Eric Fryson

From: Michele Parks [mparks@sfflaw.com]
Sent: Monday, April 30, 2012 10:34 AM
To: Filings@psc.state.fl.us
Cc: Bart Fletcher; Mark Cicchetti; Kirsten Markwell; Patrick Flynn; Martin Friedman
Subject: {BULK} Docket No.: 110257-WS; Application for Increase in Water and Wastewater Rates in Seminole County by Sanlando Utilities Corporation
Importance: Low
Attachments: PSC Clerk 13 (Response to 2nd Data Request).ltr.pdf

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b. Docket No.: 110257-WS; Application for Increase in Water and Wastewater Rates in Seminole County by Sanlando Utilities Corporation

c. Sanlando Utilities Corporation

d. 84 pages (8 page letter and 76 pages of attachments)

e. Response to Staff's Second Data Request dated March 30, 2012

MICHELE PARKS
Paralegal for Martin S. Friedman and Bridget M. Grimsley

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April 30, 2012

VIA E-FILING

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 110257-WS - Application for Increase in Water and Wastewater Rates in Seminole County by Sanlando Utilities Corporation
Our File No.: 30057.198

Dear Ms. Cole:

The following is in response to Staff's Second Data Request dated March 30, 2012, filed in the above-referenced docket.

1. Delivery of reuse water to the City of Altamonte Springs

a. *Provide a copy of the current agreement with the City of Altamonte Springs for the provision of reuse water.*

See enclosure entitled "Reuse Water Agreement" dated March 17, 2000.

b. *Provide an explanation and description of all anticipated changes or amendments to the current agreement with the City of Altamonte Springs that are contemplated as a result of the proposed reuse line to the City of Apopka.*

There are no anticipated changes or amendments to the existing agreement between the City of Altamonte Springs and Sanlando as a result of the proposed reuse line to the City of Apopka.

c. *Provide a schedule showing the monthly reuse flows to the City of Altamonte Springs for 2008-2011.*

See enclosure entitled "SDR No.2 Reuse Data 2008-2012".

d. *Provide a schedule showing the project annual reuse flows to the City of Altamonte Springs for 2012-2016.*

It is anticipated that the reuse volume provided to the City of Altamonte Springs over the next five years will approximate the flow history described on the enclosed document entitled "SDR No.2 Reuse Data 2008-2012".

e. *Provide an explanation and supporting documentation for the projected reuse flows to the City of Altamonte Springs for 2012-2016.*

See 1 (d) above.

f. *Provide a map showing the existing reuse line to the City of Altamonte Springs.*

See enclosed map.

2. Existing reuse line to the City of Altamonte Springs

a. *Does the Utility expect to discontinue providing reuse water to the City of Altamonte Springs in the future?*

No. There are no anticipated changes in providing reuse to the City of Altamonte Springs.

b. *If the provision of reuse water to the City of Altamonte Springs is expected to be discontinued, will the reuse line be retired?*

Not Applicable.

c. *If the reuse line will be retired, provide a description of when the reuse line will be retired, the retirement entries that should be made to reflect the retirement, and the resulting impacts on the MFRs in the current docket. If the retirement of the reuse line is not expected to have an impact on the MFRs in the current docket, please explain why not.*

Not Applicable.

3. Delivery of reuse water to the Hunt Club Community, golf courses, parks, playgrounds, landscaped areas, and plant nursery

a. *Provide a copy of all current agreements with the Hunt Club Community, golf courses, parks, playgrounds, landscaped areas, and plant nursery for the provision of reuse water.*

See enclosed Reclaimed Water Service Agreement dated March 12, 2002, for the Meadowbrook Golf Course, Reclaimed Water Service Agreement undated for the Nursery, Reclaimed Water Service Agreement dated July 23, 2003, for the Wekiva Hunt Club Community, and Reclaimed Water Service Agreement dated December, 2000, with Golf Trust of America

b. *Provide an explanation and description of all anticipated changes or amendments to the current agreements with the Hunt Club Community, golf courses, parks, playgrounds, landscaped areas, and plant nursery that are contemplated as a result of the proposed reuse line to the City of Apopka.*

There are no anticipated changes or amendments to the existing agreements with the Wekiva Hunt Club HOA, the golf courses or the Lake Brantley Nursery.

c. *Provide a schedule showing the monthly reuse flows to the Hunt Club Community, golf courses, parks, playgrounds, landscaped areas, and plant nursery for 2008-2011.*

See enclosure entitled "SDR No.2 Reuse Data 2008-2012".

d. *Provide a schedule showing the projected annual reuse flows to the Hunt Club Community, golf courses, parks, playgrounds, landscaped areas, and plant nursery for 2012-2016.*

It is anticipated that the reuse volume provided to the existing reuse customers over the next five years will approximate the flow history described on the enclosure entitled "SDR No.2 Reuse Data 2008-2012".

e. *Provide an explanation and supporting documentation for the projected reuse flows to the Hunt Club Community, golf courses, parks, playgrounds, landscaped areas, and plant nursery for 2012-2016.*

See 2 (d) above.

f. *Provide a map showing all existing reuse lines to the Hunt Club Community, golf courses, parks, playgrounds, landscaped areas, and plant nursery.*

See enclosed map.

g. *In Order No. PSC-07-0205-PAA-WS, issued in Docket No. 060258-WS, the Commission found that no charge was appropriate at that time for reuse service for these large reuse customers. The Commission also found that a rate may be appropriate in the future. Is Sanlando proposing to charge these large reuse customers for the provision of reuse service in this case? If not, please provide the rationale why these customers should continue to receive this service at no charge.*

Sanlando has not requested the establishment of a General Service reuse rate applicable to non-residential reuse customers in this docket. The provision of reuse water to Sanlando's non-residential reuse customers is the least expensive method of effluent disposal that maintains compliance with the conditions and limitations of the Wekiva WWTP's current operating permit. The establishment of a General Service reuse rate will repress the use of reuse water by these customers, which would result in Sanlando having to discharge significantly more effluent to Sweetwater Creek and thus put Sanlando at great risk of exceeding its limit of 0.870 million gallons per day that can be discharged into Sweetwater Creek, a tributary of the Wekiva River and subsequently the St. Johns River. In addition, in order to meet stringent nutrient limits for nitrogen and phosphorus contained in the Wekiva WWTP's current operating permit, Sanlando will incur substantially more chemical, dewatering, sludge disposal, sampling and monitoring expense each year, a cost that will be borne by the Sanlando customers.

Additionally, Sanlando would be faced with having to augment its existing residential reuse customer base by making millions of dollars in capital expenditures to design, permit and construct an elaborate network of reuse pipes, valves, service lines and meters sufficient to increase reuse demand from residential customers to offset the decrease in reuse demand from current non-residential customers caused by the imposition of a reuse rate. Sanlando has already witnessed the demise of one golf course reuse customer, Sabal Point Golf Club, as well as volatility in reuse demand exerted by the City of Altamonte Springs. The cost to operate, maintain, and manage a complex residential reuse distribution system is inherently greater than the annual cost to deliver reuse to the handful of existing customers.

Both Sanlando and the City of Altamonte Springs are faced with an obligation to minimize the discharge of treated effluent into surface water bodies in order to be compliant with the Wekiva River Protection Act as well as FDEP's current reuse regulations as described in Chapter 62-600.550 *Wastewater Management Requirements for the Wekiva Study Area.* Attached is a Preliminary Engineering Report of CPH Engineers that describes in greater depth the rationale

for constructing the reuse line to the City of Apopka in order to meet all of the regulatory requirements imposed on Sanlando.

4. Proposed reuse line to the City of Apopka

   a. *According to the January 9, 2011 letter from CPH Engineers, Inc. to Sanlando Utilities Corporation, providing bulk reuse water to the City of Apopka is considered the best disposal alternative. Provide schedules and supporting documentation showing the expected capital costs and annual operating and maintenance expenses associated with each of the options considered in the evaluation.*

   Various treatment and disposal options were reviewed internally by Sanlando staff and with the assistance of competent professionals. Sanlando's highly experienced staff was able to perform the cursory steps necessary to determine which of the proposed methods would result in the most cost effective treatment and/or disposal option resulting in additional savings to the rate payers. Outside consultant services were not used to develop a formal report.

b. *Provide all bids or contracts for the construction of the proposed reuse line from the Wekiva Hunt Club WWTP to the City of Apopka.*

   See the enclosure entitled "Wekiva/Apopka Bid Tabulation"

c. *Provide all agreements or documentation with the City of Apopka regarding the construction of the reuse line.*

   See the enclosed copy of the executed Memorandum of Understanding between the City of Apopka and Sanlando.

d. *Provide a copy of the current agreement with the City of Apopka for the provision of reuse water. If there is no agreement with the City of Apopka, provide a copy of all correspondence with the City of Apopka related to the proposed provision of reuse water.*

   See the enclosed copy of the executed Memorandum of Understanding between the City of Apopka and Sanlando.

e. *Provide a schedule showing the project annual reuse flows to the City of Apopka for 2012-2016.*

The anticipated flows have been projected based upon the 2009-2011 historical information illustrated upon the enclosed flow data spreadsheet entitled "2009-2011 Historical Flows" There are two scenarios provided. The "Alt & Customer" scenario demonstrates anticipated flows to Apopka provided that Sanlando's GS customers and Altamonte Springs continue the same historical consumption pattern. The "Customer Base" scenario describes the flow that Apopka could anticipate receiving in the event that Altamonte terminated the use of Wekiva's reuse.

f. Provide an explanation and supporting documentation for the projected reuse flows to the City of Apopka for 2012-2016.

The anticipated flows for year 2012-2016 are expected to approximate the historical performance illustrated in the enclosed flow data spreadsheet entitled "2009-2011 Historical Flows."

g. Provide a copy of all correspondence or other documentation with the Department of Environmental Protection and the St. Johns River Water Management District regarding the construction of the reuse line.

See the enclosed copy of the Cost Share Agreement between Sanlando and the St. Johns River Water Management District. This Cost Share Agreement will be executed once the City of Apopka has approved the proposed Reuse Agreement, which is expected to occur on May 16, 2012.

h. According to the January 9, 2011, letter from CPH Engineers, Inc., to Sanlando Utilities Corporation, funding may be available from St. Johns River Water Management District for the construction of the reuse line to the City of Apopka. Provide a copy of all correspondence or other documentation regarding potential funding from the St. Johns River Water Management District for the proposed construction. Including a description of the current status and anticipated timeline for the potential funding.

See the enclosed copy of the Cost Share Agreement between Sanlando and the District.

i. In Order No. PSC-07-0205-PAA-WS, issued in Docket No. 060258-WS, the Commission found that a portion of the reuse costs for Sanlando Utilities should be allocated to the water customers as allowed by Section 367.0817, F.S., in recognition that all customers benefit from the water resource protection afforded by reuse. In this case, is the utility proposing to

allocate any portion of the increase related to the reuse system to the water customers? If not, please explain your rationale for not doing so.

Sanlando defers to the Commission with regard to the implementation and allocation of rates.

j. Is Sanlando proposing to increase its service availability charges to recover any portion of the improvements to the reuse system? If not, please provide the rationale for not doing so.

No, Sanlando is not proposing an increase in its service availability charges in this docket.

5. Provision of reuse water to residential customers

a. Provide a schedule showing the projected annual reuse flows to residential customers for 2012-2016. Include the number of current and projected residential reuse customers.

The only residential customers served reuse water for irrigation purposes are located within the 112-lot Bella Vista subdivision located on Sand Lake Road. There are currently 84 single family homes in Bella Vista using reuse water. Sanlando has not been provided with buildout schedule for the remaining 28 lots so it would be speculative to project reuse demand generated from these 28 future customers over the next four years. However, it is reasonable to believe that the impact of an additional 28 homeowners on Sanlando's reuse demand is insignificant.

b. Provide a map showing all existing reuse lines to residential customers.

See enclosed map.

6. Des Pinar WWTP

According to the January 9, 2011, letter from CPH Engineers, Inc., to Sanlando Utilities Corporation, diverting all of the flow from the Des Pinar WWTP to the Wekiva Hunt Club WWTP may be an additional option. Provide an explanation regarding when and under what Second *circumstance measures would be taken to divert the flows, including the steps that would be taken and the anticipated timeline.*

The Des Pinar WWTP's current operating permit provides for effluent disposal by utilizing an on-site spray field with a limit of 0.100 mgd AADF as well as three on-site percolation ponds up to 0.400 mgd AADF. However, a Total Nitrogen limit of 6.0 mg/L became effective in

April of 2011, in conformance with the Wekiva Rule referenced in CPH Engineering's January, 2011, PER. In its current design state, the Des Pinar WWTF is unable to treat the wastewater sufficiently to meet this newly imposed effluent limit without significantly modifying the treatment facility. Specifically, denitrification filters would have to be added at significant capital cost and would substantially increase operating expense due to the use of methanol.

Once the tertiary filter rehabilitation is completed at the Wekiva WWTF in August of 2012, and Lift Station A-6 pumps are upgraded to larger horsepower, the raw wastewater flow that is currently treated at the Des Pinar WWTP will be diverted through the existing interconnected collection system for treatment and disposal at the Wekiva WWTF. Thereafter, the Des Pinar treatment facility will remain in service and be used as a surge tank thus providing a means to moderate peak flows within the Des Pinar collection system prior to being sent to the Wekiva WWTP. No facilities are anticipated to be retired as a result of this change in operation of the Des Pinar WWTP. It is anticipated that the reduction in operating expense at Des Pinar will be offset by an equivalent increase in operating expense at the Wekiva Plant.

Please do not hesitate to contact me should the Staff have any questions about these responses.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF/mp
Enclosures

cc: Kirsten Markwell, Manager of Regulatory Accounting (w/enclosures) (via e-mail)
Patrick C. Flynn, Regional Director (w/enclosures) (via e-mail)
Bart Fletcher, Division of Economic Regulation (w/enclosures) (via e-mail)
Mark Cicchetti, Division of Economic Regulation (w/enclosures) (via e-mail)

From: City of Altamonte

RECEIVED MAR 28 2000

REUSE WATER AGREEMENT

THIS AGREEMENT, made this 17th day of March, ~~1999~~ 2000, by and between SANLANDO UTILITIES CORPORATION, hereinafter referred to as "Sanlando", and the CITY OF ALTAMONTE SPRINGS, FLORIDA, a municipal corporation organized and existing under the laws of the State of Florida, hereinafter referred to as "City".

WITNESSETH:

WHEREAS, the City owns and operates wastewater treatment and disposal facilities, which include, but are not limited to, treatment, transmission, and reclaimed water (PROJECT APRICOT) facilities located in Seminole County, Florida; and

WHEREAS, Sanlando owns and operates wastewater treatment and disposal facilities which include, but are not limited to, the Wekiva Wastewater Treatment Plant, hereinafter referred to as the "Wekiva Plant", in Seminole County; and

WHEREAS, the City and Sanlando desire to enter into a joint reuse project, whereby Sanlando would produce a reclaimed water product at its Wekiva Plant, and would transmit a portion of that reclaimed water product to the City for the City's distribution to its reuse customers; and

WHEREAS, it is the intent of the City and of Sanlando, by means of said joint reuse project, to better protect and conserve environmental resources and to reduce groundwater withdrawals by the City as well as surface water discharges by Sanlando; and

WHEREAS, the parties hereto have previously entered into agreements for wholesale sewage treatment and have established a good working relationship, and it is the desire and intent of the parties to leave said agreements in place, and to enter into this new agreement, as hereinafter described, to implement and facilitate a joint reuse project.

NOW, THEREFORE, in consideration of the premises and the covenants of each party for the benefit of the other set forth below, the parties hereto agree as follows:

1. Sanlando requests the City to receive, and the City agrees to receive, up to 1,400,000 gallons (1.4 mgd), annual average daily quantity of reclaimed water product from the Wekiva Plant for distribution to the City's customers. It is agreed and understood between the parties that the exact quantity of reclaimed water product to be delivered by Sanlando to the City will be dependent upon the available supply of Sanlando reclaimed water at the point of connection and the demand for reclaimed water exerted by the City's reuse customers. It is, further, agreed and understood between the parties that Sanlando must first obtain all Florida Department of Environmental Protection and other applicable agency permit approvals, and must construct plant modifications to upgrade the Wekiva Plant to produce a reclaimed water product meeting all state and federal regulations. It is, further, agreed and understood between the parties that Sanlando must first construct transmission facilities so as to connect the Wekiva Plant to the City's Project Apricot reclaimed water distribution system . Sanlando, agrees to take all actions necessary to effectuate the transmission of the reclaimed water product to the City no later than January 1, 2002.

