

EXHIBIT "I"

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SERVICE AGREEMENT

THIS AGREEMENT made this 3rd day of July, 1979
by and between the RADNOR/OCEANA SOUTH PARTNERSHIP, a Partnership
created and existing under the laws of the State of Florida
(hereinafter called "Radnor"), TURTLE REEF CONDOMINIUM I, INC.,
a Florida not-for-profit corporation (hereinafter called
"Condominium I Association"), the TURTLE REEF MASTER ASSOCIATION,
INC., a Florida not-for-profit corporation (hereinafter called
"Master Association"), TURTLE REEF ASSOCIATES, INC. a Florida
corporation (hereinafter called "Turtle Reef"), HAZEN KREIS
(hereinafter called "Kreis"), and AMERICAN RESORT MANAGEMENT
CORPORATION, a Florida corporation (hereinafter called "American
Resort Management").

W I T N E S S E T H :

WHEREAS, Radnor is the owner of certain property located
in St. Lucie County, Florida, as further described on Exhibit "A"
attached hereto and made a part hereof (hereinafter called
"Radnor Property"), and intends to develop said property with
residences and/or other improvements thereon; and

WHEREAS, Turtle Reef and Kreis are the developers of a
certain fifty (50) unit condominium development known as Turtle
Reef Condominium I which has been developed on the property
described on Exhibit "B" attached hereto and made a part hereof
(hereinafter called "Turtle Reef Section 1");

WHEREAS, Turtle Reef and Kreis intend to develop an
additional condominium development of not more than eighty (80)
condominium units on the property described on Exhibit "C"
attached hereto and made a part hereof (hereinafter called
"Turtle Reef Section 2");

WHEREAS, Condominium I Association is the condominium association operating Turtle Reef Condominium I;

WHEREAS, Master Association is the property owners association responsible for the ownership and operation of certain common areas and facilities now or hereafter existing on Turtle Reef Section 1 and Turtle Reef Section 2;

WHEREAS, American Resort Management is the manager of the Condominium I Association and the Master Association;

WHEREAS, the parties hereto desire to create an arrangement for the providing of sanitary sewer service to their respective properties; and

WHEREAS, Turtle Reef, Kreis, Condominium I Association, Master Association and American Resort Management are hereinafter sometimes referred to as the "Turtle Reef Group", such term meaning each of the foregoing parties individually, and all of the foregoing parties collectively.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual undertakings and agreements hereinafter contained and assumed, the parties hereto hereby covenant and agree as follows:

1. Use and Operation of Existing Plant.

Radnor, subject to the following terms and conditions, hereby grants to the Turtle Reef Group the non-exclusive right to use the existing sewage treatment plant and associated lines and facilities located on the Radnor Property and owned by Radnor (hereinafter called the "Existing Plant") and the Turtle Reef Group hereby accepts such rights and agrees to the following terms and conditions:

(a) The Turtle Reef Group shall be responsible for the maintenance, repair and operation of the Existing Plant for servicing not more than one hundred thirty (130) condominium units

now or hereafter constructed on Turtle Reef Section 1 and Turtle Reef Section 2, such maintenance, repair and operation to be in all respects in compliance with all applicable laws and regulations.

(b) Turtle Reef Group hereby releases Radnor from any and all liability relative to the Existing Plant and the ownership, maintenance, repair and operation thereof, including specifically liability for interruption of service or violation of applicable laws and regulations and hereby agrees to indemnify, defend and hold harmless Radnor from and against any and all liability, claims, demands and damages relative to the Existing Plant and the ownership, maintenance, Repair and operation thereof.

(c) Turtle Reef Group shall maintain broad form liability insurance and extended coverage casualty to Radnor and naming Radnor as an insured, relative to the Existing Plant and the ownership, maintenance, repair and operation thereof. Certificates of insurance evidencing the foregoing shall be provided to Radnor.

