

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment of Certificate No. 104-S to extend service to Oak Stone Development in DeSoto County and petition for approval of special developer agreement and service availability charges, by Ni Florida, Inc.

DOCKET NO. 20240144-SU
ORDER NO. PSC-2025-0228-PAA-SU
ISSUED: June 20, 2025

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING SPECIAL DEVELOPER AGREEMENT
AND SERVICE AVAILABILITY CHARGES
AND
FINAL ORDER APPROVING AMENDMENT OF
CERTIFICATE NO. 104-S

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature, except with regard to approving amendment of Certificate No. 104-S, and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Ni Florida, Inc. (Ni Florida or Utility) is a Class A water and wastewater utility operating in Pasco County and Lee County. Ni Florida currently provides wastewater service to approximately 2,751 customers in Pasco County and water service to approximately 735 customers in Lee County. On October 10, 2024, Ni Florida filed an application with us to amend Certificate No. 104-S to extend wastewater service to Oak Stone Development in DeSoto County, and for approval of a special developer agreement and service availability charges.

The proposed service area is a new development of approximately 642 acres. This development will include the addition of approximately 1,950 wastewater connections, which

will consist of residential single-family homes, townhouses, and condominiums. DeSoto County is an area not under our jurisdiction. However, Section 367.171(7), Florida Statutes (F.S.), provides that we have exclusive jurisdiction over utilities whose service transverses county boundaries.

In 1973, the Utility was granted Certificate No. 104-S in Pasco County.¹ The certificate has subsequently undergone one transfer, been amended six times, and underwent two transfers of majority organizational control prior to being acquired by Ni Florida in 2007.² The certificate then underwent two more transfers of majority organizational control before we acknowledged the name change of the Utility from Ni Florida, LLC to Ni Florida, Inc., in 2021.³

As part of its amendment application, the Utility requested our approval of a special developer agreement and service availability charges. Pursuant to Rule 25-30.550(1), F.A.C., developer agreements shall be deemed to be approved under the utility's existing availability policy, unless we give notice of intent to disapprove within 30 days. Ni Florida waived this requirement in a memo filed on March 25, 2025.

¹ Order No. 5781, issued June 19, 1973, in Docket No. C-72696-S, *In re: Application of Allyn Water Supply, Inc. for certificates to operate its existing water and sewer system in Pasco County.*

² Order 7824, issued June 2, 1977, in Docket No. 19750558-S, *In re: Joint application for the transfer of the assets of Allyn Water Supply, Inc. and Certificate No. 104-S to Hudson Utilities, Inc., pursuant to Section 367.071, Florida Statutes*; Order 13823, issued October 31, 1984, in Docket No. 19840296-SU, *In re: Application of Hudson Utilities, Inc., for amendment of Certificate No. 104-S to include additional territory in Pasco County, Florida*; Order 14477, issued June 18, 1985, in Docket No. 19850149-SU, *In re: Application of Hudson Utilities, Inc. for amendment of Certificate 104-S to include additional territory in Pasco County, Florida*; Order 15556, issued January 16, 1986, in Docket No. 19850779-SU, *In re: Application of Hudson Utilities, Inc., for the transfer of Certificate No. 104-S from the Florida Conference of Seventh Day Adventists to Al Meyer, King Helie, and Robert Bammann in Pasco County, Florida*; Order 22852, issued April 24, 1990, in Docket No. 19900065-SU, *In re: Application for amendment of Certificate No. 104-S in Pasco County by Hudson Utilities, Inc.*; Order 23846, issued December 10, 1990, in Docket No. 19900020-SU, *In re: Application for amendment of Certificate 104-S in Pasco County by Hudson Utilities, Inc.*; Order PSC-99-1916-PAA-SU, issued September 27, 1999, in Docket No. 19981079-SU, *In re: Application for amendment of Certificate No. 104-S to extend service territory in Pasco County by Hudson Utilities, Inc., and request for limited proceeding*; Order PSC-99-2381-FOF-SU, issued December 6, 1999, in Docket No. 19981080-SU, *In re: Application by Hudson Utilities, Inc., for transfer of majority organizational control in Pasco County*; Order PSC-04-1278-AS-SU, issued December 27, 2004, in Docket No. 20041207-SU, *In re: Application for amendment of Certificate No. 104-S to delete territory in Pasco County by Hudson Utilities, Inc.*; and Order PSC-08-0226-FOF-SU, issued April 7, 2008, in Docket No. 20070740-SU, *In re: Joint application for approval of transfer of Hudson Utilities, Inc.'s wastewater system and Certificate No. 104-S, in Pasco County, to Ni Florida, LLC.*

