of the rights and property of the Grantee and to enable the Grantee to enforce any of said Grantee's reasonable rules and regulations for the management, operation and control of the sewerage and water system to be provided hereunder and to pass any reasonable resolutions and take any reasonable action that may be necessary or suitable in order to fully confirm to said Grantee the rights herein or hereby granted or intended so to be.

9. In accordance with the provisions of this franchise the Grantee will provide at its cost and expense sewerage and water services to the property described above and to the buildings located thereon and the occupants thereof in a manner to conform with all reasonable requirements of the State of Florida Board of Health and all other public or governmental agencies or bodies having jurisdiction over the Grantee's water service operations. No installations or alterations shall be made by Grantee prior to the plans therefor being submitted to the Board of County Commissioners, or its duly authorized agent, which shall have the right at all times to inspect the facilities installed by Grantee to see that they are constructed according to sound engineering practices.

10. Failure on the part of the Grantee to comply in any substantial respect with the provisions of the franchise shall be grounds for forfeiture of this grant. Provided, however, that no such forfeiture shall be exercised until written notice of such failure to comply has been given to Grantee. Upon receipt of such notice, Grantee shall have ninety (90) days within which to comply or show cause to the Board of County Commissioners its failure so to do.

11. The Board of County Commissioners of Lee County, Florida, shall have the option at any time after this grant to proceed with eminent domain in order to acquire the Grantee's sanitary sewerage and water system if the purchase price for same cannot be agreed upon, should the Grantor elect to pursue acquisition of the Grantee's utility system. Nothing herein contained, however, shall be so construed so as to prevent the Grantee from contesting the issue of public necessity, or otherwise opposing the condemnation of its system.

12. Within thirty (30) days after the first anniversary date of this grant and within thirty (30) days after each such succeeding anniversary date of this grant, Grantee shall pay to the Board of County Commissioners of Lee County, Florida, an amount which is six percent (6%) of Grantee's gross revenues derived from the sale of sewerage and water services to residential and commercial customers within the limits of the area hereinabove described, excluding connection charges for the twelve (12) fiscal months preceding the actual anniversary date. At the time the Grantee pays the amount herein required to be paid, it shall furnish to the Board of County Commissioners, Lee County, Florida, an audit verified by a competent CPA as to the total gross revenues collected by Grantee. In addition thereto, Grantee's books, records and accounts shall, at all times, remain available to the Board of County Commissioners, Lee County, Florida, for the purpose of verifying the payments made to it under this provision. Provided, however, that in the event the Grantee is a non-profit association or corporation that this provision as to the payment of six percent (6%) of the gross revenues to Lee County shall not apply. It shall be the Grantee's burden to file the necessary instruments and proof to show that it is a non-profit association or corporation in order to be relieved and released from the operation of this paragraph.

13. As a part of the consideration for this franchise, the Grantee agrees that it will construct at its sole cost and expense, all of the buildings, plants, systems and appurtenant facilities necessary, proper or required to furnish a central sanitary sewerage and water system and will extend the required collection lines or other facilities, to and within the franchise area, as, when, and where the same are necessary, and economically feasible, so that the said franchise area and the buildings located thereon and the occupants thereof, will be provided when and as necessary and when economically feasible with sewerage and water services satisfactory to and meeting the approval of all public, governmental and other agencies having supervision, regulation, direction or control of such sewerage system and services rendered in connection therewith.

14. The Grantee shall have the first right to provide sewerage and water services to all parts of the franchise area, but in the event that there is any portion of the franchise area with respect to which the Grantee is not providing such sewerage and water service, then the Board of County Commissioners, after first giving the Grantee a reasonable opportunity in which to provide such services, may grant such right to any other person or firm which is ready, willing and able to provide sewerage and water services to such area.

15. This franchise shall take effect and be in force from the date of its adoption by the Board of County Commissioners of Lee County, Florida, and its acceptance in writing by the Grantee.

ADOPTED this 1st day of June, 2001.

BONITA SPRINGS UTILITIES, INC.