(d) The right of use of the Existing Plant created hereby is permanently terminable by Radnor (i) upon thirty (30) days prior written notice to the Turtle Reef Group in the event of default by the Turtle Reef Group in the performance of any of its obligations under this Agreement, or (b) upon commencement of operation of the Replacement Plant (as such term is hereinafter defined), and is temporarily terminable by Radnor when necessary during the course of construction of the Replacement Plant provided that during such temporary termination, Radnor shall provide adequate sewage disposal facilities to the Turtle Reef Group to enable the Turtle Reef Group to meet its sewage disposal commitments.

2. Construction and Operation of Replacement Sewage Treatment Plant.

Radnor, in its sole discretion, may elect to construct or cause the construction of a sewage treatment plant

and associated lines and facilities on the Radnor Property to replace the Existing Plant (hereinafter called the "Replacement Plant") with a capacity of approximately one hundred twenty thousand (120,000) gallons per day. In the event Radnor elects to construct or cause the construction of the Replacement Plant, the Turtle Reef Group, subject to the following terms and conditions, is hereby granted the right to use, in common with Radnor, the Replacement Plant for servicing not more than one hundred thirty (130) condominium units now or hereafter constructed on Turtle Reef Section 1 and Turtle Reef Section 2 and the Turtle Reef Group hereby accepts such rights and agrees to the following terms and conditions:

(a) Turtle Reef Group shall pay 130/383 of the total costs, direct and indirect, of the construction and installation of the Replacement Plant and all capital improvements connected herewith, including the costs of dismantling and removing the Existing Plant (hereinafter called the "Construction Assessment"). The Construction Assessment shall be paid by the Turtle Reef Group to Radnor, upon demand by Radnor, in accordance with the percentage of completion of the Replacement Plant. In the event that the Replacement Plant is constructed pursuant to construction contracts, the percentage of completion calculations employed in the disbursement of funds to the contractors shall also be binding upon the Turtle Reef Group at the election of Radnor for purposes of payment of the Construction Assessment.

(b) Radnor, in its sole discretion, may elect to construct or cause the construction of the surface drainage facilities servicing the Replacement Plant in stages. In such event, the obligation of the Turtle Reef Group for the payment of the Construction Assessment shall be applicable to each stage of the construction of the surface drainage facilities serving the Replacement Plant.

(c) Upon completion of the Replacement Plant and commencement of its operations, Radnor shall operate and maintain the Replacement Plant, provided that 130/383 of the costs of operation and maintenance of the Replacement Plant, direct and indirect, shall be paid by the Turtle Reef Group to Radnor (hereinafter called the "Turtle Reef Operations Assessment"). Radnor, in its sole discretion, shall determine the frequency of the payments of the Turtle Reef Operations Assessment. The foregoing operation and maintenance costs shall include, but not be limited to, utility expenses, taxes and fees of any kind relating to the Replacement Plant and the real property on which it is situated, reserves for replacement, insurance premiums, management fees and all other costs of operation, repair and maintenance.

(d) Radnor reserves the right to use and/or assign all capacity of the Replacement Plant for providing service to the Radnor Property and the residences and improvements now and hereafter constructed thereon, other than the capacity used to provide sanitary sewer service to not more than one hundred thirty (130) condominium units now or hereafter constructed on Turtle Reef Section 1 and Turtle Reef Section 2.

(e) Radnor shall have the right to assign its operational and maintenance responsibilities and associated rights to collect and use the Turtle Reef Operations Assessment to a non-profit corporation or corporations created by Radnor in connection with the development of the Radnor Property. Such Assignment shall provide that the assignees shall also be responsible for assessing and collection 253/383 of costs of operation and maintenance of the Replacement Plant, as described in subparagraph (b) above, against the owners of the Radnor Property, and making proper payments due with the funds collected.

(f) The right to use of the Replacement Plant created hereby is temporarily terminable by Radnor upon ten (10) days prior written notice to the Turtle Reef Group in the event of a default by the Turtle Reef Group in the performance of its obligations under this Agreement, until the obligations in default are satisfied and brought current.