2. The City and Sanlando agree that Sanlando shall, at its sole cost and expense, obtain permitting for and construct the plant modifications necessary to produce a reclaimed water product at its Wekiva Plant of quality meeting all state and federal regulations for the intended unrestricted public access reuse, and so as to not cause contamination or disruption of the City's reclaimed water operations or violation by the City of its permits or applicable state or federal standards.

3. The City and Sanlando agree that Sanlando shall, at its sole cost and expense, design, obtain necessary permits for, and construct a reuse transmission main from the Wekiva Plant to the agreed point of interconnection to the City's reclaimed water distribution system located on Sand Lake Road, east of the Forest City Elementary School and across from Lake Brantley High School. The parties, further, agree that Sanlando shall, at its sole cost and expense, and upon prior written approval from the City, prepare all plans and specifications for all instrumentation housings, meters, fittings and valves needed for interconnection to the City's system, together with electrical service and sanitary sewer service to the instrumentation building.

4. The City and Sanlando agree that the reclaimed water main located east of the meter at the interconnection point will, after construction by Sanlando be owned, operated and maintained by the City. The parties, further, agree that the City shall, at the City's sole cost and expense, own and maintain telemetry equipment and controls at the Wekiva Plant and own and maintain, at the receiving end of the interconnection point, a building with instrumentation related telemetry equipment and controls. The construction cost of the telemetry equipment and instrumentation housing required by the City will be reimbursed by the City to Sanlando based on the Engineer's Estimate of probable construction cost, a copy of which is set forth as Exhibit "A", attached hereto and incorporated herein. In the event that the actual line item costs for the telemetry equipment and instrumentation housing required by the City differ from Exhibit "A", it is understood that the City shall be responsible for reimbursing Sanlando the total costs to install said equipment based on the final approved pay request at contract completion.

5. The City and Sanlando agree that there is no contemplated rate which must be

paid by either the City or Sanlando for this transfer of reclaimed water, and that each party will bear its own costs. The parties acknowledge that the final decision with respect to Sanlando's rates rests with the Florida Public Service Commission, but that the PSC has, to date, indicated that there will be no rate charged. The parties, further, agree that, if a charge is ultimately required by the PSC, and that charge exceeds fifty (50) percent of the then current cost of the City's least expensive supplemental source, as determined by the City, then, in that event, the City may, at its option, reopen negotiations on this Agreement, and either modify the Agreement by mutual consent of the parties, or, in the City's sole discretion, terminate this Agreement upon two (2) years written notice.

6. The City and Sanlando agree that Sanlando shall make holding and disposal provision at its Wekiva Plant for wet weather conditions, and that the City shall not be obligated to accept reclaimed water product from Sanlando if the City determines that by doing so the City's discharge to the Little Wekiva River would be increased. The City and Sanlando, further, agree that the City shall retain the sole discretion as to whether to accept reclaimed water from the Wekiva Plant, based on the integrity of the City's system and the City's plan of operation; provided however, the City agrees to provide Sanlando prompt verbal notice of the City's intention to close off or reopen the interconnection.

7. Sanlando hereby grants to the City the right of access at all times to observe, inspect and maintain the City's telemetry and other equipment at Sanlando's Wekiva Plant, as well as the right of access at reasonable times to observe and inspect the plant, records, meters and transmission facilities of Sanlando related to the subject of this Agreement.

8. Any notice to be given to Sanlando or the City by the other party shall be sent

by either hand delivery, registered or certified mail to the respective addresses shown below. Either party may change its notice address by giving proper written notice to the other as provided herein:

If to the City:

City of Altamonte Springs
City Hall, 225 Newburyport Avenue
Altamonte Springs, Fl 32701
Attention: Director of Public Works

With a copy to:

City of Altamonte Springs
City Hall, 225 Newburyport Avenue
Altamonte Springs, Fl 32701
Attention: City Attorney

If to Sanlando:

Sanlando Utilities Corporation
200 Weathersfield Avenue
Altamonte Springs, Fl 32714
Attention: Donald Rasmussen, Vice President

With a copy to:

Sanlando Utilities Corporation
2335 Sanders Road
Northbrook, Il 60062
Attention: Andy Dopuch

9. The TERM of this Agreement shall be ten (10) years. This Agreement shall be automatically renewed thereafter for successive ten(10) year renewal terms unless either party gives written notice to the other not less than two(2) years prior to the expiration of the then current term that the party is terminating the Agreement at the end of the term. The option to terminate may not be exercised by the City if the City shall then have

outstanding bonds, notes or other obligations pledging revenues that would otherwise be jeopardized by termination.

10. This Agreement is contingent upon a resolution acceptable to Sanlando of the Sanlando overearnings PSC docket and approval by the Florida Public Service Commission of the Reuse Agreement.

11. The terms and conditions of this Agreement and all Exhibits thereto constitute the entire agreement between the parties in respect to the subject matter hereof and supersede all previous communications, representations or agreements, whether oral or written, between the parties. No agreement or understanding, amending, varying or waiving any provision of this Agreement, will be binding upon either party unless in writing and signed by duly authorized representatives of both parties specifically referring to this Agreement.

12. In the event that either party is prevented by a force majeure event from performing its obligations hereunder, said party shall promptly provide written notice to the other party specifying the reason therefor, whereupon that party's obligations shall be reduced to the extent its performance is adversely affected by such force majeure event. Both parties shall use their best efforts to resume full performance as promptly as possible and shall suspend or reduce its performance only for such a period of time as is necessary as a result of such force majeure event. If a force majeure lasts more than 30 days, either party shall have the right to terminate this Agreement upon written notice to the other party. Force Majeure means the following act(s), event(s) or occurrence(s), to the extent such act(s), event(s) or occurrence(s) prevent performance of this Agreement, whether foreseen or unforeseen: Acts of God, war (declared or undeclared), riot, revolution, freight

embargoes, fires, sabotage, or a breaking of or accidents to machinery or equipment caused by an Act of God, provided that any such act, event or occurrence resulting from the acts, omissions or negligence of the party to this Agreement alleging Force Majeure shall not constitute Force Majeure.

13. In the event it shall be necessary to enforce any provision of this Agreement by judicial or administrative proceedings, the prevailing party shall be entitled to an award of attorneys fees and costs. Any provision of this Agreement which is prohibited or unenforceable under any law shall be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first written above.

Approved as to form and legality on behalf of the City:

City Attorney

CITY OF ALTAMONTE SPRINGS, FLORIDA

Mayor

Attest: Patsy Wainright
City Clerk

SANLANDO UTILITIES CORPORATION

By: Donald Rasmussen

Attest: Patsy Wainright
Patsy Wainright

SDR No. 2 Reuse Data 2008-2012

	Wekiva GC	Altamonte	LB Nursery	Wekiva HOA	Sable GC
2008					
January	3.023	15.400	0.771	1.772	24.611
February	5.486	36.258	1.392	1.314	3.242
March	7.195	41.782	1.940	1.560	3.877
April	10.886	29.266	3.663	1.897	0
May	14.215	25.196	4.459	3.206	0
June	9.155	29.022	3.652	3.180	0.641
July	9.443	23.910	1.012	3.138	13.71
August	7.248	18.156	2.457	1.786	18.632
September	6.259	1.984	2.263	2.994	1.175
October	5.161	36.126	3.650	2.472	0
November	7.516	40.883	1.601	3.091	0
December	0.930	34.501	2.346	3.108	0
Total	86.517	332.484	29.206	29.518	65.888

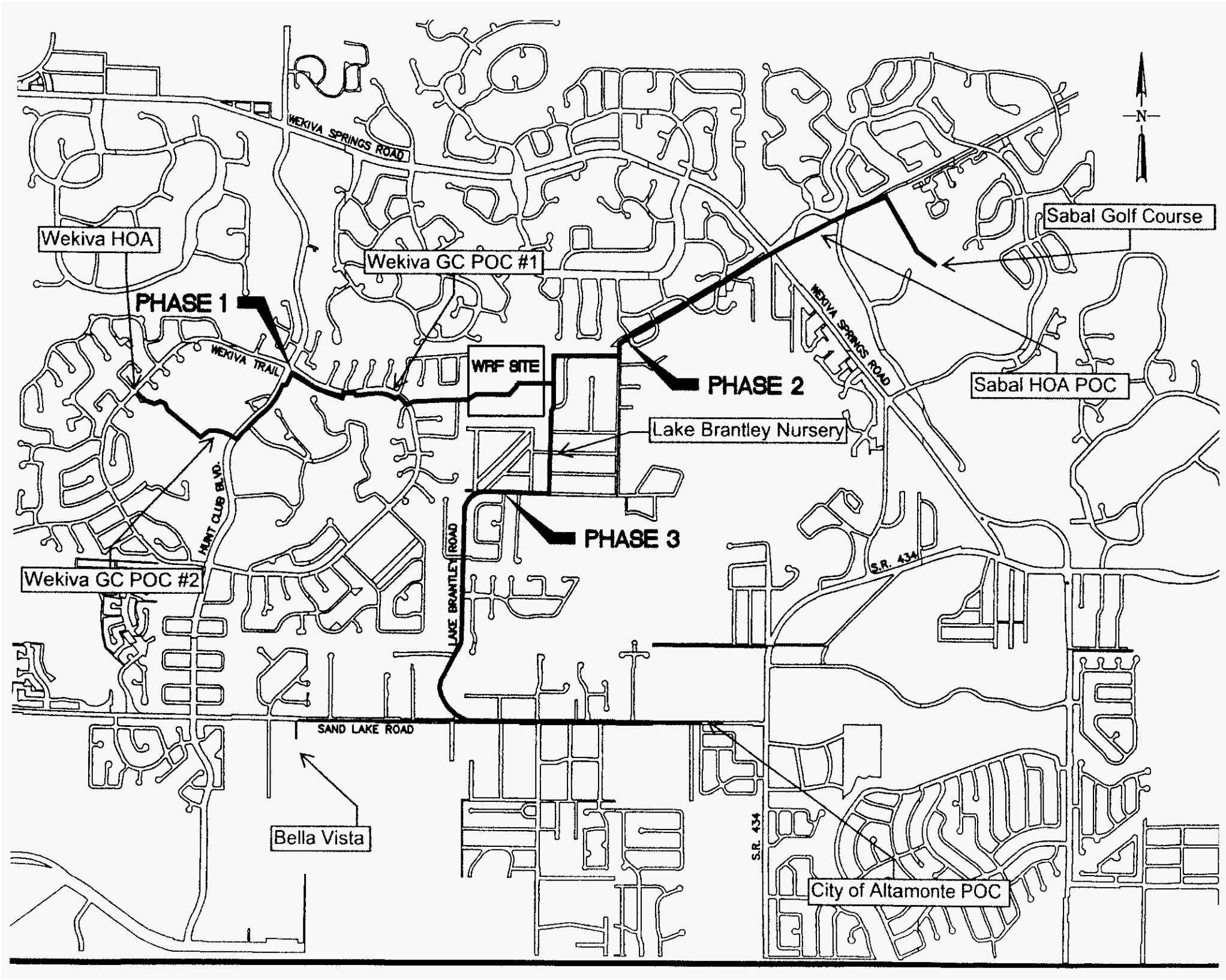
	Wekiva GC	Altamonte	LB Nursery	Wekiva HOA	Sable GC
2009					
January	4.278	30.752	2.914	1.444	0
February	3.892	28.056	2.576	1.618	0
March	6.355	33.852	3.503	1.959	0
April	5.400	29.340	3.900	2.228	0
May	5.921	24.521	4.061	2.562	0
June	6.270	7.350	5.340	2.916	0
July	6.386	23.219	5.642	2.463	0
August	5.766	9.424	5.177	4.888	0
September	6.180	13.470	3.900	3.219	0
October	6.408	18.740	4.344	4.018	0
November	1.824	13.752	3.483	3.635	0
December	1.584	5.796	1.513	2.187	0
Total	60.264	238.272	46.353	33.137	0.000

	Wekiva GC	Altamonte	LB Nursery	Wekiva HOA	Sable GC
2010					
January	1.955	15.402	3.488	1.164	0
February	0.775	11.564	1.556	0.812	0
March	2.686	9.159	2.454	0.984	0
April	5.294	8.014	4.027	1.592	0
May	6.952	21.602	4.830	2.835	0
June	5.706	22.770	3.330	2.400	0
July	6.618	18.864	4.664	2.959	0
August	4.954	16.166	4.064	2.766	0
September	7.247	17.230	4.650	2.254	0
October	8.635	14.380	5.678	3.026	0
November	5.659	22.041	3.734	2.548	0
December	3.501	31.225	7.004	1.644	0

Total	59.982	208.417	49.479	24.984	0.000

	Wekiva GC	Altamonte	LB Nursery	Wekiva HOA	Sable GC/HOA
2011					
January	2.296	2.158	4.455	1.825	0
February	3.411	5.050	3.138	1.652	0
March	5.342	12.285	4.298	1.571	0
April	7.042	14.581	5.441	2.209	0
May	9.011	15.359	6.432	3.738	0
June	7.236	17.680	4.643	2.242	0
July	5.429	11.007	4.666	3.261	0
August	4.753	10.390	4.195	2.722	0
September	5.776	6.407	4.780	2.259	0.038
October	6.504	5.817	3.786	1.251	0.419
November	6.410	2.629	3.461	2.044	0.349
December	5.220	5.806	3.144	1.786	0.278
Total	68.430	109.169	52.439	26.560	1.084

	Wekiva GC	Altamonte	LB Nursery	Wekiva HOA	Sable GC/HOA
2012					
January	4.564	6.420	3.491	1.565	0.418
February	3.701	8.634	2.682	1.689	0.288
March	9.278	14.798	4.262	1.875	0.536
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total	17.543	29.852	10.435	5.129	1.242


WEKIVA SPRINGS ROAD
N
Wekiva HOA
Wekiva GC POC #1
Sabal Golf Course
PHASE 1
WEKIVA TRAIL
WRF SITE
PHASE 2
WEKIVA SPRINGS ROAD
Sabal HOA POC
Lake Brantley Nursery
HUNT CLUB BLVD.
PHASE 3
LAKE BRANTLEY ROAD
S.R. 434
Wekiva GC POC #2
SAND LAKE ROAD
Bella Vista
S.R. 434
City of Altamonte POC

THIS INSTRUMENT PREPARED BY:

MARTIN S. FRIEDMAN, ESQUIRE
ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

RECLAIMED WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of this 12th day of March, 2002, by and between **MEADOWBROOK GOLF GROUP, INC.**, a Delaware corporation authorized to do business in Florida, whose address is 8390 ChampionsGate Blvd., Suite 200, ChampionsGate, Florida 33896 (hereinafter "Owner") and **SANLANDO UTILITIES CORPORATION**, a Florida corporation, whose address is 200 Weathersfield Avenue, Altamonte Springs, Florida 32714 (hereinafter "Utility").

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

WHEREAS, Owner desires to obtain treated Reclaimed water from Utility for purposes of irrigation throughout the property described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter "Property,"); and,

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

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

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

2.0 UTILITY'S COVENANTS. Utility agrees to provide Reclaimed Water from its Wastewater Treatment Facility ("Plant") to the Point

of Delivery, as hereinafter defined, at such times and in the manner set forth herein.

2.1 The Point of Delivery for the Reclaimed Water shall be the at the discharge point of the Reclaimed Water transfer pipe as is more specifically set forth on the map attached as Exhibit "B" and incorporated herein by reference ("Point of Delivery"). Each party shall be deemed to be in possession and control of Reclaimed Water, on its side of the Point of Delivery. Utility may, at Owner's expense, purchase and install a single bulk service water meter at the Point of Delivery ("Meter"). Such Meter shall meet all applicable regulatory requirements. The Meter shall be used to monitor the amount of Reclaimed Water delivered by Utility. Utility agrees to own, operate, and maintain the Meter within prescribed accuracy limits set forth by the manufacturer. If a meter is installed, then the Point of Delivery shall be the outflow pipe from the meter.

3.0 OWNER'S COVENANTS. Owner agrees to accept Reclaimed Water produced by the Plant in the minimum amount of 300,000 gallons per day. Owner agrees to accept and assume all obligation for the storage and disposal of the Reclaimed Water by means of land application, and will be responsible for any and all construction, maintenance, operation, expansion and all associated costs of its irrigation system ("Disposal System") utilized now or in the future to dispose of the Reclaimed Water. Owner warrants and represents that it will at all times maintain the irrigation system in good and serviceable condition, use Reclaimed Water as its primary source of irrigation of the Property, and dispose of all Reclaimed Water in a manner consistent with the terms and conditions of this Agreement, and all applicable federal, state and local environmental laws and requirements. Notwithstanding the limitations contained in this Agreement to the contrary, Owner covenants that it shall never use potable or nonpotable water for irrigation purposes within the Property if Utility has Reclaimed Water available for Owner's utilization. Owner acknowledges that Utility operates its wastewater system pursuant to a Department of Environmental Protection operating permit which may be affected by a change in Reclaimed Water disposal circumstances.