³ Order PSC-15-0315-FOF-WU, issued August 5, 2015, in Docket No. 20150115-WU, *In re: Joint application for approval of transfer of majority organizational control of Ni Florida, LLC, holder of Certificate Nos. 388-W in Lee County and 104-S in Pasco County, to Ni Pacolet Milliken Utilities, LLC*; Order PSC-2021-0073-FOF-WS, issued February 8, 2021, in Docket No. 20200221-WS, *In re: Joint application for approval of transfer of majority organizational control of Ni Florida, LLC, holder of Certificate Nos. 388-W in Lee County and 104-S in Pasco County, to Florida Utility Systems, Inc.*; Order PSC-2021-0327-FOF-WS, issued August 30, 2021, in Docket No. 20210069-WS, *In re: Application for acknowledgment of name change on Wastewater Certificate No. 104-S in Pasco County and Water Certificate No. 388-W in Lee County from Ni Florida, LLC, to Ni Florida, Inc.*

This order addresses the Utility's request to extend its wastewater service territory, the special developer agreement, and service availability charge for the proposed service area. We have jurisdiction pursuant to Section 367.045(2), and 367.171, Florida Statutes (F.S.).

Decision

I. Amendment of Certificate No. 104-S

The Utility's application to amend its authorized service territory is in compliance with the governing statute, Section 367.045, F.S., and Rule 25-30.036, F.A.C. The appropriate filing fee, as required by Section 367.145, F.S., was received by us on October 11, 2024. Ni Florida provided notice of the application pursuant to Section 367.045, F.S., and Rule 25-30.030(5)(c), F.A.C. This notice provided 30 days for customers to file an objection to the extension. No objections to the application have been received and the time for filing such has expired.

An adequate service territory map and territory description have been provided as prescribed by Rule 25-30.036(2)(f) and (h), F.A.C. A description of the territory requested to be extended by the Utility, as well as the resulting service territory description, is appended to this order as Attachment A. The Utility has submitted an affidavit consistent with Section 367.045(2)(d), F.S., that it has tariffs and annual reports on file with us.

DeSoto County currently provides water and wastewater service to the County; however, its wastewater treatment plant is unable to provide service to the full development. As there are no other utilities in the area capable of providing service, Oak Stone, LLC, requested service from Ni Florida. Pursuant to the developer agreement with Oak Stone, LLC, Ni Florida will construct wastewater treatment plants (WWTPs) to serve the development as it expands. Three WWTPs of various capacities will be constructed to match the construction phases of the development. Phase 1 construction includes a WWTP with a capacity of 60,000 gallons per day (gpd) and is expected to be completed by December 2025, and operational by February 1, 2026. Phase 2 construction includes a WWTP with a capacity of 200,000 gpd that is planned to be operational early 2027. A permit application for the Phase 3 WWTP will be submitted once the development flows reach 60 percent of the permitted capacity of the existing WWTPs.

Based on the information above, we shall amend Certificate No. 104-S to include the territory as described in Attachment A, effective the date of our vote. This order shall serve as Ni Florida, Inc.'s amended certificate and shall be retained by the Utility. The Utility shall charge future customers in the territory added herein the rates and charges contained in its current tariffs until a change is authorized by us in a subsequent proceeding.

II. Special Developer Agreement and Service Availability Charge

As discussed in Section I, we approve of an amendment to Ni Florida's wastewater certificate to extend its service area to include a new development, Oak Stone, in DeSoto County. For this new development, Ni Florida is proposing a special developer agreement (Attachment B) with Oak Stone, LLC (Developer) as well as a plant capacity charge of \$4,140

per equivalent residential connection (ERC), which will be specific to Oak Stone. The proposed charge is a negotiated rate between the Utility and the Developer. For its wastewater system, the Utility currently has a main extension charge of \$1,710 per ERC that was approved in 2019.⁴ The existing main extension charge will not be applicable to Oak Stone. Ni Florida is not requesting a main extension charge for Oak Stone because the collection system will be installed by the Developer and donated to the Utility.

The developer agreement between Ni Florida and Oak Stone indicates the Developer will construct the wastewater collection system and agree to several responsibilities to receive wastewater service. A few of the responsibilities from the developer agreement include the following: a) the Developer will install the sewer lateral lines terminating at a cleanout on each lot near the right-of-way line and conform with standard details by the Utility; b) the Developer will also be solely responsible for designing and constructing any required lift stations (other than any lift stations that may be required to be installed by Utility on the plant site); and c) the Developer will locate the wastewater collection system in easements or property dedicated to the Utility, and provide any and all easements on the land which are reasonably necessary and/or requested by the Utility.

In its application, the Utility indicated the wastewater treatment facility will have a design capacity of 460,000 gallons per day and the ability to serve 1,950 ERCs. The construction will be done in three phases. According to the developer agreement, the Utility's responsibility relates to construction, operation, and maintenance of the wastewater treatment plant. Some of the Utility's responsibilities include the following: a) the design and construction of the wastewater treatment plant, which should be in compliance with applicable law and sufficient capacity to provide wastewater services; b) provide copies of the plans and specifications of the plant to the Developer for its review and reasonable suggestions and recommendations; c) obtain at the Utility's sole cost and expense, all required federal, state, county, local permits, approvals, and consents to construct, operate, and maintain the plant on the plant site. We reviewed the Utility's Developer Agreement and determined that it is compliant with Rule 25-30.550(3), F.A.C. Therefore, we find that the Developer Agreement in this case is appropriate and shall be approved.