Attest:

T. Henry Haines
Secretary

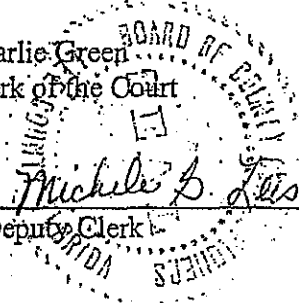
By: [Signature]
John Mathes
President

LEE COUNTY, A political subdivision
of the State of Florida

Attest:

Charlie Green
Clerk of the Court

By: Michelle S. Lesmea
Deputy Clerk



By: [Signature]
Chairman

Bonita\05\Franchis.05

[Signature]
CLERK OF COUNTY ATTORNEY

LEE COUNTY BOARD OF COUNTY COMMISSIONERS
 AGENDA ITEM SUMMARY BLUE SHEET NO: 20020327-UTL

1. REQUESTED MOTION:

ACTION REQUESTED:

Approve Petition from Bonita Springs Utilities, Inc. (BSU) to extend term of Franchise Agreement with Lee County including the Exhibit A.

WHY ACTION IS NECESSARY:

As the franchising authority for this not-for-profit utility, Board approval is required for the approval of extension of Franchise Agreement.

WHAT ACTION ACCOMPLISHES:

The renewal and extension of the Franchise Agreement to a term of 30 years, in order to assist in the marketing and sale of the approximately \$60,000,000 Lee County Industrial Development Authority Bond Issue (Series 2002) with a 30-year maturity from 2002.

2. DEPARTMENTAL CATEGORY: 10 - UTILITIES
 COMMISSION DISTRICT #: 3

C 10A

3. MEETING DATE: 4-16-02

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED: _____

5. REQUIREMENT/PURPOSE:

- (Specify)
- STATUTE _____
 - ORDINANCE _____
 - ADMIN. CODE _____
 - OTHER Franchise Agmt

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER: _____
- B. DEPARTMENT: Lee County Public Works
- C. DIVISION/SECTION: Utilities Division
- BY: Rick Diaz/Utilities Director
- DATE: 4/1/02

7. BACKGROUND:

On February 11, 1970 the Board of County Commissioners granted a franchise to Bonita Springs Water System. As the franchising authority for this not-for-profit utility, Board approval is required for all future changes in the tariffs or franchise area.

On May 2, 1990, the Board of County Commissioners confirmed their desire to have the Bonita Springs Water System as the County's franchisee to provide water and sewer services within its franchise area.

On November 21, 1990, the Board of County Commissioners adopted an "Amended and Restated Franchise Agreement by and between the Bonita Springs Water System and Lee County" which significantly added to the service territory of BSU; and revised name to Bonita Springs Utilities, Inc.

(CONT'D.)

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL

(A) DEPARTMENT DIRECTOR	(B) PURCH. OR CONTRACTS	(C) HUMAN RESOURCES	(D) OTHER	(E) COUNTY ATTORNEY	(F) BUDGET SERVICES			(G) COUNTY MANAGER
J. Lavender Date: 4/3/02	N/A Date:	N/A Date:	SSJ Date: 4-1-02	W. Area for scheduling Date: 4/3/02	OM 4/3/02	Risk 4/4	GC 4-3-02	J. Lavender Date: 4/3/02

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

RECEIVED BY
 COUNTY ADMIN.
 4/3 10
 COUNTY ADMIN.
 4/4 9

Xc: Central B/S Files (Sue)
 Utilities Division
 Rick Diaz BS only
 Kris Miller
 Ross Silcox AMY W.
 S.I. Velez
 Date: APR 25 2002 /sdg

On May 1, 1996, the Board of County Commissioners adopted a second "Amended and Restated Franchise Agreement by and between Bonita Springs Utilities Inc.", and Lee County, amending the term of the franchise which is extended 30 years from May 1, 1996; and revised language for the County's option for any purchase of the Bonita Springs Utilities System.

On April 28, 1998, the Board of County Commissioners approved BSU's Petition for a modification to water and wastewater tariffs and adjustments of certain charges.

On September 14, 1999, the Board of County Commissioners approved BSU's Petition amending the wastewater tariff to establish a special service charge for customers formerly served by Hacienda Treatment Plant.

On August 29, 2000, BSU submitted its Petition for the third amendment which was approved by the Board on April 24, 2001.

On December 28, 2000, BSU submitted its Petition for the fourth amendment.

On May 8, 2001, the Board of County Commissioners approved BSU's Petition to adopt a fourth amendment to its Franchise Agreement, by Resolution, to reflect changes to its service territory; and to approve an Agreement for Water and Sewer Service for the Mediterra Planned Unit Development between BSU, Long Bay Partners, LLC and Collier County Board of County Commissioners.