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

3.2 By these covenants, Owner hereby represents and warrants unto Utility that it has the authority to and hereby grants to Utility a perpetual easement for Reclaimed Water disposal purposes over the property as set forth in Exhibit "A" hereto for Reclaimed Water disposal purposes. This covenant shall be run with the property described in Exhibit "A" and shall be binding upon subsequent owners of such property. This Agreement may be recorded by either party at such party's cost.

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

4.0 CHARGE FOR RECLAIMED WATER. Utility needs to dispose of the final products of its wastewater treatment plant and Owner needs irrigation water for the Property; therefore, in exchange for Utility's right to dispose of Reclaimed Water on the Property and Owner's right to receive Reclaimed Water on the Property, there shall be no charge to Owner for the Reclaimed Water unless a charge is established or approved by the Florida Public Service Commission or other agency having jurisdiction over such matters.

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

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

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

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

7.0 INDEMNIFICATION. Owner hereby saves and holds Utility harmless from and against any claims or demands made by appropriate county, state or federal officials relative to compliance with regulatory requirements concerning application and disposal of the Reclaimed Water, as well as against claims made by third parties for money damages resulting from contact with such Reclaimed Water, provided, the Reclaimed Water delivered to Owner is properly treated as herein defined. Owner agrees to provide and maintain during the entire term of this Agreement, and any extension thereof, commercial general liability insurance coverages to include contractual liability and, only if available at reasonable rates, pollution liability coverage extension for limits as are standard in the industry for the operation of its Disposal System. Each party shall otherwise maintain their respective insurance coverages at their sole cost and expense.

7.1 Any liability which may attach to the Disposal System or areas irrigated thereby under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Super Fund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, or other applicable environmental laws, will remain the responsibility of Owner unless Utility is determined liable for delivery of improperly treated Reclaimed Water which is the proximate cause of any such liability.

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

9.0 DEFAULT. In the event of material breach by either party of its duties and obligations hereunder, the non-defaulting party shall be entitled to exercise all remedies at law or in equity, including, but not limited to, specific performance, in order to enforce the terms and provisions of this Agreement and recover any damages resulting from the breach thereof.

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

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

11.0 REGULATORY AUTHORITY. The provisions of this Agreement shall at all times be subject to the exercise of lawful regulatory authority.

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

To Owner:

Meadowbrook Golf Group, Inc.
8390 ChampionsGate Blvd., Ste. 200
ChampionsGate, Florida 33896
Attention: Ron E. Jackson, President

To Utility:

Sanlando Utilities Corporation
200 Weathersfield Avenue
Altamonte Springs, Florida 32714
Attention: Don Rasmussen

With a Copy to:

Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
Attention: Martin S. Friedman, Esquire

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

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

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

15.0 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

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

17.0 SEVERABILITY. If any part of this Agreement is found invalid or unenforceable by any court, such invalidity or unen-

forceability shall not affect the other parts of this Agreement, absent material prejudice to one or the other party.

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

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

WITNESSES:

Print Name: MARGARET LIEVERTZ

Print Name: Karen L. Sasic

UTILITY:
SANLANDO UTILITIES CORPORATION

By: Ronald Rasmussen
Don Rasmussen
Vice President

OWNER:
MEADOWBROOK GOLF GROUP, INC.

Print Name: JOSEPH COSENZA

Print Name: Anthony C McMichael

By: Ron E. Jackson
Ron E. Jackson
President

STATE OF FLORIDA)

COUNTY OF SEMINOLE)

The foregoing instrument was acknowledged before me this 9th day of April, 2002, by Don Rasmussen, Vice President of Sanlando Utilities Corporation, a Florida corporation, on behalf of the corporation. He is personally known to me.

NOTARY PUBLIC
State of Florida at Large
My Commission Expires: 4/1/2005

JONI KAY WELZIEN
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION # DD013849
EXPIRES 4/1/2005
BONDED THRU 1-888-NOTARY1

STATE OF FLORIDA)

COUNTY OF Osceola)

The foregoing instrument was acknowledged before me this 12 day of March, 2002, by Ron E. Jackson as President of Meadowbrook Golf Group, Inc., a foreign corporation authorized to do business in Florida, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

NOTARY PUBLIC
State of Florida at Large
My Commission Expires:

sanlando\meadowbrookreuse.agr

2\4\02

SARA L. SHEEHY
MY COMMISSION # CC 871607
EXPIRES: January 15, 2004
Bonded Thru Notary Public Underwriters

THIS INSTRUMENT PREPARED BY:

MARTIN S. FRIEDMAN, ESQUIRE
ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, FL 32701
(407) 830-6331

RECLAIMED WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of this ___ day of _____, 2003, by and between **KLINGER ENTERPRISES PARTNERSHIP, LLP**, a Florida limited liability partnership, whose address is 1931 West Lake Brantley Road, Longwood, Florida 32779 (hereinafter "Owner") and **SANLANDO UTILITIES CORPORATION,** a Florida corporation, whose address is 200 Weathersfield Avenue, Altamonte Springs, Florida 32714 (hereinafter "Utility").

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

WHEREAS, Owner desires to obtain treated Reclaimed Water from Utility for purposes of irrigation throughout the property described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter "Property,"); and,

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

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

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

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

2.1 The Point of Delivery for the Reclaimed Water shall be at the discharge point of the Reclaimed Water transfer pipe as is more specifically set forth on the map attached as Exhibit "B" and incorporated herein by reference ("Point of Delivery"). Each party

shall be deemed to be in possession and control of Reclaimed Water, on its side of the Point of Delivery. Should there come a time in the future that Utility charges for Reclaimed Water or regulations require measuring the amount of water used by Owner, then Utility shall, at Utility's expense, purchase and install a single bulk service water meter at the Point of Delivery ("Meter"). Such Meter shall meet all applicable regulatory requirements. The Meter shall be used to monitor the amount of Reclaimed Water delivered by Utility. Utility agrees to own, operate, and maintain the Meter within prescribed accuracy limits set forth by the manufacturer. Utility shall be responsible for constructing at its expense all facilities up to the Point of Delivery, and Owner shall be responsible for constructing at its expense all facilities past the Point of Delivery including, but not limited to, any backflow for devices.

3.0 COVENANTS. Owner agrees to accept Reclaimed Water produced by the Plant sufficient to meet all of Owner's needs for irrigation in its nursery business which Owner estimates to be a minimum amount of 45 million gallons per year or 124,000 gallons per day or on an annualized basis, it being expressly understood that the amount of Reclaimed Water accepted on a daily basis will vary depending upon the Owner's daily needs. Owner agrees to accept and assume all obligation for the storage and disposal of the Reclaimed Water by means of land application, and will be responsible for any and all construction, maintenance, operation, expansion and all associated costs of its irrigation system ("Disposal System") utilized now or in the future to dispose of the Reclaimed Water. Owner warrants and represents that it will at all times maintain the irrigation system in good and serviceable condition, use Reclaimed Water as its primary source of irrigation of the Property, and dispose of all Reclaimed Water in a manner consistent with the terms and conditions of this Agreement, and all applicable federal, state and local environmental laws and requirements. Notwithstanding the limitations contained in this Agreement to the contrary, Owner covenants that it shall never use potable or nonpotable water for irrigation purposes within the Property if Utility has Reclaimed Water available for Owner's utilization and the charge for Reclaimed Water is acceptable to Owner. Owner acknowledges that Utility operates its wastewater system pursuant to a Department of Environmental Protection operating permit which may be affected by a change in Reclaimed Water disposal circumstances.

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

3.2 By these covenants, Owner hereby represents and warrants unto Utility that it has the authority to and hereby grants to Utility an easement for Reclaimed Water disposal purposes for the term of this Agreement from the Point of Delivery over such portions of Owner's Property as Owner irrigates from time to time.

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

4.0 CHARGE FOR RECLAIMED WATER. Utility needs to dispose of the final products of its wastewater treatment plant and Owner needs irrigation water for the Property; therefore, in exchange for Utility's right to dispose of Reclaimed Water on the Property and Owner's right to receive Reclaimed Water on the Property, there shall be no charge to Owner for the Reclaimed Water unless a charge is established or approved by the Florida Public Service Commission or other agency having jurisdiction over the Utility's rates and charges. Utility shall provide Owner with no less than 180 days notice of any proposed charge or increased charge sought by Utility.

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

5.1 Owner shall have no obligation to accept Reclaimed Water which is not properly treated as defined herein nor that is reasonably determined by the Owner to adversely affect the production of plants produced by Owner in the operation of its

nursery business. Utility further agrees to use all diligent efforts to promptly divert the flow of inadequately treated Reclaimed Water to an alternative disposal site, or take such other action as may be reasonably required to avoid the delivery of improperly treated Reclaimed Water. Owner hereby undertakes to maintain the quantity and quality of Reclaimed Water in its transmission, storage and distribution system at a level which will permit delivery and disposal of Reclaimed Water in a manner consistent with the requirements of Utility's DEP permit and this Agreement.

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

5.3 Upon written request of Owner, Utility shall provide Owner with a copy of reclaimed water test results.

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

7.0 INSURANCE. Throughout the term hereof, Utility and Owner at the parties' respective sole cost and expense, shall keep or cause to be kept in force, for the mutual benefit of Utility and Owner, comprehensive broad form general public liability insurance against claims and liability for personal injury, death or property damage arising from this Agreement, providing protection of at least $1,000,000.00 for personal or bodily injury or death to any one person, at least $1,000,000.00 for any one accident or occurrence, and at least $1,000,000.00 for property damage.

7.1 Any liability which may attach to the Disposal System or areas irrigated thereby under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Super Fund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, or other applicable environmental laws, will remain the responsibility of Owner unless Utility is determined liable for delivery of improperly treated Reclaimed Water which is the proximate cause of any such liability.

8.0 TERM. This Agreement shall be in effect for an initial term of twenty (20) years from the Date of this Agreement. Thereafter, the term of this Agreement shall be renewed automati-

cally for ten (10) year periods unless terminated by either party in writing not less than twelve (12) months in advance of the next renewal date. Notwithstanding the foregoing, if Owner or its successors in title change the use of the Property from its current agricultural use, the Owner may cancel this Agreement at any time upon six (6) months prior written notice.

9.0 DEFAULT. In the event of material breach by either party of its duties and obligations hereunder, the non-defaulting party shall be entitled to exercise all remedies at law or in equity, including, but not limited to, specific performance, in order to enforce the terms and provisions of this Agreement and recover any damages resulting from the breach thereof.

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

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

11.0 REGULATORY AUTHORITY. The provisions of this Agreement shall at all times be subject to the exercise of lawful regulatory authority.

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

To Owner:

Klinger Enterprises Partnership, LLP
1931 West Lake Brantley Road
Longwood, Florida 32779
Attention: Paul Klinger, Jr., President

With a copy to:

William H. Cauthen, Esquire
Cauthen & Feldman, P.A.
215 N. Joanna Avenue
Tavares, FL 32778

To Utility:

Sanlando Utilities Corporation
200 Weathersfield Avenue
Altamonte Springs, Florida 32714
Attn: Don Rasmussen

With a Copy to:

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

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

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

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

15.0 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

16.0 LICENSE TO INSPECT. Owner hereby grants Utility a non-exclusive license, during the term of this Agreement, to enter upon

the Property, upon advance notice and at any reasonable time, and to review and inspect the practices of Owner with respect to conditions agreed to herein, including, but not limited to, compliance with all federal, State and local regulatory requirements. Such entry shall be allowed for the purpose of inspection of the operation and facilities constituting the Disposal System, for inspection of any Utility owned facilities, and for sampling of the Reclaimed Water utilized in the Disposal System, and any monitoring wells located on the Property. Owner has the option of having a representative accompany the Utility personnel on all such inspections. All such on-site monitoring shall be at Utility's expense.

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

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

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

UTILITY:
SANLANDO UTILITIES CORPORATION

(Corporate Seal)

By: _____
Don Rasmussen
Vice President

OWNER:
KLINGER ENTERPRISES PARTNERSHIP, LLP

By: _____
Its: _____

(Notary Signatures on Page 8)

STATE OF FLORIDA)

COUNTY OF SEMINOLE)

The foregoing instrument was acknowledged before me this 14th day of February, 2003, by Don Rasmussen, Vice President of Sanlando Utilities Corporation, a Florida corporation, on behalf of the corporation. He is personally known to me.

NOTARY PUBLIC
State of Florida at Large
My Commission Expires:

KAREN L. SASIC
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION # DD013845
EXPIRES 4/1/2006
BONDED THRU 1-888-NOTARY1

STATE OF FLORIDA)

COUNTY OF Seminole)

The foregoing instrument was acknowledged before me this 7th day of January, 2003, by [illegible] as [illegible] of Klinger Enterprises Partnership, LLP, a Florida limited liability partnership, on behalf of the partnership. He/She is personally known to me or has produced [illegible] as identification.

JUDITH A. LEIBY
MY COMMISSION # CC 038703
EXPIRES: October 27, 2005
Bonded Thru Notary Public Underwriters

NOTARY PUBLIC
State of Florida at Large
My Commission Expires:

[illegible]
2/13/03

JOINDER

Lake Brantley Plant Corporation, a Florida corporation, as Lessee of the Property, hereby joins in the execution of this Agreement and agrees to be bound thereby.

LAKE BRANTLEY PLANT CORPORATION

(Corporate Seal)

By: _____

Its: Treasurer

EXHIBIT A

LEG SEC 05 TWP 21S RGE 29E BEG 25 FT S OF NE COR OF NW ¼ OF SE ¼ RUN W

LOTS 24 TO 31 (LESS BEG 310 FT W + 25 FT OF E ¼ SEC COR 5-21-29 RUN S

LEG SEC 05 TWP 21S RGE 29E BEG 1139.67 FT E OF SW COR OF NW ¼ OF SE ¼ RUN N

THIS INSTRUMENT PREPARED BY:

MARTIN S. FRIEDMAN, ESQUIRE
ROSE, SUNDSTROM & BENTLEY, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, FL 32701
(407) 830-6331

RECLAIMED WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of this 23rd day of July, 2003, by and between **THE WEKIVA HUNT CLUB COMMUNITY ASSOCIATION, INC.**, a Florida not-for-profit corporation, whose address is 239 Hunt Club Boulevard, Suite 101, Longwood, FL 32779 (hereinafter "Owner") and **SANLANDO UTILITIES CORPORATION**, a Florida corporation, whose address is 200 Weathersfield Avenue, Altamonte Springs, Florida 32714 (hereinafter "Utility").

WHEREAS, Utility will generate highly treated wastewater ("Reclaimed Water") which it wishes to dispose of through a permitted slow rate public access land application process; and,

WHEREAS, Owner is the corporate entity that was created to be the community association for the multi-use (residential and commercial) development located in Seminole and Orange Counties, Florida known as Wekiva Hunt Club (hereinafter "Wekiva Hunt Club"); and

WHEREAS, Owner owns and maintains those parks and other landscaped areas in Wekiva Hunt Club described on attached Exhibit "A" (hereinafter "Property"), which Property qualifies as "Public Access Areas" as defined in Parts I & III of Chapter 62-610, Florida Administrative Code and qualifies to receive Reclaimed Water; and

WHEREAS, Utility desires to supply and Owner desires to accept Reclaimed Water for purposes of irrigating the Property; and,

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

NOW, THEREFORE, in consideration of the payment of ten dollars ($10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Utility agrees to provide Reclaimed Water to Owner from its Wastewater Treatment Facility (hereinafter "Plant"), and Owner agrees to accept such

Reclaimed Water from the Utility, subject to the following conditions:

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

2.0 UTILITY'S COVENANTS. Utility agrees to provide Reclaimed Water from its Wastewater Treatment Facility ("Plant") to the Point of Delivery, as hereinafter defined, at such times and in the manner set forth herein. Utility does not guarantee to Owner any particular amount of Reclaimed Water, nor any particular pressure at which it will be delivered.

2.1 The Point of Delivery for the Reclaimed Water shall be the at the outflow side of the three (3) water meters as reflected on the map attached as Exhibit "B" and incorporated herein by reference ("Points of Delivery"). Each party shall be deemed to be in possession and control of Reclaimed Water, on its side of the Points of Delivery. Utility shall, at Owner's expense, purchase and install bulk service water meters at the Points of Delivery ("Meters"). Such Meters shall meet all applicable regulatory requirements. The Meters shall be used to monitor the amount of Reclaimed Water delivered by Utility. Utility agrees to own, operate, and maintain the Meters within prescribed accuracy limits set forth by the manufacturer.