Service availability charges are one-time charges applicable to new connections, which allow a customer to pay its pro rata share of the facilities and plant cost. Rule 25-30.580, F.A.C., establishes guidelines for designing service availability charges. Pursuant to the rule, the maximum amount of the contributions-in-aid-of construction (CIAC), net amortization, should not exceed 75 percent of the total original cost, net of accumulated depreciation, of the Utility's facilities and plant when the facilities and plant are at their designed capacity. The minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by the wastewater collection system.

⁴ Order No. PSC-2019-0223-PAA-SU, issued June 3, 2019, in Docket No. 20190075-SU, *In re: Revision of wastewater service availability charges for Ni Florida in Pasco County*.

A plant capacity charge is a service availability charge and allows the Utility to recover each customer's pro rata share of the cost of treatment facilities and stay within the guidelines prescribed in Rule 25-30.580, F.A.C., which provides the minimum and maximum guidelines for designing service availability charges. Based on the Utility's calculation, the proposed plant capacity charge of \$4,140, results in a contribution level of 97.21 percent, which is over the maximum guideline. However, the Utility anticipates operating the Oak Stone system as an addition to its system in Lee County. The Utility indicated that the future consolidation of the two systems results in a contribution level of 79.81 percent. This contribution level is slightly higher than our rule.

We have indicated that there are drawbacks to the rule because the guidelines are a moving target, looking forward in time when the utility plant is at designed capacity. The analysis involves projections of growth rates and many assumptions that are constantly changing.⁵ In this case, projected costs for construction could be higher than anticipated. Therefore, since the proposed charge is negotiated and being compared to projected costs of construction for the new wastewater treatment plant, we find that the Utility's proposed plant capacity charge of \$4,140 is reasonable. However, we have the authority to adjust the charge in the future based on actual costs.

Based on the above, we find that Ni Florida's proposed special developer agreement and plant capacity charge of \$4,140 for the proposed service area shall be approved. The approved service availability charge shall be effective for service rendered or connections made on or after the stamped approval date of the tariff pursuant to Rule 25-30.475, F.A.C.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Certificate No. 104-S shall be amended to include the territory as described in Attachment A to this order effective the date of our vote. This order shall serve as Ni Florida, Inc.'s amended certificate and shall be retained by the Utility. The Utility shall charge future customers in the territory added herein the rates and charges contained in its current tariffs until a change is authorized by us in a subsequent proceeding. It is further

ORDERED that Ni Florida, Inc.'s proposed special developer agreement and plant capacity charge of \$4,140 for the proposed service area shall be approved. The approved service availability charge shall be effective for service rendered or connections made on or after the stamped approval date of the tariff pursuant to Rule 25-30.475, F.A.C. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the

⁵ Order No. PSC-07-0865-PAA-SU, issued October 29, 2007, in Docket No. 20060285-SU, *In re: Application for increase in wastewater rates in Charlotte County by Utilities, Inc. cf Sandalhaven*.

close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that this docket shall remain open for our staff's verification that the revised tariff sheets have been filed by the Utility and approved by our staff. Once this action is complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 20th day of June, 2025.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature, except with regard to approving amendment of Certificate No. 104-S. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by

Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 11, 2025.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Description of Proposed Service Area

A tract of land located in Section 29 and 30, Township 39 South, Range 23 East, DeSoto County, Florida, being more particularly described as follows:

BEGINNING at the Southwest corner of said Section 30, run thence N. 00°04'04" E., along the West line of said Section 30, 2188.72 feet to a point on the Northwestern right of way of former Seaboard Coastline Railroad; thence N. 51°14'02" E., along said Northwestern right of way, 4986.09 feet to the North line of said Section 30; thence N. 89°58'19" E., along said North line, 1421.03 feet to the Northeast corner of said Section 30; thence S. 89°36'38" E., along the North line aforesaid Section 29 4605.86 feet; thence leaving said North line, run S. 00°23'20" W., 34.71 feet; thence 100.85 feet in a southerly direction along a non-tangent curve turning to the left, having a central angle of 30°24'43", with a radius of 190.00 feet, having a chord bearing of S. 06°48'06" W. and a chord distance of 99.67 feet; thence 83.35 feet in a southerly direction along a reverse tangent curve turning to the right, having a central angle of 35°22'29", with a radius of 135.00 feet, having a chord bearing of S. 09°16'59" W. and a chord distance of 82.03 feet; thence S. 26°58'15" W., 61.41 feet; thence 82.82 feet in a southwesterly direction along a tangent curve turning to the right, having a central angle of 73°00'14", with a radius of 65.00 feet, having a chord bearing of S. 63°28'22" W. and a chord distance of 77.33 feet; thence N. 79°34'21" W., 46.99 feet; thence S. 10°01'10" W., 120.33 feet; thence S. 16°33'09" W., 80.52 feet; thence 285.38 feet in a southeasterly direction along a non-tangent curve turning to the left, having a central angle of 86°03'29", with a radius of 190.00 feet, having a chord bearing of S. 41°37'10" E. and a chord distance of 259.30 feet; thence S. 63°01'45" E., 65.00 feet to the Westerly right of way of State Road S-741 (Kings Highway) (County Road 769); thence along said Westerly right of way the following four (4) courses: 1) S. 26°58'15" W., 176.42 feet; 2) S. 29°13'31" W., 74.10 feet; 3) S. 63°47'30" E., 17.90 feet; 4) S. 26°12'30" W., 1236.72 feet to the North right of way of 33rd Avenue, thence S. 89°36'40" W., along said North right of way 681.34 feet to the West right of way of Rainey Street; thence S. 00°06'22" W., along said West right of way 320.01 feet to the South right of way of 32nd Avenue; thence N. 89°36'40" E., along said North right of way 523.88 feet to aforesaid Westerly right of way of State Road S-741; thence S. 26°12'30" W., along said Westerly right of way 305.52 feet; thence leaving said Westerly right of way, run N. 89°53'26" W., 799.38 feet; thence S. 00°01'12" E., 520.04 feet; thence N. 89°53'04" W., 2883.60 feet to a point on the West line aforesaid Section 29; thence N. 89°14'49" W., 3311.55 feet; thence S. 00°02'53" W., 2192.59 feet to the South line aforesaid Section 30; thence N. 89°07'20" W., 1999.84 feet to the **POINT OF BEGINNING**.

Common street names bordering the proposed service area: Kings Highway (CR 769), Raintree Boulevard, 33rd Avenue, Rainey Street

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

**Ni Florida, Inc.
pursuant to
Certificate Number 104-S**

to provide water service in Pasco and DeSoto Counties in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission, in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled, or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
5781	06/19/73	C-72696-S	Original Certificate
7824	06/02/77	19750558-S	Transfer
13823	10/31/84	19840296-SU	Amendment
14477	06/18/85	19850149-SU	Amendment
15556	01/16/86	19850779-SU	TMOC
22852	04/24/90	19900065-SU	Amendment
23846	12/10/90	19900020-SU	Amendment
PSC-98-1543-FOF-SU	11/20/98	19981081-SU	Name Change
PSC-99-1916-PAA-SU	09/27/99	19981079-SU	Amendment
PSC-99-2381-FOF-SU	12/06/99	19981080-SU	TMOC
PSC-04-1278-AS-SU	12/27/04	20041207-SU	Amendment
PSC-08-0226-FOF-SU	04/07/08	20070740-SU	Transfer
PSC-15-0315-FOF-WU	08/05/15	20150115-WU	TMOC
PSC-2021-0073-FOF-WS	02/08/21	20200221-WS	TMOC
PSC-2021-0327-FOF-WS	08/30/21	20210069-WS	Name Change
PSC-2025-0228-PAA-SU	06/20/25	20240144-SU	Amendment

Agreement to Provide Wastewater Service

This Agreement to Provide Wastewater Service (the "**Agreement**") is made and entered into this 14 day of June, 2024 ("**Effective Date**") by and between Ni Florida, Inc. ("**Utility**") and Oak Stone LLC ("**Developer**") (Utility and Developer each referred to as a "Party" and collectively as the "**Parties**").

RECITALS

A. Utility is a regulated, privately owned water and wastewater utility that provides wastewater services in and around the State of Florida.

B. Developer is a real estate developer that is currently in the process of developing a primarily residential development on an approximately 641.6-acre tract of land located at 11480 County Road 769, Arcadia, FL 34269 in DeSoto County, Florida (the "**Development**"). When fully built out, the Development is expected to consist of approximately 2,000 living unit equivalents of wastewater.

C. The Parties desire that Utility provide wastewater services to the Development under the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and Utility hereby agree as follows:

AGREEMENT

1.

WASTEWATER SERVICE

1.1 **Reservation of Capacity and Agreement to Provide Service:** Utility reserves and agrees to provide service to Developer, and Developer agrees to take such service, of 2,000 LUEs (i.e. "living unit equivalent") of wastewater capacity, as the term "LUE" is defined in Exhibit A attached hereto. This wastewater service commitment shall be limited to the proposed approximately 641.6-acre site as described in Exhibit B (the "**Land**"). In consideration of such reservation, Developer agrees and shall cause Utility to be paid an amount equal to \$4,140 per LUE multiplied by the number of LUEs reserved per lot pursuant to this Section 1.1 by the respective home builder of each lot on the Land requiring wastewater utility service from Utility and that full payment of such amounts by each respective home builder of each lot shall be a condition precedent to Utility providing wastewater utility service to such lot. Such payment under this Section 1.1 shall hereinafter be referred to as the "**Capacity Reservation Fee**". The Capacity Reservation Fee is non-refundable and shall be due and payable to Utility on a quarterly basis in advance based upon a good faith estimate of the number of LUE connections requested quarterly within the Development, and under no circumstances any later than building certificate of occupancy for each lot. In each subsequent quarterly payment, Developer shall "true up" such estimate by (i) receiving a credit to the extent the prior quarter's estimate exceeded the actual LUE connections during such prior quarter or (ii) paying an additional amount in such subsequent quarterly advance payment to the extent the prior quarter's estimated payment was less than the actual LUE connections during such prior quarter.