(g) Turtle Reef Group hereby releases Radnor from any and all liability relative to the construction, maintenance and operation of the Replacement Plant, including specifically, liability for interruption of service caused through no fault of Radnor, except with respect to liability due to the gross negligence of Radnor. In any event, the liability of Radnor under the Agreement shall be limited to its interest in the Radnor Property.

3. Condominium Unit Assessments.

A. Condominium Association I, Master Association and American Resort Management agree (i) to assess and collect any and all sums necessary to pay the Construction Assessment and the Turtle Reef Operations Assessment against the members thereof and the condominium units of the members thereof in accordance with the applicable By-Laws, Conditions and Restrictions of Turtle Reef; (ii) at the request of Radnor, to assign any and all lien rights in the event of non-payment to Radnor or its assignees.

B. Turtle Reef and Kreis shall include procedures in the condominium documentation for the condominiums being developed on Turtle Reef Section 2 to provide for the assessment and collection of the Construction Assessment and the Turtle Reef Operation Assessment.

C. Turtle Reef and Kreis hereby warrant and represent that this Agreement complies with the terms of Article XXI, Section T of the Declaration of Condominium of Turtle Reef

Condominiums I, dated March 31, 1976 and in the event of default in any payments due hereunder does temporarily assign to Radnor during the existence of any such default their rights to collect sewerage service fees thereunder.

4. Salvage of Existing Plant.

Kreis shall have the right, at his sole cost and expense, to remove and retain, for his own benefit, any and all portions of the Existing Plant which are determined by Radnor to be surplus due to the construction of the Replacement Plant.

5. Other Agreements.

Turtle Reef Group, as a material inducement to Radnor to enter into this Agreement, hereby warrants and represents that the rights to use of the Existing Plant and the Replacement granted to Turtle Reef Group under this Agreement are the sole and exclusive rights of use and sewer service relative to Turtle Reef Condominium I, Turtle Reef Section 1 and Turtle Reef Section 2 and there are no other outstanding agreements or leases of any kind relative to such sewer service.

6. Ownership of Plants.

Turtle Reef Group acknowledges that Radnor shall be the sole owner of the Existing Plant and the Replacement Plant and the property thereunder, and Turtle Reef Group is not a joint venturer with or partner of Radnor, nor does Turtle Reef Group have any rights to the salvage of the Existing Plant or Replacement Plant except those contained in paragraph 4 hereof.

7. Operation by Turtle Reef Group.

If Radnor is in default in its obligations to operate the Replacement Plant hereunder, and to provide sewer service thereby to Turtle Reef Group, Turtle Reef Group, upon five (5) days prior written notice to Radnor, shall have the right to temporarily assume operation and management of the Replacement Plant until such time as the default of Radnor is cured. Expenses for operation incurred by Turtle Reef Group during such period shall be reimbursed to Turtle Reef from the Turtle Reef Operations Assessment.

8. Public Utility Service.

If a utility authority or public agency requires that the Radnor Property, Turtle Reef Section 1 and Turtle Reef Section 2 be tied into a public sewer service system, this Agreement shall terminate upon the completion of the tie-in and the commencement of sewer service by the applicable utility or agency.

9. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns. This Agreement contains the entire understanding of the parties hereto with respect to the subject hereof and may be amended only by written instrument executed by the parties hereto.

10. Notices.

All notices under this Agreement shall be sent by U.S. Mail, certified, return receipt requested to the parties at the addresses hereinafter set forth or at such other addresses as shall be established by notice sent to all parties.

IN WITNESS WHEREOF, the parties hereto, representing that they have full authority to do so, have duly executed this Agreement the day and year first above written.

Witness:

RADNOR/OCEANA SOUTH PARTNERSHIP

Richard H. Hines By: [Signature]
[Signature] Address: 9920 A+A Jensen Beach, FL 33457

TURTLE REEF CONDOMINIUM I, INC.

Richard H. Hines By: [Signature] Kreis, President
[Signature] Address: P.O. Box 618, Jensen Beach, FL 33457

TURTLE REEF MASTER ASSOCIATION, INC.

Richard H. Hines By: [Signature] Kreis, President
[Signature] Address: P.O. Box 618, Jensen Beach, FL 33457

TURTLE REEF ASSOCIATES, INC.