3.0 OWNER'S COVENANTS. Owner agrees to accept Reclaimed Water produced by the Plant sufficient to meet all of Owner's needs for irrigation to common areas which Owner estimates to be 400,000 gallons per day on an annualized basis, it being understood that the amount of Reclaimed Water accepted on a daily basis will vary depending upon Owner's daily needs. Owner agrees to accept and assume all obligation for the storage and disposal of the Reclaimed Water by means of land application, and will be responsible for any and all construction, maintenance, operation, expansion and all associated costs of its irrigation system ("Disposal System") utilized now or in the future to dispose of the Reclaimed Water. Owner warrants and represents that it will at all times maintain the irrigation system in good and serviceable condition, use Reclaimed Water as its primary source of irrigation of the Property, and dispose of all Reclaimed Water in a manner consistent with the terms and conditions of this Agreement, and all applicable federal, state and local environmental laws and requirements. Notwithstanding the limitations contained in this Agreement to the contrary, Owner covenants that it shall never use potable or nonpotable water for irrigation purposes within the Property provided: (1) Utility consistently supplies sufficient Reclaimed Water and water pressure for Owner's utilization and (2) Owner determines Reclaimed Water is the most cost-efficient irrigation

method. Owner acknowledges that Utility operates its wastewater system pursuant to a Department of Environmental Protection operating permit which may be affected by a change in Reclaimed Water disposal circumstances.

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

3.2 By these covenants, Owner hereby represents and warrants unto Utility that it has the authority to and hereby grants to Utility an easement for Reclaimed Water disposal purposes for the term of this Agreement from the Point of Delivery over such portions of Owner's Property as Owner irrigates from time to time.

3.3 Owner shall be responsible for the maintenance, operation and compliance with all regulatory requirements for the acceptance, storage and disposal of Reclaimed Water from the Point of Delivery, including but not limited to providing all required notices to persons using the Property. However, Utility will provide the initial signage required by DEP Rules. Upon request, Owner shall provide to Utility copies of the results of any Reclaimed Water sampling, including, but not limited to groundwater monitoring samples, and related reports to the Florida Department of Environmental Protection ("DEP") or other such agencies. All costs associated with Owner's obligations hereunder shall be borne by Owner.

4.0 CHARGE FOR RECLAIMED WATER. Utility needs to dispose of the final products of its wastewater treatment plant and Owner needs irrigation water for the Property; therefore, in exchange for Utility's right to dispose of Reclaimed Water on the Property and Owner's right to receive Reclaimed Water on the Property, there shall be no charge to Owner for the Reclaimed Water unless a charge is established or approved by the Florida Public Service Commission or other agency having jurisdiction over such matters.

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

manner that calls for a lower level of treatment than that provided by Utility at the time of this Agreement, then, in such event, the standard for properly treated Reclaimed Water required of Utility hereunder shall be reduced appropriately.

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

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

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

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

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

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

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

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

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

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

7.3.3 Claims or demands that the use of the reclaimed water by the Owner in the manner set forth in this Agreement within or upon any areas controlled, operated or maintained by Owner is in violation of any applicable Statutes or regulations.

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

8.0 TERM. This Agreement shall be in effect for an initial term of twenty (20) years from the Date of this Agreement. Thereafter, the term of this Agreement shall be renewed automatically for ten (10) year periods unless terminated by either party in writing not less than twelve (12) months in advance of the next renewal date.

9.0 DEFAULT/ATTORNEY'S FEES AND COSTS. In the event of material breach by either party of its duties and obligations hereunder, the non-defaulting party shall be entitled to exercise all remedies at law or in equity, including, but not limited to, specific performance, in order to enforce the terms and provisions of this Agreement and recover any damages resulting from the breach thereof.

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

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

11.0 REGULATORY AUTHORITY. The provisions of this Agreement shall at all times be subject to the exercise of lawful regulatory authority.

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

To Owner:

The Wekiva Hunt Club Community Association, Inc.
239 Hunt Club Boulevard, Suite 101
Longwood, FL 32779
Attn: President

With a Copy to:

Taylor & Carls, P.A.
850 Concourse Parkway South
Suite 105
Maitland, FL 32751
Attn: Robert L. Taylor, Esquire

To Utility:

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

Sanlando Utilities Corporation
200 Weathersfield Avenue
Altamonte Springs, Florida 32714
Attn: Patrick Flynn

With a Copy to:

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

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

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

14.0 BINDING EFFECT. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. Except as specifically provided herein, neither party shall have the right to assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. In the event of any such assignment, such assignee shall be required to assume, in writing, all of such assigned rights, duties and obligations under this Agreement. No rights or cause of action shall accrue upon, or by reason of this Agreement, to or for the benefit of any third party not a formal party hereto, except any successors in interest of Owner's Utility.

15.0 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

16.0 LICENSE TO INSPECT. Owner hereby grants Utility a non-exclusive license, during the term of this Agreement, to enter upon the Property, upon advance notice and at any reasonable time, and to review and inspect the practices of Owner with respect to conditions agreed to herein, including, but not limited to, compliance with all federal, State and local regulatory require-

ments. Such entry shall be allowed for the purpose of inspection of the operation and facilities constituting the Disposal System, for inspection of any Utility owned facilities, and for sampling of the Reclaimed Water utilized in the Disposal System, and any monitoring wells located on the Property. Owner has the option of having a representative accompany the Utility personnel on all such inspections. All such on-site monitoring shall be at Utility's expense.

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

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

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

UTILITY:

SANLANDO UTILITIES CORPORATION

(Corporate Seal)

By: _____
Patrick Flynn
Regional Director

OWNER:

THE WEKIVA HUNT CLUB COMMUNITY ASSOCIATION, INC.

(Corporate Seal)

By: _____
Tracy L. Olsen
President

[NOTARY ACKNOWLEDGMENTS ON PAGE 9]

STATE OF FLORIDA)
COUNTY OF SEMINOLE)

The foregoing instrument was acknowledged before me this 29TH day of July, 2003, by Patrick Flynn, as Regional Director of Sanlando Utilities Corporation, a Florida corporation, on behalf of the corporation. He is personally known to me.

NOTARY PUBLIC
State of Florida at Large
My Commission Expires: 4/1/2005

KAREN L. SASIC
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION # DD013845
EXPIRES 4/1/2005
BONDED THRU 1-888-NOTARY1

STATE OF FLORIDA)
COUNTY OF Seminole)

The foregoing instrument was acknowledged before me this 23 day of July, 2003, by Tracy L. Olsen as President of The Wekiva Hunt Club Community Association, Inc., a Florida not-for-profit corporation. She is personally known to me or has produced _____ as identification.

NOTARY PUBLIC
State of Florida at Large
My Commission Expires: Aug. 14, 2004

Linda L. Marcello
Commission # CC 960926
Expires Aug. 14, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

U:\Utilities\Sanlando\Wekiva Reclaimed Water Agr
7/21/03

EXHIBIT "A"

MAP REFLECTING AREAS TO BE IRRIGATED WITH RECLAIMED WATER

948 1383

058333 SEMINOLE COUNTY FLORIDA

531326

Jul 28 4 53 PM '72

2256 941

Aug 1 10 06 AM '72

WARRANTY DEED

THIS WARRANTY DEED made and executed the ___ day of July, A.D. 1972 by J. THOMAS GURNEY, JR., individually and as Trustee, joined by his wife, IRENE G. GURNEY, LLOYD C. BEERY, JR., individually and as Trustee, joined by his wife, MARGARET E. BEERY, and WILLIAM S. BROWNING, individually and as Trustee, joined by his wife, MARY J. BROWNING (hereinafter referred to as the "Grantor") to THE WEKIWA HUNT CLUB, INC. [an undivided Eighty Percent (80%) interest] and MAGNOLIA SERVICE CORPORATION [an undivided Twenty Percent (20%) interest] trading and doing business as the "The Wekiwa Hunt Club," a joint venture (hereinafter referred to as the "Grantee"):

(Wherever used herein the terms "Grantor" and "Grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations)

THAT the Grantor, for and in consideration of the sum of TEN DOLLARS ($10.00) and other valuable consideration, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto the Grantee, all that certain land situate in Orange and Seminole Counties, Florida, viz:

* The Northwest 1/4 and the West 1/2 of the Southwest 1/4 and the West 5/8 of the East 1/2 of the Southwest 1/4 and the Northwest 1/4 of the Northeast 1/4 of Section 5, Township 21 South, Range 29 East, Seminole County, Florida, and also, all of Section 6, Township 21 South, Range 29 East, Seminole County, Florida, less the South 1/2 of the Southwest 1/4 of said Section 6, and also, the Northwest 1/4 of the Northeast 1/4 of Section 7, Township 21 South, Range 29 East, Seminole County, Florida, and also, the East 1/2 of the Southeast 1/4, less the East 330.00 feet thereof, and the East 1/2 of the Northeast 1/4 lying South of the Wekiva Springs Road, less the East 330.00 feet thereof, and the South 1/2 of the Southwest 1/4 and the South 1/2 of the Southwest 1/4 of the Southeast 1/4, less the North 554.40 feet of both, also less the South 379.00 feet of the North 933.40 feet of the South 1/2 of the Southwest 1/4 and less that part of the town of Clay Springs as recorded in Plat Book 2, page 16 of the Public Records of Seminole County, Florida, lying in the South 379.00 feet of the North 933.40 feet of the Southwest 1/4 of the Southeast 1/4 of Section 31, Township 20 South, Range 29 East, Seminole County, Florida, and also, the East 1/2 of the Southeast 1/4 of Section 1, Township 21 South, Range 28 East, Orange County, Florida, less beginning 1161.00 feet North and 270.00 feet West of the Southeast corner of said Section 1, run North 216.04 feet, thence run S. 88°07'08" W. 229.10 feet, thence run S. 08°11'22" E. 388.47 feet, thence run N. 44°37' E. 247.24 feet to the Point of Beginning, and Lots 84 and 85 of Piedmont Estates according to the Plat thereof as recorded in Plat Book R, Page 45, of the Public Records of Orange County, Florida.

THIS INSTRUMENT WAS PREPARED BY

John F. Lowndes
LOWNDES, PEIRSOL, DROSDICK & DOSTER
PROFESSIONAL ASSOCIATION
SUITE 611 FIRST FEDERAL BUILDING
P. O. BOX 2809 ORLANDO, FLORIDA 32802

SUBMIT FOR INFORMATION

Filed AUG 1 1972 ... book ... page 1383

OR 2256 PG 942

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantor hereby covenants with said Grantee that it is lawfully seised of said land in fee simple; that it has good right and lawful authority to sell and convey said land; that it hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances except taxes accruing subsequent to December 31, 1971, easements and restrictions of record; this reference to said easements and restrictions shall not operate to reimpose the same.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed on the day and year first above written.

Signed, sealed and delivered in the presence of:

J. Thomas Gurney, Jr., individually and as Trustee

Witnesses as to J. Thomas Gurney, Jr. and Irene C. Gurney, his wife

Irene C. Gurney, his wife

Lloyd C. Beery, Jr., individually and as Trustee

Witnesses as to Lloyd C. Beery, Jr. and Margaret E. Beery, his wife

Margaret E. Beery, his wife

William S. Browning, individually and as Trustee

Witnesses as to William S. Browning and Mary J. Browning, his wife

Mary J. Browning, his wife

342 1365

2256 r. 913

THE GERMAN FEDERAL REPUBLIC
CITY OF Ling 956

I HEREBY CERTIFY that on this day, before me, the commissioner of deeds or notary public of The German Federal Republic having an official seal or Ambassador or envoy extraordinary or minister plenipotentiary or minister or commissioner or charge d'affaires or consul general or consul or vice-consul or consular agent or other diplomatic or consular officer of the United States appointed to reside in The German Federal Republic or military or naval officer authorized by the laws of the United States to perform the duties of a notary public, duly authorized to take acknowledgments, personally appeared J. THOMAS GURNEY, JR. and IRENE G. GURNEY, his wife, to me known to be the persons described in and who executed the foregoing instrument and they acknowledged before me that they executed the same.

WITNESS my hand and official seal in the Country and City last aforesaid this 24 day of July, 1972.

Signature

Notary Public

Title

March 28 20

Waltman

STATE OF FLORIDA
COUNTY OF Orange

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared LLOYD C. BERRY, JR. and MARGARET E. BERRY, his wife, to me known to be the persons described in and who executed the foregoing instrument and they acknowledged before me that they executed the same.

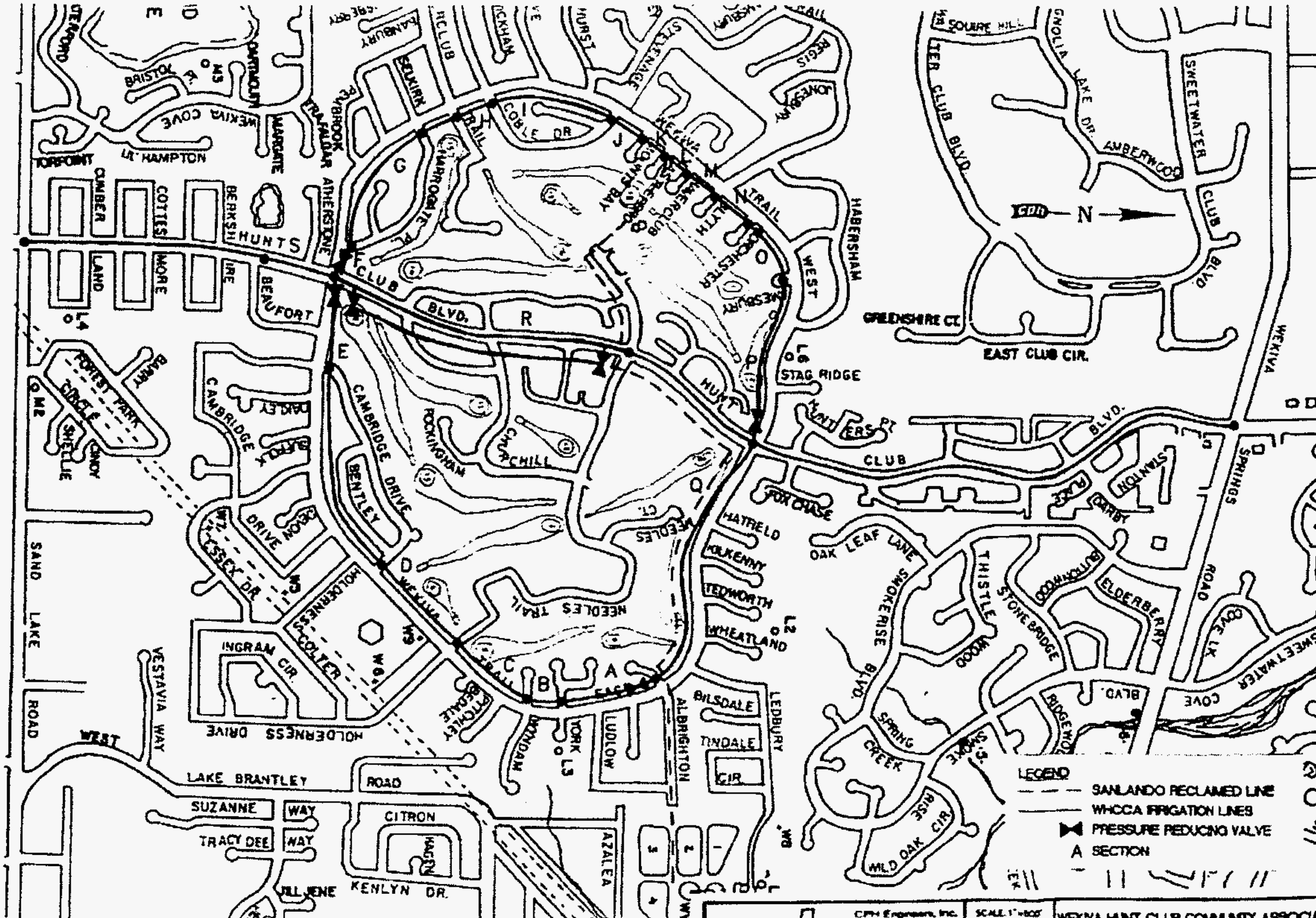
WITNESS my hand and official seal in the County and State last aforesaid this 27th day of July, 1972.

Notary Public, State of Florida

My Commission Expires: 10/9/75.