1.2 Any connections requiring LUEs beyond those reserved under this Agreement will require Developer, its successors, assigns, or the then-Land owner, to acquire additional LUEs of wastewater. No additional connections will be allowed, other than the connections reserved herein, without the Parties, their successors or assigns, amending this Agreement to encompass additional LUE needs and payment by Developer of applicable charges as well as appropriate plan review by the Utility.

1.3 It is expressly agreed that this Agreement extends only to the wastewater service for the Development. Developer acknowledges that the utility services provided by Utility hereunder are anticipated to be regulated by the Florida Public Service Commission (the "Commission") and as set forth in (a) that certain Resolution No. 2023-97 of the Board of County Commissioners of DeSoto County, Florida regarding Operation of Utility in DeSoto County dated July 25, 2023 as well as (b) that certain Agreement Concerning Service Area of Utility in DeSoto County, Florida. If any Governmental Authority, including but not limited to the Commission, issues an order, ruling, decision or regulation not covered by this Agreement (including, but not limited to, a determination that the utility services provided pursuant to this Agreement are not subject to the Commission's jurisdiction or denial of necessary permits or amendments to existing permits), including any new or revised enforceable regulatory classification of the subject wastewater facility, as applicable, which results in a materially adverse effect on either Party's rights and benefits under this Agreement, each Party shall use commercially reasonable efforts and shall cooperate with the other Party to pursue all necessary permits, approvals and authorizations, if any, of such applicable Governmental Authority, and to amend the terms and conditions of this Agreement, in each case as may be reasonably required in order that provision of utility services under this Agreement shall continue; provided that neither Party shall be required to take any action pursuant to this Section 1.2 which is reasonably likely to have a materially adverse effect on such Party's rights and benefits under this Agreement. As used herein, "Governmental Authority" shall mean any United States federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, court, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal. If the Parties are unable or unwilling to reach agreement pursuant to this Section 1.2, Utility shall have the right to terminate this Agreement, without any further obligations to Developer, upon 14 days' prior written notice to Developer.

1.4 This Agreement is in all respects subject to and limited by all federal, state, and local statutes, rules, permits, and approvals in determining treatment, sites, and all other related considerations as that may pertain to the delivery of wastewater services.

1.5 Developer warrants and represents, that the units and/or number of building square feet (as applicable on Exhibit A attached hereto) receiving wastewater service in the Development shall not exceed the reserved LUEs determined under the allocation chart on Exhibit A attached hereto. In the event Utility determines that a new connection for wastewater service will cause Developer to breach the warranty and representation in the immediately preceding sentence, Utility may refuse to allow such new connection to the wastewater collection systems. In such event, Developer agrees to indemnify Utility, its successors and assigns, and hold Utility free and harmless from and against any and all claims, demands, and causes of action which may be asserted by anyone on account of such refusal, including all attorneys' fees and other expenses which may be incurred by Utility in connection with such claims, demands, and causes of action. Developer's obligations pursuant to the foregoing sentence shall survive any transfer of LUEs reserved in this Agreement.

1.6 Utility and Developer agree that certain tests may be required to be performed upon the facilities constructed by Developer to provide data and/or to meet applicable federal, state, county, and local governmental rules, regulations, statutes and procedures.

a. System Tests. Developer will obtain all required tests upon the Land in order to comply with all applicable laws. Developer agrees to perform such tests (or retain qualified third parties to perform such tests) and to provide all of the data from such tests, together with Developer's analysis and reports related to such tests, at Developer's sole cost and expense, to Utility at Utility's reasonable request.

b. Plant Site Tests. Utility will obtain all required tests upon the Plant Site (hereinafter defined) in order to comply with all applicable laws. Utility agrees to perform such tests (or retain qualified third parties to perform such tests) and to provide all of the data from such tests, together

with Utility's analysis and reports related to such tests, at Utility's sole cost and expense, to Developer at Developer's reasonable request.

1.7 Developer shall ensure (and if necessary for uses other than residential, lagoon amenity and ancillary entertainment facilities and office warehouse, construct pre-treatment facilities to ensure) that all wastewater delivered to Utility meets the criteria for domestic wastewater pursuant to Utility's then-controlling tariff. Any wastewater delivered to Utility that does not meet such criteria must be pretreated by Developer so as to meet such criteria prior to delivery to Utility.

1.8 Notwithstanding anything to the contrary herein, the Parties agree that the terms, conditions, rights and obligations of this Agreement shall not become effective until the closing of the land sale via a separate agreement (the "Purchase Agreement") in which Developer shall sell, and Utility shall purchase, the Plant land ("Plant Site").

2.