Richard H. Hines By: [Signature] Kreis, President
[Signature] Address: P.O. Box 618, Jensen Beach, FL 33457

HAZEN KREIS

Richard H. Hines By: [Signature] Kreis
[Signature] Address: P.O. Box 618, Jensen Beach, FL 33457

AMERICAN RESORT MANAGEMENT CORPORATION

Richard H. Hines By: [Signature] Kreis, President
[Signature] Address: P.O. Box 618, Jensen Beach, FL 33457

EXHIBIT "A"

Commencing at a point in the centerline of State Road A-1-A and on the north line of the South 815.66 feet of Government lot 5 of Section 11, Township 37 South, Range 41 East; thence run S 89° 55' 51" E 54.69 feet to a point on the easterly right-of-way of State Road A-1-A; thence N 23° 49' 31" W, along said right-of-way, 725.0 feet to the Point of Beginning.

From the Point of Beginning continue N 23° 49' 31" W along the A-1-A right-of-way, 1220.82 feet to a point on the North line of the South 320.33 feet of the North 360.8 feet of Government lot 4 of said section 11; thence run S 89° 58' 31" E, parallel to the North line of said Government lot 4, 533.92 feet to the Mean High Water Line of the Atlantic Ocean; thence meandering said Mean High Water Line, S 20° 24' 54" E, 341.57 feet; thence S 24° 52' 30" E, 401.67 feet; thence S 23° 50' 53" E, 438.75 feet; thence S 24° 30' 17" E, 34.64 feet to a point; thence N 89° 55' 51" W, 520.64 feet to the Point of Beginning.

The above contains 13.318 acres, more or less, and all lies in St. Lucie County, Florida.

EXHIBIT "B"

Commencing at a point in the centerline of State Road A-1-A and on the North line of the South 815.66 feet of Government Lot 5 of Section 11, Township 37 South, Range 41 East; thence run S 89° 55' 51" E 54.69 feet to the Point of Beginning, said point being on the Easterly right-of-way line of State Road A-1-A.

From the Point of Beginning thence run N 23° 49' 31" W along said right-of-way line 425.0 feet; thence run S 89° 55' 51" E parallel with the North line of the South 815.66 feet of Government Lot 5, 524.55 feet to the mean high water line of the Atlantic Ocean; thence meandering said mean high water line run S 24° 30' 17" E 107.77 feet; thence run S 23° 53' 54" E 317.98 feet to a point on said North line of the South 815.66 feet of Government Lot 5; thence run N 89° 55' 51" W 526.39 feet to the Point of Beginning.

All of the above lying and being in St. Lucie County, Florida;

EXHIBIT "C"

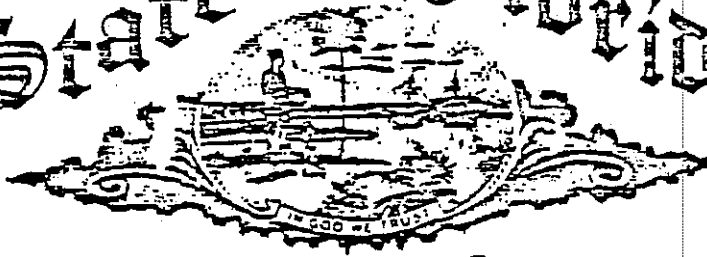
Commencing at a point in the centerline of State Road A-1-A and on the North line of the South 815.66 feet of Government Lot 5 of Section 11, Township 37 South, Range 41 East; thence run S 89° 55' 51" E 54.69 feet to a point on the Easterly right-of-way line of State Road A-1-A; thence run along said right-of-way line 425.0 feet to the Point of Beginning.

From the Point of Beginning continue along the Easterly right-of-way line of State Road A-1-A N 23° 49' 31" W 300.0 feet to a point; thence run S 89° 55' 51" E parallel with the North line of the South 815.66 feet of Government Lot 5, 520.64 feet to the mean high water line of the Atlantic Ocean; thence meandering said mean high water line run S 24° 30' 17" E 301.61 feet; thence run N 89° 55' 51" W 524.55 feet to the Point of Beginning.