STATE OF FLORIDA
COUNTY OF Orange

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared WILLIAM S. BROMMING, and MARY J. BROMMING, his wife, to me known to be the persons described in and who executed the foregoing instrument and they acknowledged before me that they executed the same.



CPH Engineers, Inc.

SCALE 1"=800'

DATE: 11-30-99

JOB NO. #2201

WEKIVA HUNT CLUB COMMUNITY ASSOCIATION
IRRIGATION SYSTEM MODELING
PROPOSED IRRIGATION SYSTEM

FIGURE 2

THIS INSTRUMENT PREPARED BY:

MARTIN S. FRIEDMAN, ESQUIRE
ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

RECLAIMED WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of this ___ day of December, 2000, by and between **GOLF TRUST OF AMERICA, L.P.**, a foreign limited partnership, whose address is 14 North Adger's Wharf, Charleston, SC 29401 (hereinafter "Owner") and **SANLANDO UTILITIES CORPORATION,** a Florida corporation, whose address is 200 Weathersfield Avenue, Altamonte Springs, Florida 32714 (hereinafter "Utility").

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

WHEREAS, Owner desires to take treated Reclaimed water from Utility for purposes of irrigation throughout the property described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter "Property,"); and,

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

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

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

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

2.1 The Point of Delivery for the Reclaimed Water shall be at the outflow point of the Reclaimed Water meter as is more specifi-

cally set forth on the map attached as Exhibit "B" and incorporated herein by reference ("Point of Delivery"). Utility shall install at its own cost and expense a water meter at the Point of Delivery ("Meter"). Utility shall also construct on Owner's side of the Point of Delivery a booster pump station, and shall convey the booster pump station to Owner by Bill of Sale free and clear of all liens and encumbrances. Each party shall be deemed to be in possession and control of Reclaimed Water, on its side of the Point of Delivery. Such Meter shall meet all applicable regulatory requirements. The Meter shall be used to monitor the amount of Reclaimed Water delivered by Utility. Utility agrees to own, operate, and maintain the Meter within prescribed accuracy limits set forth by the manufacturer and applicable regulatory requirements.

3.0 OWNER'S COVENANTS. Owner agrees to accept Reclaimed Water produced by the Plant in the minimum amount of 350,000 gallons per day on an annual average basis. Owner agrees to accept and assume all obligation for the storage and disposal of the Reclaimed Water by means of land application, and will be responsible for any and all construction, maintenance, operation, expansion and all associated costs of its irrigation system ("Disposal System") utilized now or in the future to dispose of the Reclaimed Water. Owner warrants and represents that it will at all times maintain the irrigation system in good and serviceable condition, use Reclaimed Water as its primary source of irrigation of the Property, and dispose of all Reclaimed Water in a manner consistent with the terms and conditions of this Agreement, and all applicable federal, state and local environmental laws and requirements. Notwithstanding the limitations contained in this Agreement to the contrary, Owner covenants that it shall never use potable or nonpotable water for which reclaimed water is a suitable, permittable replacement for irrigation purposes within the Property if Utility has Reclaimed Water meeting all applicable regulatory standards available for Owner's utilization. Owner acknowledges that Utility operates its wastewater system pursuant to a Department of Environmental Protection operating permit which may be affected by a change in Reclaimed Water disposal circumstances.

3.1 Owner and Utility mutually understand that not withstanding the foregoing, there may be naturally occurring events, such as hurricanes, tropical depressions, and similar events which preclude Owner from accepting and disposing of Reclaimed Water, for a period of time. During such events, Utility will take actions to dispose of the Reclaimed Water by other means at its disposal. Owner agrees to begin re-accepting Reclaimed Water at the earliest time possible, after the occurrence of such an event.

3.2 Owner shall not sell, distribute, or in any way allow the Reclaimed Water to be utilized on any land other than the Property as set forth in Exhibit "A", without the Utility's prior written approval.

3.3 By these covenants, Owner hereby represents and warrants unto Utility that it has the authority to and hereby grants to Utility during the duration of this Agreement, an easement for Reclaimed Water disposal purposes over the property as set forth in Exhibit "A" hereto for Reclaimed Water disposal purposes. This covenant shall be run with the property described in Exhibit "A" and shall be binding upon subsequent owners of such property. Either party may record the Agreement at such party's expense.

3.4 Owner shall be responsible for the maintenance, operation and compliance with all regulatory requirements for the acceptance, storage and disposal of Reclaimed Water provided to the Point of Delivery, including but not limited to providing all required notices to persons using the Property. However, Utility will provide the initial signage required by DEP Rules. Upon request, Owner shall provide to Utility copies of the results of any Reclaimed Water sampling, including, but not limited to groundwater monitoring samples, and related reports to the Florida Department of Environmental Protection ("DEP") or other such agencies. All costs associated with Owner's obligations hereunder shall be borne by Owner.

4.0 CHARGE FOR RECLAIMED WATER. Utility needs to dispose of the final products of its wastewater treatment plant and Owner needs irrigation water for the Property; therefore, in exchange for Utility's right to dispose of Reclaimed Water on the Property and Owner's right to receive Reclaimed Water on the Property, there shall be no charge to Owner for the Reclaimed Water unless a charge is required and thereafter established or approved by the Florida Public Service Commission or other agency having jurisdiction over such matters.

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

by Utility at the time of this Agreement, then, in such event, the standard for properly treated Reclaimed Water required of Utility hereunder shall be reduced appropriately.

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

5.2 In compliance with the Utility's approved cross connection control program, Owner agrees to take necessary precautions to insure that Reclaimed Water lines are properly identified, and that cross-connection with potable water lines or service does not occur. Owner acknowledges receipt of a copy of Utility's cross-control program.

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

7.0 INDEMNIFICATION. Owner agrees to provide and maintain during the entire term of this Agreement, and any extension thereof, commercial general liability insurance coverages to include contractual liability and, only if available at reasonable rates as determined by Owner, pollution liability coverage extension for limits as are standard in the industry for the operation of its Disposal System. Each party shall otherwise maintain their respective insurance coverages at their sole cost and expense.

7.1 Any liability which may attach to the Disposal System or areas irrigated thereby under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Super Fund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, or other applicable environmental laws, will remain the responsibility of Owner unless Utility is determined liable for delivery of

improperly treated Reclaimed Water which is the proximate cause of any such liability.

7.2 Prior to construction by Utility of the reuse transmission main on Utility's side of the Point of Delivery, Owner shall locate all existing irrigation facilities within the Property in the area in which the reuse transmission line is to be constructed. Utility shall be responsible for repairing any damage to the existing irrigation system and for restoring the landscape to the condition prior to construction.

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

9.0 DEFAULT. In the event of material breach by either party of its duties and obligations hereunder, the non-defaulting party shall be entitled to exercise all remedies at law or in equity, including, but not limited to, specific performance, in order to enforce the terms and provisions of this Agreement and recover any damages resulting from the breach thereof.

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

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

11.0 REGULATORY AUTHORITY. The provisions of this Agreement shall at all times be subject to the exercise of lawful regulatory authority.

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

To Owner:

Golf Trust of America, L.P.
14 North Adger's Wharf
Charleston, SC 29401
Attn: Tom Rasch, Director of Property Management

To Utility:

Sanlando Utilities Corporation
200 Weathersfield Avenue
Altamonte Springs, Florida 32714
Attn: Don Rasmussen

With a Copy to:

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

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

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

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

15.0 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but

such counterparts shall together constitute but one and the same instrument.

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

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

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

19.0 PERMIT RENEWAL. Utility will notify Owner when it files any applications for modification or renewal of its permit to dispose of treated effluent by means of public access reuse.

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

UTILITY:
SANLANDO UTILITIES CORPORATION

By: _____
Don Rasmussen
Vice President

_____
Print Name: Jon K. Welzien

_____
Print Name: MARGARET LIEVERTZ

[Signature Blocks Continued on Next Page]

OWNER:
GOLF TRUST OF AMERICA, L.P.
By: GTA GP, Inc. General Partner

By: _____
W. Bradley Blair, II, CEO
President GTA GP, Inc.

_____
Print Name: Kathryn P. Montgomery

_____
Print Name: Thomas H. Rath

STATE OF FLORIDA)

COUNTY OF SEMINOLE)

The foregoing instrument was acknowledged before me this 13th day of May, 2002, by Don Rasmussen, Vice President of Sanlando Utilities Corporation, a Florida corporation, on behalf of the corporation. He is personally known to me.

_____
NOTARY PUBLIC
State of Florida at Large
My Commission Expires: 4/1/2005

JONI KAY WELZIEN
NOTARY PUBLIC - STATE OF FLORIDA
COMMISSION # DD013648
EXPIRES 4/1/2005
BONDED THRU 1-888-NOTARY1

STATE OF South Carolina)

COUNTY OF Charleston)

The foregoing instrument was acknowledged before me this 4th day of April, 2002, by W. Bradley Blair, II, as CEO and President of GTA GP, Inc., which is General Partner of Golf Trust of America, L.P., a foreign limited partnership, on behalf of the partnership. He is personally known to me or has produced _____ as identification.

_____
NOTARY PUBLIC
State of Florida at Large
My Commission Expires: 5/29/02

sanlando\golftrust.agr
3\21\02

WEKIVA HUNT CLUB WATER RECLAMATION FACILITY
PRELIMINARY ENGINEERING REPORT

Sanlando Utilities Corporation
Facility ID: FL0036251
Seminole County, FL

January, 2011

500 West Fulton Street
Sanford, Florida 32771
Phone: 407.322.6841
www.cphengineers.com

Project No. U07120

INTRODUCTION

Sanlando Utilities Corporation owns and operates the Wekiva Hunt Club Water Reclamation Facility (Wekiva WRF)in west Seminole County, FL. The facility has a rated capacity of 2.9 million gallons per day, operates under Florida Department of Environmental Protection (FDEP) permit number FL0036251. The permit is currently in the renewal process.

The Florida Department of Environmental Protection, in 2006, enacted a new Rule *62-600.550 Wastewater Management Requirements for the Wekiva Study Area* – commonly referred to as the 'Wekiva Rule.' This report is intended to analyze the options for compliance with the Wekiva Rule and provide a recommendation for the required improvements to the system.

THE WEKIVA RULE

This Rule delineates areas that have potential impact to the Wekiva basin groundwater recharge zone. The areas are divided into three zones. The Primary Protection Zone corresponds to the area delineated as 'Most Vulnerable.' The Secondary Protection Zone corresponds to the area delineated as 'Vulnerable.' The Tertiary Protection Zone corresponds to the area delineated as 'Less Vulnerable.'

The Wekiva WRF falls within the Secondary Protection Zone. The disposal restrictions for the Secondary Protection Zone are defined in 62-600.550(5). The Wekiva WRF is a Type I facility and must meet the following criteria as defined in the Rule:

(a) *Type I and II wastewater treatment facilities that use rapid-rate land application systems shall meet an annual average reclaimed water limitation of 6.0 mg/L Total Nitrogen, as N, unless used as a backup to a public access reuse system.*

(b) *A rapid-rate land application system used as a backup to a public access reuse system shall meet the Total Nitrogen reclaimed water limitation contained in paragraph (c) below. In order to qualify as a back-up system, no more than 30% of the total annual wastewater treatment plant flow shall be directed to the back-up rapid-rate system.*

(c) *Type I and II wastewater treatment facilities that use public access reuse systems or restricted access irrigation systems shall meet an annual average reclaimed water limitation of 10 mg/L Total Nitrogen, as N.*

In section 62-600.550 (2) the Rule requires existing facilities to comply with this Rule within five years of the effective date of the Rule. This establishes a regulatory deadline of April 13, 2011 for improvements to be completed at the facility.

EXISTING CONDITIONS

The existing WWTF is comprised of three ring steel package treatment plants with an external tertiary treatment system including filtration and high level disinfection. The facility is permitted for 2.9 MGD and is currently operating at approximately 2.1 MGD annual average flows. Since the last permit renewal the facility has been tracking the Total Nitrogen (TN) at the facility. The TN at the facility ranged from 5.63 mg/L to 9 .85 mg/L and averaged 8.25 mg/L over the past 6 months from January 2010 to June 2010 as shown in Table 1.

Table 1. Historic TN Data at Wekiva WRF

DATE	TKN	NITRATE	TN
1/4/2010	0.812	7.79	8.60
1/26/2010	1.390	5.79	7.18
2/8/2010	1.250	7.04	8.29
2/24/2010	3.310	6.44	9.75
3/15/2010	1.230	8.62	9.85
3/29/2010	1.410	7.06	8.47
4/20/2010	0.835	8.17	9.01
5/4/2010	0.797	7.34	8.14
5/20/2010	0.542	7.00	7.54
6/10/2010	0.728	4.90	5.63
AVERAGE	**1.23**	**7.02**	**8.25**

The Wekiva Hunt Club WRF currently is permitted for three methods of disposal. The facility produces public access reclaimed water for their primary disposal to a local golf course, a nursery, residential units, and an interconnect with the City of Altamonte Springs system. The facility also operates on-site rapid infiltration basins (RIB's) rated for 0.4 MGD AADF and has a surface water discharge to Sweetwater Creek.

The Wekiva Rule requires the TN annual average remain below 6.0 mg/L for the RIB's and 10 mg/L for disposal to the reclaimed system. If the reclaimed system is capable of providing over 70% of the facility disposal, the RIB's and surface water discharge are considered backup systems and will not require the lower TN value of 6.0 mg/L. Based on the data in Table 1, the facility does not consistently meet the Rule since the average TN value is 8.25 mg/L and the reclaimed system may not continue to reach 70% of the total disposal. This is largely due to Altamonte significantly reducing the amount of reclaimed water they accept from the Wekiva Hunt Club WRF (WHC).

Three options were originally evaluated to bring the facility into compliance with the Wekiva Rule. One option would be to modify the treatment process at the facility to improve Nitrogen removal so as to consistently remain below the 6.0 mg/L TN limit on an annual average basis. The second option is to expand the reclaimed system to more reliably provide greater than 70% disposal. The third option is to install deep bed sand

filters designed for nitrogen removal that will replace the existing traveling bridge filters. The results of this analysis proved the residential reclaimed expansion to be financially prohibitive, while the two remaining options were feasible.

To achieve advanced nutrient removal the most effective alternative is to add deep bed sand filters with denitrifying capabilities. This can provide reliable operations below the regulatory threshold but is costly to operate due to high energy costs and chemical costs associated with methanol addition. Alternatively, an additional bulk user was identified as the City of Apopka. Apopka routinely supplements their reclaimed system with wells and has verbally stated they can take all the reclaimed WHC can supply. This option is more costly in capital dollars, but is considerably lower in operations costs. Further, sending reclaimed water to Apopka provides disposal flexibility while with nutrient removal disposal may become a challenge in the future requiring the expansion of the reclaimed distribution system to include additional residential or bulk users.

Based on this analysis, the report was sent to the FDEP in August 2010 recommending the WHC facility construct a pipeline to send the reclaimed water to the City of Apopka. In a subsequent meeting with the FDEP, this option was discouraged and FDEP staff expressed a preference for nutrient removal based on the potential for future impacts by the pending Numeric Nutrient Criteria to be passed by the EPA.

Based on this information, the analysis was revisited to determine the best way to implement the denitrifying filters. During this time, the draft operating permit was sent to the Utility for review. The WHC facility currently has three methods of disposal: reclaimed water, rapid infiltration basins (RIBs), and a surface water discharge to Sweetwater Creek. The draft permit limited the surface water discharge to 0.87 MGD, 30% of the permitted capacity of 2.9 MGD. This discharge has a quantitative TN limit based on pounds discharged per month. The limit is 2,805 pounds per month. This equates to 12.7 mg/L TN – well above the facility average 8.25 mg/L. The draft permit limits the disposal to the RIBs to 0.400MGD with a TN of 6.0 mg/L which is below the facility average. Finally the draft permit lists the reclaimed disposal at 2.603 MGD with a TN limit of 10 mg/L, again well above the facility average.

The review of the draft permit shows a TN limit for the facility only being placed on the use of the RIBs. Considering the high operating costs and limiting flexibility of the denitrifying filters the utility reconsidered the previous option of the additional bulk disposal site - the City of Apopka.

PROPOSED IMPROVEMENTS

Disposal to the City of Apopka via a reclaimed transmission main from the WHC distribution system to the Apopka wastewater facility would require approximately six miles of pipeline to be constructed. As detailed in the report previously submitted in August 2010, this pipeline would be constructed to the Apopka wastewater facility making this a low pressure pipeline. Since the City of Apopka can take all of the flow, this installation will also reduce the flows to Sweetwater Creek and thereby reduce the

chemical addition costs for Phosphorus reduction and dechlorination. This is a potential savings of well over $100,000 per year including the reduced chemical costs and reduced monitoring costs for the surface water disposal. The operating cost is further reduced when compared to the option of adding denitrifying filters since the denitrifying filters would need a methanol feed to properly operate.