CONSTRUCTION OF THE SYSTEM

2.1 With the exception of the Plant, all other facilities and equipment described in this Paragraph 2.1 including the wastewater collection system, are referred to herein as the "System". As a prerequisite and condition to the obligation of Utility to provide wastewater utility service, Developer agrees with Utility to do the following:

(a) Prior to the initiation of construction of the System, provide copies of the plans and specifications of the System to Utility for its review and reasonable suggestions and recommendations, provided however that the final approval of the plans and specifications of the System shall remain with Developer.

(b) Developer shall be responsible for obtaining (at its sole cost and expense) the approval of any applicable governmental or regulatory authorities in order that the System complies with applicable law.

(c) After review by Utility of such plans and specifications and the approval by governmental authorities of such plans and specifications, Developer shall commence and complete the construction and installation of the System (including ancillary infrastructure associated therewith) necessary to provide wastewater service to each of the proposed lots within the Development, as set forth in more detail on the list of System facilities on Exhibit C hereto, in a good and workmanlike manner, using only new materials and in material accordance with the plans and specifications approved by Utility and by applicable governmental authorities.

(d) As part of the completion of the System, Developer will install the sewer lateral lines terminating at a cleanout on each lot near the right-of-way line and the sewer laterals shall be in conformance with standard details approved by the Utility and by applicable governmental authorities.

(e) The Parties agree that Developer will also be solely responsible for designing and constructing any required lift stations (other than any lift station(s) that may be required to be installed by Utility on the Plant Site), subject to Utility's same review, approval and inspection as a part of the System.

(f) Developer shall locate the System in easements or property dedicated to the Utility, and provide any and all easements on the Land which are reasonably necessary and/or reasonably requested by Utility, (in each case, in the locations approved by Developer), to allow Utility to provide services to each lot within the Development and to allow the Utility's system to function properly to provide wastewater services to the Land now or in the future. Developer will convey to Utility via special warranty deed a tract of real property of approximately 10.2 acres.

(g) Promptly upon the signing of a construction contract for the construction of the System, Developer will share such contract and the associated construction schedule with Utility (the "System Construction Contract Date").

(h) Within ten business days of the System Construction Contract Date, Developer will also provide Utility with reasonable proof of sufficiency of funds to complete the Development. It is contemplated that the cost for the design, installation and construction of the System shall be financed by the issuance of bonds which would be issued by a newly formed community development district (the "CDD Bonds") that the Developer intends to be created pursuant to Chapter 190 of the Florida Statutes in connection with the financing of the development and construction of certain infrastructure and amenities for the Development (the "CDD"). Utility agrees that the proposed issuance of the CDD Bonds for the financing of the construction of the System will constitute reasonable proof of sufficiency of funds to complete the construction of the System.

(i) Design and construction costs of lift stations for the project, except on the Plant site, shall be the responsibility of the Developer. Design and construction costs of lift stations on the Plant site shall be the responsibility of the Utility.

(j) Developer shall at a minimum provide to Utility at least quarterly updates on the status of the lots and the Development, including with respect to (i) forecast of lot buildouts for the next quarter, (ii) progress made and location in the construction cycle and (iii) count of lots under construction as well as lots completed. Developer and Utility, and their respective consultants or contractor, shall meet on a regular basis, a minimum every three months, to communicate progress and provide schedule updates for the Land, System and Plant.

(k) Developer represents and warrants to Utility that the System shall be sufficient to serve the wastewater utility requirements of the LUEs for the Development reserved hereunder.

3.

CONSTRUCTION OF THE PLANT

3.1 Utility agrees with Developer to do the following in connection with the construction, operation and maintenance of the Plant:

(a) Utility will be solely responsible for designing and constructing the wastewater treatment plant, (the "Plant") in compliance with applicable law and with sufficient capacity to provide wastewater services for 2,000 LUEs at full build out for the Development and the Land. In no event shall the Utility use any portion of the Plant or any portion of the Plant Land to provide wastewater services to any real property residential or commercial use or development which is not located on the Land. The construction of the Plant is planned, designed and intended to be implemented by Utility in three (3) construction phases as described on Exhibit H attached hereto in accordance with applicable law and with sufficient capacity to meet the level of actual and planned demand for wastewater services of the Development during any point of the Term, up to the LUEs reserved hereunder.

(b) Prior to the initiation of construction of the Plant, Utility shall provide copies of the plans and specifications of the Plant to Developer for its review and reasonable suggestions and recommendations, provided however that the final approval of the plans and specifications of the Plant shall remain with Utility.

(c) Utility shall be responsible for obtaining (at its sole cost and expense) the approval of any applicable federal, state, county and local governmental or regulatory authorities in order that the Plant may comply with applicable law.

(d) Utility shall obtain, at Utility's sole cost and expense, all required federal, state, county and local permits, approvals and consents to construct, operate and maintain the Plant on the Plant site (collectively, the "Plant Permits") and Utility shall provide to Developer a complete set of such Plant Permits to Developer upon receipt.