All of the above lying and being in St. Lucie County, Florida.

EXHIBIT "J"

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of

THE OCEANA SOUTH ASSOCIATION, INC.

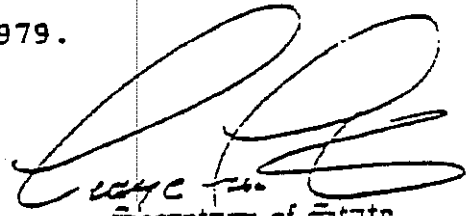
filed on October 18, 1979.

The Charter Number for this corporation is 749386.



CORP 104 Rev. 5-79

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
18th day of October,
1979.


Secretary of State

ARTICLES OF INCORPORATION
OF
THE OCEANA SOUTH ASSOCIATION, INC.

FILED

OCT 18 10 55 AM 1979

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

(A Florida Corporation Not For Profit)

WE, the undersigned, hereby associate ourselves together for the purpose of forming a corporation not for profit under the laws of the State of Florida, pursuant to Florida Statutes, Chapter 617, and hereby certify as follows:

I

NAME OF CORPORATION

The name of this Corporation shall be "THE OCEANA SOUTH ASSOCIATION, INC." (hereinafter referred to as the "Association").

II

PURPOSE

The purpose of the Association shall be to perform all duties and obligations assigned to it by that certain Oceana South Declaration of Covenants, Restrictions and Easements (the "Declaration of Covenants"), which document is to be recorded by Radnor/Oceana South Partnership, a Partnership created and existing under the laws of the State of Florida ("Developer"), in the Public Records of St. Lucie County, Florida.

III

POWERS

The Association shall have all of the common law and statutory powers of a corporation not for profit which are reasonably necessary to implement the purposes of the Association, including, but not limited to, the power to engage from time to time a manager or management firm or other agent to assist the Association in carrying out its duties and responsibilities.

IV

MEMBERSHIP

The qualification of members of the Association (the "Members"), the manner of their admission to membership and voting by Members shall be as follows:

1. Membership. The Association shall have one (1) class of membership.

(a) Each Assessment Unit Owner (as said term is defined in the Declaration of Covenants), including the Developer, shall automatically be a Member of the Association. Each Membership (as said term is defined in the Declaration of Covenants) shall be appurtenant to ownership of one or more Assessment Units (as said term is defined in the Declaration of Covenants) and shall not be separable from the ownership of any Assessment Unit.

(b) Developer's Membership in the Association shall cease and terminate upon the earlier of: (1) the delivery by Developer to the Association of written notice that Developer irrevocably terminates and cancels its Membership; or (2) December 31, 1989.

2. Voting. Voting by Members in the affairs of the Association shall be as follows:

(a) Number of Votes. Each Member shall be entitled to one (1) vote for each Assessment Unit of which such Member is the Assessment Unit Owner.

(b) No Cumulative Voting. There shall be no Cumulative Voting on any vote by the Members of the Association.

V

TERM

The term for which the Association is to exist shall be perpetual.

VI

SUBSCRIBERS

The names and post office addresses of the subscribers to these Articles of Incorporation are as follows:

Stephen H. Osburn

9920 A1A
Hutchinson Island
Jensen Beach, Florida 3345

Carl E. Kraus

9920 A1A
Hutchinson Island
Jensen Beach, Florida 3345

Dennis Von Aldenbruck

9920 A1A
Hutchinson Island
Jensen Beach, Florida 3345

VII

OFFICERS

The affairs of the Association shall be managed by a President, Vice President, Secretary, Treasurer and such other officers as may be authorized by the Board of Directors. Said officers shall be elected annually by the Board of Directors as provided in the By-Laws and no officer need be a Member. The names of the officers of the Association who shall serve until such time as they resign, are removed or their successors are elected, shall be:

President
Vice President
Secretary
Treasurer

Dennis Von Aldenbruck
Stephen H. Osburn
Carl E. Kraus
Carl E. Kraus

VIII

DIRECTORS

1. The affairs of the Association shall be directed by a Board of Directors. The number of Directors on the Board of Directors shall be three (3). No Director need be a Member.