As proposed, the RIBs would be dedicated as reject/emergency storage only. As long as the facility sends over 70% of the flow to the reclaimed system, the higher TN value to the RIBs is anticipated to be acceptable.

To construct this option is anticipated to take approximately 15 months on an expedited schedule due to the available routes of construction. The route will connect to the existing 16-inch main on Sand Lake Road and be constructed west to Line Drive. The route continues south on Line Drive to SR 436. From SR 436, the route continues west to Sheeler Road, then Sheeler Road south to East Cleveland Street. Finally, the route will continue west on East Cleveland Street to the City of Apopka WWTF discharging into either their storage tanks or on-site holding ponds.

This route will present some construction difficulties due to the congested nature of the roads. However, since this will be a reclaimed transmission system with little to no anticipated connections along the route, long stretches of the route can be directionally drilled beneath any potential conflicts simplifying the construction. Design of this route is anticipated to take six months and construction another nine months. To expedite the construction, the project can be divided into three sections. This will allow the construction to overlap the design potentially reducing the construction time by up to three months.

CONCLUSION

This will provide the utility with a reliable, flexible means of disposal at the best overall value. Even in the circumstance that the EPA's proposed numeric nutrient criteria require additional treatment in the future, this interconnection still provides the most beneficial disposal alternative. By sending the reclaimed to Apopka the Utility is beneficially reusing the water by directly replacing supplemental well pumping by Apopka rather than disposing of the reclaimed water into Sweetwater Creek.

WEKIVA/APOPKA BID TABULATION

				Southland Construction		The Briar Team		Tri-Sure Corporation	
ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	Mobilization/Demobilization	LS	1	$ 102,000.00	$ 102,000.00	$ 31,246.16	$ 31,246.16	50,000.00	$ 50,000.00
2	Preconstruction Video	LS	1	$ 1,209.24	$ 1,209.24	$ 1,463.30	$ 1,463.30	2,500.00	$ 2,500.00
3	Maintenance of Traffic	LS	1	$ 7,400.00	$ 7,400.00	$ 24,275.02	$ 24,275.02	5,000.00	$ 5,000.00
4	Silt Fence	LS	1	$ 4,700.00	$ 4,700.00	$ 9,902.92	$ 9,902.92	10,000.00	$ 10,000.00
5	Erosion & Sediment Control	LS	1	$ 1,450.00	$ 1,450.00	$ 7,255.59	$ 7,255.59	2,500.00	$ 2,500.00
6	16" Reclaimed Pipe	LF	8,220	$ 60.10	$ 494,022.00	$ 36.41	$ 299,290.20	37.00	$ 304,140.00
7	16" High Density Polyethylene Pipe – SDR11 Directionally Drilled	LF	1,710	$ 100.00	$ 171,000.00	$ 137.59	$ 235,278.90	110.00	$ 188,100.00
8	16" Jack & Bore with 30" casing	LF	310	$ 433.00	$ 134,230.00	$ 618.36	$ 191,691.60	400.00	$ 124,000.00
9	16" Open Cut Road Crossing	LF	220	$ 82.00	$ 18,040.00	$ 82.95	$ 18,249.00	100.00	$ 22,000.00
10	16" Butterfly Valve	EA	4	$ 3,000.00	$ 12,000.00	$ 3,407.21	$ 13,628.84	3,000.00	$ 12,000.00
11	Air Release Valve	EA	4	$ 3,830.00	$ 15,320.00	$ 4,905.10	$ 19,620.40	4,000.00	$ 16,000.00
12	16" Tapping Sleeve and Valve	EA	1	$ 9,725.00	$ 9,725.00	$ 14,681.66	$ 14,681.66	10,000.00	$ 10,000.00
13	Fittings	TN	5	$ 3,700.00	$ 18,500.00	$ 3,391.19	$ 16,955.95	5,000.00	$ 25,000.00
14	Driveway Replacement	LF	100	$ 47.00	$ 4,700.00	$ 70.42	$ 7,042.00	100.00	$ 10,000.00
15	Sodding/Restoration	LF	8,220	$ 10.91	$ 89,680.20	$ 3.33	$ 27,372.60	3.00	$ 24,660.00
16	Flushing and Testing	LS	1	$ 2,743.56	$ 2,743.56	$ 13,825.86	$ 13,825.86	10,000.00	$ 10,000.00
17	Sidewalk Remove and Replace	LF	4,000	$ 14.57	$ 58,280.00	$ 16.93	$ 67,720.00	30.00	$ 120,000.00
BASE BID					$ 1,145,000.00		$ 999,500.00		$ 935,900.00

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, made this 2nd day of Nov., 2011, by and between SANLANDO UTILITIES CORPORATION, a Florida corporation hereinafter referred to as "Sanlando", and the CITY OF APOPKA, FLORIDA, a municipal corporation organized and existing under the laws of the State of Florida and hereinafter referred to as "the City"

WITNESSETH:

WHEREAS, the City owns and operates wastewater treatment and disposal facilities, which, include, but are not limited to, treatment, transmission, and reclaimed water facilities located in Orange County, Florida; and

WHEREAS, the City is desirous of augmenting the volume of reclaimed water produced on a daily basis at its reclaimed water treatment facilities in order to meet the needs of its reclaimed water customers; and

WHEREAS, Sanlando owns and operates reclaimed water treatment and disposal facilities that include, but are not limited to, the Wekiva Hunt Club Wastewater Treatment Plant, hereinafter referred to as the "Wekiva Plant", located in Seminole County; and

WHEREAS, Sanlando is mandated by the Florida Department of Environmental Protection (FDEP) to reduce substantially the volume of fully treated effluent discharged into Sweetwater Creek, a tributary of the Wekiva River, in order to be in conformance with Total Maximum Daily Load (TMDL) limits contained in its current operating permit; and

WHEREAS, the Wekiva River Protection Act mandates a reduction in the amount of nutrients added to the Wekiva River Basin from point discharges; and

WHEREAS, it is the desire and intent of the parties to memorialize by this Memorandum of Understanding the general terms and conditions for the delivery of reclaimed water from the Wekiva Plant to the City under the terms of a mutually acceptable reclaimed water agreement;

NOW THEREFORE, in consideration of the premises and the covenants of each party for the benefit of the other set forth below, the parties hereunder agree to the following:

1) Water Quantity. Under the terms of a proposed Reuse Agreement between Sanlando and the City, to be developed and executed subsequent to the execution of this MOU, Sanlando will request that the City agree to routinely receive and accept a daily amount of up to 2,900,000 gallons (2.9 mgd) of reuse water as produced and pumped from the Wekiva Plant to the City's wastewater treatment facility (the point of delivery). The Wekiva Plant currently produces an annual average daily volume of 1.710 mgd of reclaimed water and has a permitted capacity of 2.900 mgd on an annual average daily

flow basis. Under the terms of the proposed reuse agreement Sanlando agrees to provide the City with a minimum daily volume of 1.0 mg up to a maximum of 2.900 mg..

2) Water Quality. It is the understanding of both parties that Sanlando and the City shall meet all current and future regulatory requirements at both federal and state level for reclaimed water treatment and distribution as defined in Chapter 62-610, F.A.C, Part III, Public Access Reuse. The disposal of substandard (reject) water, that is, water that does not meet regulatory requirements for disposal as reclaimed water, will be the responsibility of Sanlando.

3) Sanlando On-Site Facilities. All on-site facilities constructed at the Wekiva Plant will be paid for, installed and owned by Sanlando at its sole cost.

4) The City's On-Site Facilities. All facilities constructed under this agreement at the City's wastewater treatment facility (the point of delivery) will be paid for and installed by Sanlando at its sole cost.

5) Off-Site Facilities. All off-site facilities constructed to convey reclaimed water from the Wekiva Plant to the City will be constructed, operated and owned at the sole cost of Sanlando.

6) Schedule. Provided that a Reuse Agreement is executed by the parties, construction of the reuse conveyance system is scheduled to begin in the fourth quarter of 2011 with final completion estimated to be in the fourth quarter of 2012.

7) Operation & Maintenance. Sanlando agrees to own, operate and maintain in good working order the on-site facilities at the Wekiva Plant and the off-site conveyance system. The City agrees to own, operate and maintain in good working order those facilities that are located at the point of delivery. Any necessary repairs by either party will be made in a prompt fashion so as not to impede the delivery of reclaimed water from the Wekiva Plant to the City.

8) Reuse Agreement. The City and Sanlando agree to make commercially reasonable efforts to develop a mutually acceptable Reuse Agreement suitable for execution by both parties within 90 days of the execution of this Memorandum of Understanding.

9) Term. The Reuse Agreement will provide that the City agrees to receive reclaimed water from the Wekiva Plant for a term of 99 years from the date of execution of the Reuse Agreement, which will be automatically renewed for a period of ten (10) years thereafter unless either party elects to terminate the agreement in accordance with mutually agreeable terms to be set forth in the Reuse Agreement.

10) Non-binding Effect. This Memorandum of Understanding is intended only to set forth terms that may be included in a Reuse Agreement. Nothing contained in this Memorandum of Understanding shall obligate either party to execute a Reuse Agreement.

11) Governing Law. This Memorandum of Understanding shall be governed by and construed, controlled and interpreted in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties execute this Memorandum of Understanding by their duly authorized representatives as of the day and year first written above.

SANLANDO UTILITIES CORPORATION

Richard J. Durham

Regional Vice President

CITY OF APOPKA

Richard Anderson

Chief Administrative Officer

2009-2011 HISTORICAL FLOWS

	Balance Post Reuse Customer ADF	Balance Post Alt. & Reuse Customer ADF
Oct-09	1504065	816516
Nov-09	1636167	1177767
Dec-09	1861710	1674742
Jan-10	1752806	1255968
Feb-10	1770321	1357321
Mar-10	1683774	1388323
Apr-10	1621433	1354300
May-10	1562742	865903
Jun-10	1666567	907567
Jul-10	1528677	920161
Aug-10	1664839	1143355
Sep-10	1495767	921433
Oct-10	1296677	832806
Nov-10	1542267	807567
Dec-10	1576258	569000
Jan-11	1597774	1528161
Feb-11	1534643	1354286
Mar-11	1303097	906806
Apr-11	1392367	906333
May-11	1156419	644453
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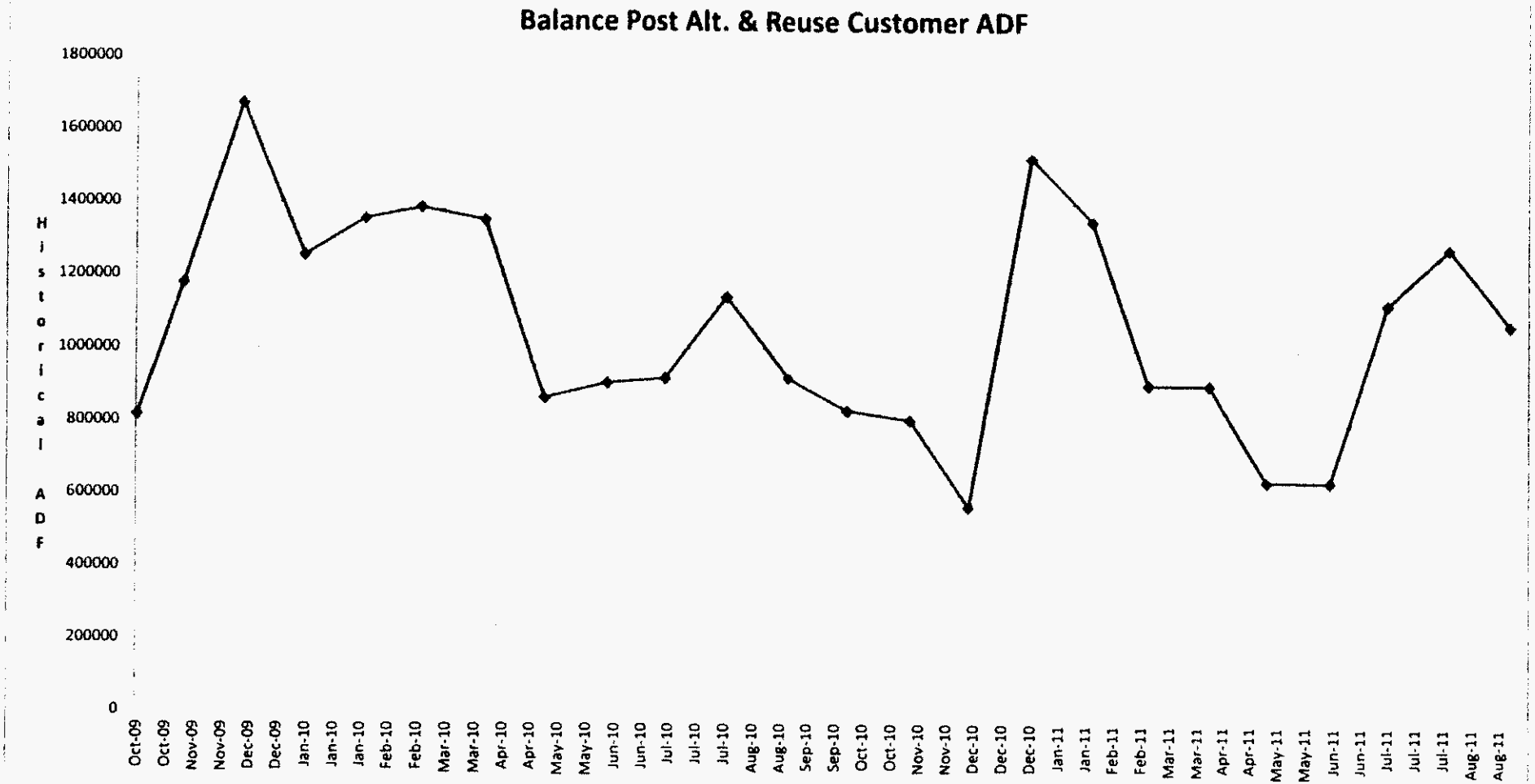
Jul-11	1486194	1131129
Aug-11	1620839	1285677
Sep-11	1289600	1076033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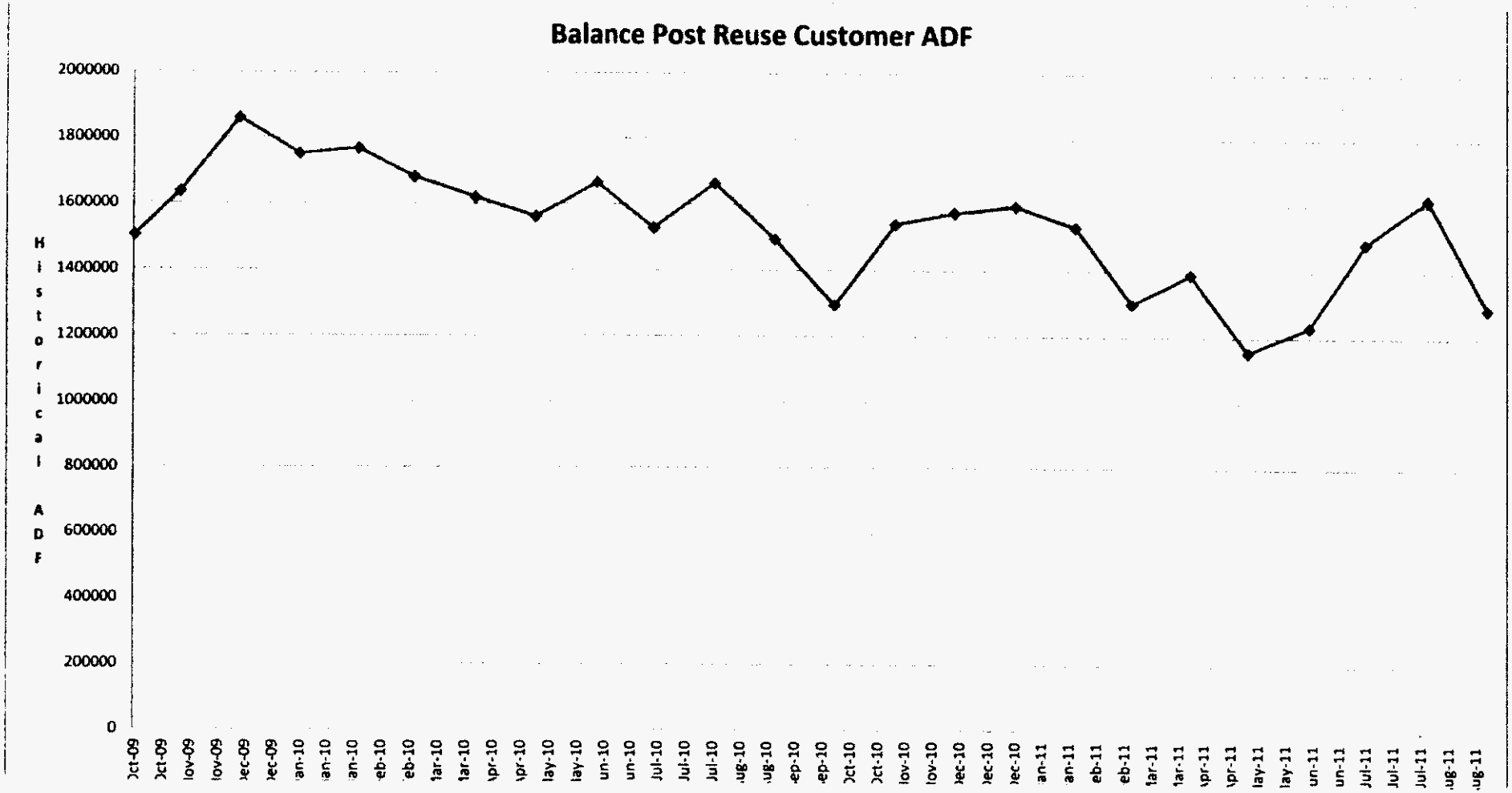
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**MINIMUM FLOWS AND LEVELS PREVENTION/RECOVERY PROJECTS
COST-SHARE AGREEMENT
BY AND BETWEEN THE
ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
AND SANLANDO UTILITIES CORP**

THIS AGREEMENT is entered into by and between the GOVERNING BOARD of the ST. JOHNS RIVER WATER MANAGEMENT DISTRICT (the "District"), whose address is 4049 Reid Street, Palatka, Florida 32177, and SANLANDO UTILITIES CORP, whose address is 144 Ledbury Drive, Longwood, Florida 32779 ("Recipient"). All references to the parties hereto include the parties, their officers, employees, agents, successors, and assigns.