(e) Promptly upon the signing of a construction contract for the construction of the Plant, Utility will share such contract and the associated construction schedule with Developer (the "Plant Construction Contract Date").

(f) Prior to the commencement of the construction of the Plant, Utility shall provide to Developer a payment and performance bond issued by a recognized national surety company reasonably acceptable to Developer (the "Surety") with in the face amount of such bond equal to 100% of the cost to construct the Plant (the "Payment and Performance Bond") which insures the payment and performance of the obligations of Utility under this Agreement solely with respect to the construction of the Plant. Utility shall pay for the cost of the Payment and Performance Bond.

(g) Developer and Utility acknowledge the desire to construct the System and the Plant in accordance with this Agreement in order to avoid delays and premature expenditures. Utility will be required to start construction on the Plant within thirty (30) days after (i) Utility (a) receives all required permits and government approvals and (b) has acquired from Developer or its designee legal title to the real property on which the Plant will be constructed, and (ii) Developer has (a) provided to Utility the proof of funds as set forth herein, and commenced construction of the System.

(h) In accordance with its obligations under s. 367.111, Florida Statutes and Rule 25-30.231, Florida Administrative Code, the Utility shall be responsible for the operation and maintenance of (i) the System after the System has been conveyed to the Utility in accordance with the terms of this Agreement and (ii) the Plant upon completion of construction and Utility shall be responsible for all costs incurred in the operation and maintenance of such System and such Plant.

(i) One or more representative(s) of Developer shall be entitled to attend (whether in person or via telephone conference or Zoom conference) the scheduled construction meetings held by Utility during the construction of the Plant. One or more representative(s) of Utility shall be entitled to attend (whether in person or via telephone conference or Zoom conference) the scheduled construction meetings held by Developer during the construction of the Development and the System.

(j) In the event the Plant is not ready to provide wastewater services when required hereunder, Utility will, at its sole cost, take actions necessary to provide a temporary solution for the provision of wastewater service required hereunder until the date that the construction of the Plant has been finally completed and the Plant is fully operational for the benefit of the Development with all required governmental permits and approvals at no additional cost to the Developer or the Development which comply, in all material respects, with applicable laws (the "Temporary Sewer Facilities"). Utility will continue to provide such Temporary Sewer Facilities to Developer and the Development until the date that the construction of the Plant has been finally completed and the Plant is fully operational for the benefit of the Development with all required governmental permits and approvals. Each of the end users for wastewater services in the Development shall be required to pay to Utility for the use of the Temporary Sewer Facilities with the same connection fees and monthly utility fees which would have been charged by Utility for the use by the end users of the completed Plant, but any additional costs or expenses solely with respect to Temporary Sewer Facilities, in excess of such connection fees and monthly utility fees, shall be borne by Utility and shall not be paid or reimbursed by Developer or the Development. When the Plant is finally completed and fully operational with all required Plant Permits and governmental approvals, and subject to applicable rules and regulations (e.g. including Utility's tariffs), the end users in the Development

shall not be required to pay a separate connection charge to commence using the Plant if such end user had previously paid to Utility a connection charge to use the Temporary Sewer Facilities.

4.

CONDITIONS PRECEDENT TO SERVICE

4.1 Utility will provide retail wastewater utility services to each residential or commercial customer located within the Development according to Utility's wastewater tariffs then in effect, provided that Utility's obligations to provide service to each such customer within the Development will be subject to the satisfaction of (or Utility's waiver, in writing) of the following conditions:

(a) The completed installation of the System and the inspection and review of such by Utility and the inspection, review, approval and acceptance of such by all applicable governmental agencies. Developer's conveyance to Utility of (i) title to the System and (ii) all real property and easements encumbering the Land in the location approved by Developer which are necessary for the construction, operation and maintenance thereof, all free and clear of all liens, encumbrances and restrictions other than the Permitted Exceptions. The conveyance of the System to Utility shall be pursuant to a Utility Conveyance Agreement in the form of the attached Exhibit E. The System shall not be conveyed to Utility until Utility has provided notice to Developer in writing that each of the following has occurred: (i) the inspection and acceptance of the Plant by all applicable agencies has occurred and been approved by all applicable governmental agencies and (ii) the initial phase of the Plant is fully operational or the temporary wastewater solution described in Section 3.1(j) is ready and operational for the Project; and

(b) All easements to be located on the Land reasonably necessary for the operation of the System and the provision of wastewater services to the Development has been conveyed to Utility free and clear of liens and encumbrances; and Utility has ownership of the utility site for the Plant and the requirements of Section 5.1 have been met with respect to such site for the Plant; and

(c) All applicable Capacity Reservation Fees due to Utility with respect to any building with an issued certificate of occupancy shall have been fully paid; and

(d) All charges pursuant to Utility's wastewater tariffs as approved by regulatory authorities, or any other governing body having jurisdiction, as applied to commercial customers (including, e.g., connection/tap fees), are paid; and

(e) At the final completion of the System and the closing of the conveyance of the System to Utility pursuant to the Utility Conveyance Agreement, then, Developer shall have also provided to Utility a two (2) year maintenance bond for 100% of the System being conveyed, in a form reasonably acceptable to Utility and the applicable government or regulatory authority and has also conveyed any warranties Developer received on such System to Utility, to the extent assignable (provided that, solely with respect to warranties received by Developer to which the bond provided in this provision is applicable, such received warranties shall be capped by the amount of such bond and by the effective term of such bond); and

(f) Developer shall have transferred to Utility its wastewater discharge permit, to the extent assignable; and

(g) All applicable regulatory and/or governmental permits (including, without limitation, the Plant Permits) and approvals have been obtained.