2. The names and addresses of the persons who are to serve as the first Board of Directors are as follows:

Stephen H. Osburn

9920 A1A
Hutchinson Island
Jensen Beach, Florida 33457

Carl E. Kraus

9920 A1A
Hutchinson Island
Jensen Beach, Florida 33457

Dennis Von Aldenbruck

9920 A1A
Hutchinson Island
Jensen Beach, Florida 33457

IX

INDEMNIFICATION

Every Director and every officer of the Association (and the Directors and/or officers as a group) shall be indemnified by the Association against all expenses and liabilities, including counsel fees (a trial and appellate levels) reasonably incurred by or imposed upon him or them in connection with any proceeding or litigation or settlement in which he may become involved by reason of his being or having been a Director or officer of the Association. The foregoing provisions for indemnification shall apply whether or not he is a Director or officer at the time such expenses are incurred. Notwithstanding the above, in the event of a settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board of Directors approves such settlement and authorizes reimbursement for the costs and expenses of the settlement as in the best interest of the Association, and in instances where a Director or officer admits or is adjudged guilty of gross misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all right of indemnification to which a Director or officer may be entitled whether by statute or common law.

X

BY-LAWS

The By-Laws of the Association shall be adopted by the first Board of Directors, and thereafter may be altered, amended or rescinded by the affirmative vote of not less than a majority of the total votes of all Members cast at a regular or special meeting of the Membership and the affirmative approval of a majority of the Board of Directors at a regular or special meeting of the Board of Directors. The right to modify, amend or rescind may be restricted in the manner provided for in the By-Laws.

XI

AMENDMENTS

1. Subject to the provisions of Article XI 2 and 3 hereof, these Articles of Incorporation may be amended at any meeting of the Members by the affirmative vote of two-thirds (2/3) of the total votes of all Members.

2. No amendment shall be made to these Articles of Incorporation which would in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration of Covenants.

3. There shall be no amendment to these Articles of Incorporation which shall, in the judgment of Developer, abridge, amend or alter the rights of Developer in any manner without the prior written consent of Developer.

IN WITNESS WHEREOF, the Subscribers hereto have hereunto set their hands and seals this 5th day of October 1979.

Signed, sealed and delivered
in the presence of:

[Signature]

[Signature]

[Signature]

[Signature] (SEAL)
Stephen H. Osburn

[Signature] (SEAL)
Carl E. Kraus

[Signature] (SEAL)
Dennis Von Aldenbruck

STATE OF Delaware)
COUNTY OF Delaware) ss

BEFORE ME, the undersigned authority, personally ap-
peared STEPHEN H. OSBURN and CARL E. KRAUS
, who
after being by me first duly sworn, acknowledged that they
executed the foregoing Articles of Incorporation of THE
OCEANA SOUTH ASSOCIATION, INC., a Florida corporation not
for profit, for the purposes therein expressed.

WITNESS my hand and official seal at the State and
County aforesaid, this 5th day of October, 1979.

My Commission Expires: Lena M. Cianci (SEAL)
Notary Public

LENA M. CIANCI, Notary Public
Radnor, Delaware Co., Pa.
My Commission Expires Dec. 8, 1981.

STATE OF)
) SS
COUNTY OF)

BEFORE ME, the undersigned authority, personally appeared DENNIS VON ALDENBRUCK

, who
after being by me first duly sworn, acknowledged that he executed the foregoing Articles of Incorporation of THE OCEANA SOUTH ASSOCIATION, INC., a Florida corporation not for profit, for the purposes therein expressed.

WITNESS my hand and official seal at the State and County aforesaid, this 9 day of October, 1977.

My Commission Expires:

Norman E. Marshall (SEAL)
Notary Public

Notary Public, State of Florida at Large
My Commission Expires Nov. 21, 1978
Bonded by American Fire & Casualty Co.