PREMISES

The waters of the State of Florida are among its basic resources, and it has been declared to be the policy of the Legislature to promote the conservation, development, and proper utilization of surface and ground water.

Pursuant to chapter 373, Fla. Stat., the District is responsible for the management of the water resources within its geographical area.

The District has an ongoing program for the establishment of minimum flows and levels (MFLs) for water bodies within its jurisdiction in accordance with section 373.042, Fla. Stat.

The District has found that flows and levels for certain water bodies are below established MFLs or are anticipated to be below established MFLs within 20 years.

Pursuant to section 373.0421(2), Fla. Stat., if the existing flow or level in a water body is below, or is projected to fall within 20 years below, the established minimum flow or level, the District shall expeditiously implement a recovery or prevention strategy to achieve recovery to the established minimum flow or level as soon as practicable or prevent the existing flow or level from falling below the established minimum flow or level.

The District has determined that providing cost-share funding to Recipient for the purposes provided for herein will have a demonstrated benefit for prevention or recovery of MFL water bodies, thereby benefitting the management of the water resources.

The parties have agreed to jointly fund the following project in accordance with the funding formula further described in the Statement of Work, Attachment A (hereafter "the Project"):

Wekiva – Apopka Reuse Transmission Main Project

NOW, THEREFORE, in consideration of the aforesaid premises, which are hereby made a part of this Agreement, and the funding assistance hereinafter specified, Recipient agrees to perform and complete the activities provided for in the Statement of Work, Attachment A. Recipient shall complete the Project in conformity with the contract documents and all attachments and other items incorporated by reference herein. This Agreement consists of all of the following documents: (1) Agreement, (2) Attachment A- Statement of Work; and (3) all attachments, if any. The parties hereby agree to the following terms and conditions.

1. **TERM; WITHDRAWAL OF OFFER**

(a) The term of this Agreement is from the date upon which the last party has dated and executed the same ("Effective Date") until March 31, 2013 ("Completion Date"). Recipient shall not commence the Project until any required submittals are received and approved. Recipient shall commence performance within fifteen (15) days after the Effective Date and shall complete performance in accordance with the time for completion stated in the Statement of Work. Time is of the essence for every aspect of this Agreement, including any time extensions. Notwithstanding specific mention that certain provisions survive termination or expiration of this Agreement, all provisions of this Agreement that by their nature extend beyond the Completion Date survive termination or expiration hereof.

(b) This Agreement constitutes an offer until authorized, signed and returned to the District by Recipient. This offer terminates sixty (60) days after receipt by Recipient.

2. **DELIVERABLES.** Recipient shall fully implement the Project, as described in the Statement of Work, Attachment A. Recipient is responsible for the professional quality, technical accuracy, and timely completion of the Project. Both workmanship and materials shall be of good quality. Unless otherwise specifically provided for herein, Recipient shall provide and pay for all materials, labor, and other facilities and equipment necessary to complete the Project. The District's Project Manager shall make a final acceptance inspection of the Project when completed and finished in all respects. Upon satisfactory completion of the Project, the District will provide Recipient a written statement indicating that the Project has been completed in accordance with this Agreement. Acceptance of the final payment by Recipient shall constitute a release in full of all claims against the District arising from or by reason of this Agreement.

3. **OWNERSHIP OF DELIVERABLES.** Unless otherwise provided herein, the District does not assert an ownership interest in any of the deliverables under this Agreement.

4. **AMOUNT OF FUNDING.**

(a) For satisfactory completion of the Project, the District shall pay Recipient forty percent (40%) of the total cost of the Project, but in no event shall the District cost-share exceed $1,468,000. The District cost-share is not subject to modification based upon price escalation in implementing the Project during the term of this Agreement. Recipient shall be responsible for payment of all costs necessary to ensure completion of the Project. Recipient shall notify the District's Project Manager in writing upon receipt of any additional external funding for the Project not disclosed prior to execution of this Agreement.

(b) **In-Kind Services.** Recipient agrees to provide at least $2,202,000 in the form of matching funds, in-kind services, or both for the Project, as further described in the Statement of Work, which shall count toward Recipient's cost-share obligation.

5. **PAYMENT OF INVOICES**

(a) Recipient shall submit quarterly itemized invoices by one of the following two methods: (1) by mail to the St. Johns River Water Management District, Director, Division of Financial Management, 4049 Reid Street, Palatka, Florida 32177, or (2) by e-mail to acctpay@sjrwmd.com. The invoice shall be submitted in detail sufficient for proper pre-audit and post-audit review. Recipient shall be reimbursed for one hundred percent (100%) of the invoice, which shall not exceed 40% of approved costs, until the not-to-exceed amount of the District's cost-share has been expended. If necessary for audit purposes, Recipient shall provide additional supporting information as required to document invoices.

(b) **End of District Fiscal Year Reporting**. The District's fiscal year ends on September 30. Irrespective of the invoicing frequency, the District is required to account for all encumbered funds at that time. When authorized under the Agreement, submittal of an invoice as of September 30 satisfies this requirement. The invoice shall be submitted no later than October 30. If the Agreement does not authorize submittal of an invoice as of September 30, Recipient shall submit, prior to October 30, a description of the additional work on the Project completed between the last invoice and September 30, and an estimate of the additional amount due as of September 30 for such Work. If there have been no prior invoices, Recipient shall submit a description of the work completed on the Project through September 30 and a statement estimating the dollar value of that work as of September 30.

(c) **Final Invoice**. The final invoice must be submitted no later than forty-five (45) days after the Completion Date; provided, however, that when the Completion Date corresponds with the end of the District's fiscal year (September 30), the final invoice must be submitted no later than thirty (30) days after the Completion Date. **Final invoices that are submitted after the requisite date shall be subject to a penalty of ten percent (10%) of the invoice. This penalty may be waived by the District, in its sole judgment and discretion, upon a showing of special circumstances that prevent the timely submittal of the final invoice. Recipient must request approval for delayed submittal of the final invoice not later than ten (10) days prior to the due date and state the basis for the delay.**

(d) All invoices shall include the following information: (1) District contract number; (2) District encumbrance number; (3) Recipient's name and address (include remit address, if necessary); (4) Recipient's invoice number and date of invoice; (5) District Project Manager; (6) Recipient's Project Manager; (7) supporting documentation as to cost and/or Project completion (as per the cost schedule and other requirements of the Statement of Work; (8) Progress Report (if required); (9) Diversity Report (if otherwise required herein). Invoices that do not correspond with this paragraph shall be returned without action within twenty (20) business days of receipt, stating the basis for rejection. Payments shall be made within forty-five (45) days of receipt of an approved invoice.

(e) **Travel expenses**. If the cost schedule for this Agreement includes a line item for travel expenses, travel expenses shall be drawn from the project budget and are not otherwise compensable. If travel expenses are not included in the cost schedule, they are a cost of providing the service that is borne by Recipient and are only compensable when specifically approved by the District as an authorized District traveler. In such instance, travel expenses must be submitted on District or State of Florida travel forms and shall be paid pursuant to District Administrative Directive 2000-02.

(f) **Payments withheld.** The District may withhold or, on account of subsequently discovered evidence, nullify, in whole or in part, any payment to such an extent as may be necessary to protect the District from loss as a result of: (1) defective work not remedied; (2) failure to maintain adequate progress in the Project, or (3) any other material breach of this Agreement. Amounts withheld shall not be considered due and shall not be paid until the ground(s) for withholding payment have been remedied.

6. **INDEMNIFICATION.** Recipient shall indemnify and hold harmless, release, and forever discharge the District, its public officers, employees, agents, representatives, successors, and assigns, from any and all liabilities, damages, losses, and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Recipient, its employees or sub-contractors, in the performance of the Work and resulting from damages to property, personal injury, or loss of life.

7. **INSURANCE.** Recipient shall acquire and maintain all insurance required by Attachment B, Insurance Requirements, and shall not commence Work until it has provided Certificates of Insurance to the District as per Attachment B. Receipt of Certificates of Insurance indicating less coverage than required does not constitute a waiver of the Insurance Requirements. Recipient waives its right of recovery against the District to the extent permitted by its insurance policies. Recipient's insurance shall be considered primary, and District insurance shall be considered excess, as may be applicable to Recipient's obligation to provide insurance.

8. **FUNDING CONTINGENCY.** This Agreement is at all times contingent upon funding availability, which may include a single source or multiple sources, including, but not limited to: (1) ad valorem tax revenues appropriated by the District's Governing Board; (2) annual appropriations by the Florida Legislature, or (3) appropriations from other agencies or funding sources. Agreements that extend for a period of more than one Fiscal Year are subject to annual appropriation of funds at the sole discretion and judgment of the District's Governing Board for each succeeding Fiscal Year. Should the Project not be funded, in whole or in part, in the current Fiscal Year or succeeding Fiscal Years, the District shall so notify Recipient and this Agreement shall be deemed terminated for convenience five (5) days after receipt of such notice, or within such additional time as the District may allow. For the purpose of this Agreement, "Fiscal Year" is defined as the period beginning on October 1 and ending on September 30.

9. **PROJECT MANAGEMENT**

(a) The Project Managers listed below shall be responsible for overall coordination and management of the Project. Either party may change its Project Manager upon three (3) business days prior written notice to the other party. Written notice of change of address shall be provided within five (5) business days. All notices shall be in writing to the Project Managers at the addresses below and shall be sent by one of the following methods: (1) hand delivery; (2) U.S. certified mail; (3) national overnight courier; (4) e-mail or, (5) fax. Notices via certified mail are deemed delivered upon receipt. Notices via overnight courier are deemed delivered one (1) business day after having been deposited with the courier. Notices via e-mail or fax are deemed delivered on the date transmitted and received.

DISTRICT	RECIPIENT
Carey Maxwell, P.E., Project Manager	Bryan G. Gongre, Project Manager
St. Johns River Water Management District	Sanlando Utilities Corp
4049 Reid Street	200 Weathersfield Avenue
Palatka, Florida 32177	Altamonte Springs, Florida 32714
(386) 937-0605	(800) 272-1919 Ext. 1360
E-mail: cmaxwell@sjrwmd.com	E-mail: BKGongre@uiwater.com

(b) The District's Project Manager shall have sole responsibility for transmitting instructions, receiving information, and communicating District policies and decisions regarding all matters pertinent to performance of the Project, and may approve minor deviations in the Project that do not affect the District cost-share or Completion Date or otherwise significantly modify the terms of the Agreement.

10. **PROGRESS REPORTS AND PERFORMANCE MONITORING**

(a) **Progress Reports.** Recipient shall provide to the District Project update/status reports as provided in the Statement of Work. Reports will provide detail on progress of the Project and outline any potential issues affecting completion or the overall schedule. Reports may be submitted in any form agreed to by District's Project Manager and Recipient, and may include emails, memos, and letters.

(b) **Performance Monitoring.** For as long as the Project is operational, the District shall have the right to inspect the operation of the Project during normal business hours upon reasonable prior notice. Recipient shall make available to the District any data that is requested pertaining to performance of the Project.

11. **FAILURE TO COMPLETE PROJECT.**

(a) Should Recipient fail to complete the Project, Recipient shall refund to the District all of the funds provided to Recipient pursuant to this Agreement. However, the District, in its sole judgment and discretion, may determine that Recipient has failed to complete the Project due to circumstances that are beyond Recipient's control, or due to a good faith determination that the Project is no longer environmentally or economically feasible. In such event, the District may excuse Recipient from the obligation to return funds provided hereunder. If the Project has not been completed within thirty (30) days after the Completion Date, Recipient shall provide the District

with notice regarding its intention as to completion of the Project. The parties shall discuss the status of the Project and may mutually agree to revise the Completion Date or the scope of the Project. Failure to complete the Project within ninety (90) days after the Completion Date shall be deemed to constitute failure to complete the Project for the purposes of this provision.

(b) In the event the Project constitutes a portion of the total functional project, this paragraph shall apply in the event the total functional project is not completed. In such event, the ninety (90)-day timeframe provided herein shall commence upon the date scheduled for completion of the total functional project at the time of execution of this Agreement, unless extended by mutual agreement of the parties.

(c) This paragraph shall survive the termination or expiration of this Agreement.

12. **TERMINATION**

(a) **Termination for Default.** If Recipient materially fails to fulfill its obligations under this Agreement, including any specific milestones established herein, the District shall provide Recipient written notice of the deficiency by forwarding a Notice to Cure, citing the specific nature of the breach. Recipient shall have thirty (30) days to cure the breach. If Recipient fails to cure the breach within the thirty (30) day period, the District shall issue a Termination for Default Notice and this Agreement shall be terminated upon receipt of said notice. In such event, Recipient shall refund to the District all funds provided to Recipient pursuant to this Agreement within thirty (30) days of such termination. The District may also terminate this Agreement upon ten (10) days written notice in the event any of material misrepresentations in the Project Proposal.

(b) **Termination for Convenience.** The District may terminate this Agreement at any time for convenience upon thirty (30) calendar days prior written notice to Recipient. Upon receipt of notice, Recipient shall place no further orders for materials, equipment, services, or facilities, for which reimbursement would otherwise be sought. Recipient shall also make every reasonable effort to cancel, upon terms satisfactory to the District, all orders or subcontracts related to the Project for which reimbursement would otherwise be sought. In the event of such termination, Recipient shall be compensated for all work performed pursuant to this Agreement prior to the effective date of termination.

ADDITIONAL PROVISIONS (Alphabetical)

13. **ASSIGNMENT**. Recipient shall not assign this Agreement, or any monies due hereunder, without the District's prior written consent. Recipient is solely responsible for fulfilling all work elements in any contracts awarded by Recipient and payment of all monies due. No provision of this Agreement shall create a contractual relationship between the District and any of Recipient's contractors or subcontractors.

14. **AUDIT; ACCESS TO RECORDS; REPAYMENT OF FUNDS.**

(a) **Maintenance of Records.** Recipient shall maintain its books and records such that receipt and expenditure of the funds provided hereunder are shown separately from other expenditures in a format that can be easily reviewed. Recipient shall keep the records of

receipts and expenditures, copies of all reports submitted to the District, and copies of all invoices and supporting documentation for at least three (3) years after expiration of this Agreement. In accordance with generally accepted governmental auditing standards, the District shall have access to and the right to examine any directly pertinent books and other records involving transactions related to this Agreement. In the event of an audit, Recipient shall maintain all required records until the audit is completed and all questions are resolved. Recipient will provide proper facilities for access to and inspection of all required records.

(b) **Repayment of Funds**. District funding shall be subject to repayment after expiration of this Agreement if, upon audit examination, the District finds any of the following: (1) Recipient has spent funds for purposes other than as provided for herein; (2) Recipient has failed to perform a continuing obligation of this Agreement; (3) Recipient has received duplicate funds from the District for the same purpose; and/or (4) Recipient has received more than fifty (50%) contributions through cumulative public agency cost-share funding.

15. **CIVIL RIGHTS.** Pursuant to chapter 760, Fla. Stat., Recipient shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, age, handicap, or marital status.

16. **DISPUTE RESOLUTION.** Recipient is under a duty to seek clarification and resolution of any issue, discrepancy, or dispute involving performance of this Agreement by submitting a written statement to the District's Project Manager no later than ten (10) business days after the precipitating event. If not resolved by the Project Manager, the Project Manager shall forward the request to the District's Office of General Counsel, which shall issue a written decision within ten (10) business days of receipt. This determination shall constitute final action of the District and shall then be subject to judicial review upon completion of the Project.

17. **DIVERSITY REPORTING.** The District is committed to the opportunity for diversity in the performance of all cost-sharing agreements, and encourages Recipient to make a good faith effort to ensure that women and minority-owned business enterprises (W/MBE) are given the opportunity for maximum participation as contractors. The District will assist Recipient by sharing information on W/MBEs. Recipient shall provide with each invoice a report describing: (1) the company names for all W/MBEs; (2) the type of minority, and (3) the amounts spent with each during the invoicing period. The report will also denote if there were no W/MBE expenditures.

18. **GOVERNING LAW, VENUE, ATTORNEY'S FEES, WAIVER OF RIGHT TO JURY TRIAL.** This Agreement shall be construed according to the laws of Florida and shall not be construed more strictly against one party than against the other because it may have been drafted by one of the parties. As used herein, "shall" is always mandatory. In the event of any legal proceedings arising from or related to this Agreement: (1) venue for any state or federal legal proceedings shall be in Orange County; (2) each party shall bear its own attorney's fees, including appeals; (3) for civil proceedings, the parties hereby consent to trial by the court and waive the right to jury trial.

19. **INDEPENDENT ENTITIES.** The parties to this Agreement, their employees and agents, are independent entities and not employees or agents of each other. Nothing in this Agreement

shall be interpreted to establish any relationship other than that of independent entities during and after the term of this Agreement. Recipient is not a contractor of the District. The District is providing cost-share funding as a cooperating governmental entity to assist Recipient in accomplishing the Project. Recipient is solely responsible for accomplishing the Project and directs the means and methods by which the Project is accomplished. Recipient is solely responsible for compliance with all labor and tax laws pertaining to Recipient, its officers, agents, and employees.

20. **INTEREST OF RECIPIENT.** Recipient certifies that no officer, agent, or employee of the District has any material interest, as defined in chapter 112, Fla. Stat., either directly or indirectly, in the business of Recipient to be conducted hereby, and that no such person shall have any such interest at any time during the term of this Agreement.

21. **NON-LOBBYING.** Pursuant to section 216.347, Fla. Stat., as amended, Recipient agrees that funds received from the District under this Agreement shall not be used for the purpose of lobbying the Legislature or any other state agency.

22. **PERMITS.** Recipient shall comply with all applicable federal, state and local laws and regulations in implementing the Project and shall include this requirement in all subcontracts pertaining to the Project. Recipient shall obtain any and all governmental permits necessary to implement the Project. Any activity not properly permitted prior to implementation or completed without proper permits does not comply with this Agreement and shall not be approved for cost-share funding.

23. **PUBLIC ENTITY CRIME.** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO ($35,000) for a period of 36 months following the date of being placed on the convicted vendor list.

24. **PUBLIC RECORDS.** Records of Recipient that are made or received in the course of performance of the Project may be public records that are subject to the requirements of chapter 119, Fla. Stat. If Recipient receives a public records request, Recipient shall promptly notify the District's Project Manager. Each party reserves the right to cancel this Agreement for refusal by the other party to allow public access to all documents, papers, letters, or other material related hereto and subject to the provisions of chapter 119, Fla. Stat., as amended.

25. **ROYALTIES AND PATENTS.** Recipient certifies that the Project does not, to the best of its information and belief, infringe on any patent rights. Recipient shall pay all royalties and patent and license fees necessary for performance of the Project and shall defend all suits or claims for infringement of any patent rights and save and hold the District harmless from loss to the extent allowed by Florida law.

IN WITNESS WHEREOF, the St. Johns River Water Management District has caused this Agreement to be executed on the day and year written below in its name by its Executive Director, and Recipient has caused this Agreement to be executed on the day and year written below in its name by its duly authorized representatives, and, if appropriate, has caused the seal of the corporation to be attached. This Agreement may be executed in separate counterparts, which shall not affect its validity. Upon execution, this Agreement constitutes the entire agreement of the parties, notwithstanding any stipulations, representations, agreements, or promises, oral or otherwise, not printed or inserted herein. This Agreement cannot be changed by any means other than written amendments referencing this Agreement and signed by all parties.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT	SANLANDO UTILITIES CORP
By: _____	By: _____
Hans G. Tanzler III, Executive Director, or Designee	_____
	Typed Name and Title
Date: _____	Date: _____
APPROVED BY THE OFFICE OF GENERAL COUNSEL	
	Attest: _____
_____	_____
Stanley J. Niego, Sr. Assistant General Counsel	Typed Name and Title

ATTACHMENTS

Attachment A - Statement of Work
Attachment B - Insurance Requirements

Cost-share: Minimum Flows and Levels
Last updated: 11-7-11

ATTACHMENT A - STATEMENT OF WORK
MINIMUM FLOWS AND LEVELS PREVENTION/RECOVERY STRATEGY
COST SHARE PROGRAM
SANLANDO UTILITIES CORP
WEKIVA - APOPKA REUSE TRANSMISSION MAIN PROJECT

I. INTRODUCTION/BACKGROUND

The St. Johns River Water Management District (District) created the Minimum Flows and Levels (MFLs) Alternative Water Supply Program (the Program) in FY2011-2012 as a cost share program to develop and implement prevention and recovery strategies for water bodies within the District where MFLs are currently not being met or are projected not to be met within 20 years. Sanlando Utilities Corp (Recipient) has requested and been selected as a participant in this cost share program.

On January 10, 2012 the District's Governing Board approved the funding for Recipient to initiate the Wekiva - Apopka Reuse Transmission Main Project in the amount of $1,468,000, which is 40% of the project total cost of $3,670,000.00.

II. OBJECTIVES

The objective of this contract is to provide cost share dollars that will enable the Recipient to construct a pipeline for the conveyance of high level disinfection reuse irrigation water to the City of Apopka (City) Waste Water Treatment Facility (WWTF) to offset an equal volume of potable groundwater currently used to supplement the City's reuse irrigation system.

III. SCOPE OF WORK

Recipient is designing a 6 mile 16" reuse transmission pipeline that will convey 1.0 million gallons per day (mgd) of high level disinfection reuse irrigation water from the Wekiva Hunt Club WWTF located at 144 Ledbury Drive in Longwood, Florida, to the City WWTF at 748 East Cleveland Street in Apopka, Florida, to supplement the City's existing reuse needs. This project will be constructed in three phases.

- Phase 1: Construction of a transmission line beginning at the intersection of West Lake Brantley Road and Sand Lake Road traveling westward down Sand Lake Road to the intersection of Sand Lake Road and Line Drive thence southerly down Line Drive to the intersection of Line Drive and SR 436.

- Phase II: Construction of a transmission line beginning on SR 436 (connecting to Phase I) and travel westerly to the intersection of SR 436 and Sheeler Road thence crossing SR 436 and traveling south down Sheeler Road to a point just south of the intersection at US 441 and Sheeler Road.

- Phase III: Construction of a transmission line beginning on Sheeler Road (connecting to Phase II) and travel south to the intersection of Sheeler Road and E. Cleveland Street to the City's WWTF.

The Recipient shall ensure the tasks in the Task Identification section of this Statement of Work are completed.

IV. TASK IDENTIFICATION

The Recipient shall be responsible for performing the following tasks:

- Obtaining project final design, construction plans, and specifications
- Providing a copy of executed construction contract documents between Recipient and Recipient's contractor to the District's Project Manager
- Providing a copy of any subsequent change orders to the construction contracts between Recipient and Recipient's contractor to the District's Project Manager
- Obtaining all required permits, including right of access to the project sites, related to project construction and subsequent operation and maintenance of the completed work
- Ensuring compliance with all permits
- Performing procurement actions for project construction
- Performing supervision and inspection of construction
- Performing construction contract administration
- Submitting invoices quarterly for actual construction costs in accordance with the cost share agreement with adequate substantiation to enable District staff to review submitted costs for payment
- Submitting Progress reports to the District's Project Manager identifying project progress to date, key milestones reached, overall project schedule versus time for project completion, key issues to be resolved, project time and projected costs versus actual cost to date
- Providing certification of construction phase completion by a Professional Engineer registered in the state of Florida
- Complying with cost accounting practices and procedures required for reimbursement of cost share funds expended

V. TIME FRAMES AND DELIVERABLES

The expiration date of this Agreement is March 31, 2013. The Recipient shall submit quarterly reports to the District's Project Manager detailing the progress of each Task. All work shall be completed in accordance with tasks described above and generally consistent with the time line and according to the location of the work as shown in the map included in this Statement of Work.
The project is planned to be designed and constructed in three phases.

- Phase I
  - Design (90 days): COMPLETE
  - Bidding (30 days): COMPLETE
  - Construction (120 days): April 2012 through July 2012

- Phase II
  - Design (90 days): October 2011 through February 2012
  - Bidding (30 days): January 2012
  - Construction (120 days): July 2012 through October 2012

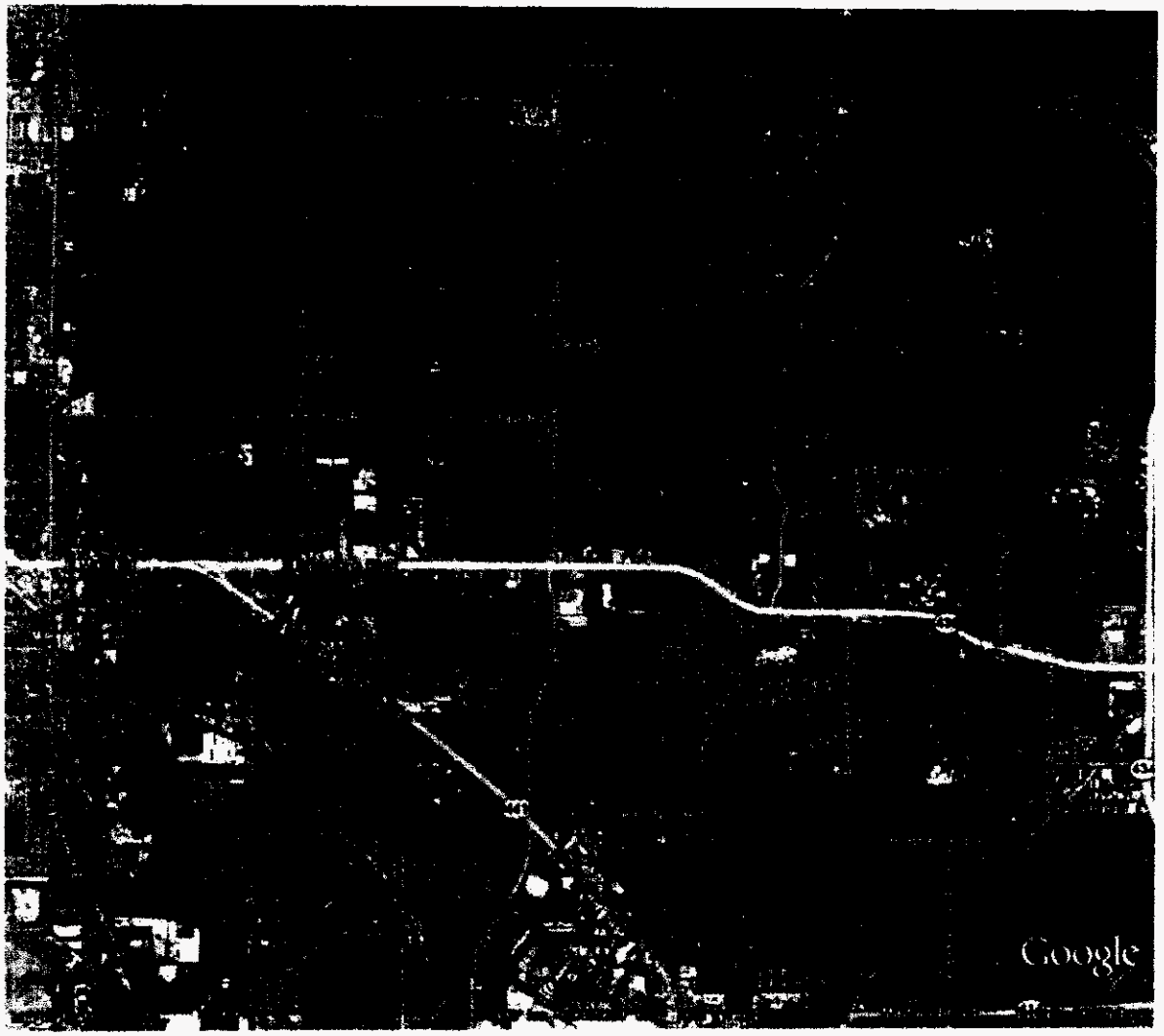
- Phase III
    - Design (90 days): November 2011 through March 2012
    - Bidding (30 days): February 2012
    - Construction (120 days): October 2012 through January 2013
    - Final Startup and Testing January 2013

The Recipient shall quantify the amount of water savings attributed to implementation of reclaimed water to these communities for reducing customer demands of groundwater used for irrigation on an annual basis upon completion of the construction for a period of three years after completion. Baseline conditions shall be established for this geographic area and the amount of ground water savings quantified over the evaluation period.

VI. BUDGET/COST SCHEDULE

For satisfactory completion of the Project, the District shall pay Recipient 40% of the total cost of the Project, but in no event shall the District's cost-share exceed $1,468,000. Recipient shall invoice the District quarterly including a progress report covering the time-period of the invoice. The Recipient's invoices shall include a copy of the contractor's invoices submitted to the Recipient, proof of payment by Recipient, and other required supporting documentation. If the total actual cost of this project is less than originally estimated, the District's cost-share amount shall be reduced accordingly.

Recipient agrees to provide at least $2,202,000 in the form of matching funds for this project. If Project costs exceed the estimated Project cost so as to reach the not-to-exceed amount of the District cost-share, then Recipient shall provide any additional funding required to complete the Project.


Google

ATTACHMENT B - INSURANCE REQUIREMENTS

Recipient shall acquire and maintain until completion of the Work the insurance coverage listed below, which shall be considered primary coverage, with any District insurance considered excess coverage. Recipient shall not commence the Work until it has provided Certificates of Insurance to the District documenting such coverage. The "St. Johns River Water Management District" shall be shown as an additional insured under all policies to the extent of the District's interests under this Agreement, except workers' compensation. The insurance certificate shall include an endorsement requiring ten (10) days prior written notice to the District before any change or cancellation is made effective. In addition, it shall have the words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" stricken from the cancellation clause in the Certificate of Insurance. Any deductibles or self-insured retentions must be declared to and approved by the District. Recipient is responsible for any deductible or self-insured retention. Insurance is to be placed with insurers having an A.M. Best rating of A-:V or greater. District receipt of insurance certificates providing less than the required coverage does not waive these insurance requirements.

(a) **"Builder's Risk" Property Insurance.** Coverage amount shall be sufficient to insure the value of new project construction.

(b) **Workers' Compensation Insurance.** Workers' compensation and employer's liability coverage, including maritime workers compensation, if applicable, in not less than the minimum limits required by Florida law. If an exemption from workers' compensation is declared, an exemption letter issued by Florida Department of Financial Services, Division of Workers' Compensation, shall be submitted to the District.

(c) **General Liability.** Commercial General Liability Insurance on an "Occurrence Basis," with limits of liability not less than $500,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury, and property damage. Coverage shall include: (1) contractual liability, (2) products and completed operations, (3) independent contractors, (4) broad form property damage, and (5) property damage resulting from explosion, collapse or underground (x, c, u) exposures. Extensions shall be added or exclusions deleted to provide the necessary coverage. "Claims made" coverage will be accepted only after verification that "occurrence" coverage is not available.

(d) **Automobile Liability.** $500,000 combined single limits per accident for bodily injury and property damage.

(e) **Umbrella policy.** With limits of $1,000,000.

(f) **Pollution/Environmental Impairment Liability Coverage**. Not less than $500,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury, and property damage.