Once Developer has satisfied the conditions precedent to retail wastewater utility service listed in subparagraph 4.1(a)-(g), Utility agrees to provide retail wastewater utility service to each connection or customer within the Development that have paid the appropriate LUE fees.

5.

DEEDS, EASEMENTS, UTILITY SITES, REPRESENTATIONS AND WARRANTIES

5.1 Developer shall assign to Utility all necessary easements in and on the Land in the locations approved by Developer in order that Utility, after the construction of the System, may own, access, and operate the System. Utility shall construct the Plant on the Plant Site. Developer expressly warrants the System will be located within the easements which Utility can use to maintain and operate the System. Developer agrees to provide for stormwater drainage and detention design and construction required for the Plant. Developer and Utility agree that the Developer shall cause the utility site(s) to meet the following criteria:

- (a) Developer shall construct an access driveway the Plant Site. The access driveway shall include an all-weather surface and be able to provide access to the Plant Site in the event of a 25-year storm.
- (b) The Plant Site shall have potable water service and waste water-connections to the System extended to the Plant Site by Developer. The Plant Site shall have 480V three-phase electrical service and potable water service extended to such Plant Site by the Developer. Developer shall coordinate with Utility with respect to dry utilities capacity requirements for Plant site. Utility will prepare the application for obtaining retail service from electrical provider.
- (c) The Developer will provide fill material for the Plant Site so that the Utility may grade the Plant Site to those elevations reasonably designated by the Utility Engineer and further described in **Exhibit F** attached hereto.

5.2 Developer hereby represents and warrants to Utility as follows:

(a) Authorization and Enforceability. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Developer and constitute the valid and binding obligations of Developer which are enforceable in accordance with its terms.

(b) Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Developer, threatened or affecting the properties to be sold hereunder and there are no pending condemnation proceedings of which Developer is aware connected with the System Facilities or other properties to be conveyed hereunder.

(c) No Violation of Other Contracts. This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which Developer is a party.

(d) No Violation of Applicable Law. This Agreement and/or any provisions herein do not conflict with any applicable federal, state or local law, order, directive, rule or regulation.

5.3 Utility hereby represents and warrants to Developer as follows:

(a) Authorization and Enforceability. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Utility and constitute the valid and binding obligations of Utility which are enforceable in accordance with its terms.

(b) Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Utility, threatened or affecting the properties to be sold hereunder and there are no pending condemnation proceedings of which Utility is aware connected with the proposed Plant.

(c) No Violation of Other Contracts. This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which Utility is a party.

(d) No Violation of Applicable Law. This Agreement and/or any provisions herein do not conflict with any applicable federal, state or local law, order, directive, rule or regulation.

6.

ALLOCATION AND TRANSFER OF LUE'S

6.1 This Agreement extends and applies only to the provision of wastewater to the Land in LUE units as described on Exhibit A hereto. Developer warrants that the legal description in Exhibit B is accurate, and that it is the owner of the Land, free and clear of any third party liens, except the Permitted Exceptions (as defined in Exhibit G attached hereto).

6.2 Subject to the last sentence of this Section 6.2, upon Developer's conveyance of the Land or any portion of the Land to a subsequent purchaser, such subsequent purchaser shall be responsible for the construction of the System and all other obligations of Developer under this Agreement and shall specifically, in writing, agree to all the terms and conditions of this Agreement. Developer covenants and agrees that it shall assign its rights, duties, and obligations under this Agreement to such subsequent purchaser in a form and manner reasonably acceptable to Utility, including the assignment of Utility's System capacity under this Agreement needed to provide service to the Land or portion of such Land so conveyed. For the avoidance of doubt, Utility shall not have an approval right with respect to the Developer's conveyance of the Land or any portion of the Land to a subsequent purchaser, but Utility shall have the right to consent, which consent shall not unreasonably withheld, with respect to the form and content of the assumption of Developer's obligations under this Agreement by such purchaser. This Section 6.2 does not apply to the sale of subdivided lots developed by Developer on the Land (i) to individual purchasers of such lots or (ii) to one or more homebuilders which acquire such subdivided lots in order to build single family homes thereon and to market and sell such homes to end users.

6.3 Utility acknowledges that a portion of the Land shall be conveyed by Developer to the CDD in order to facilitate the development of the Land and the construction of the System and such transfer to the CDD shall not (i) constitute a default under this Agreement or (ii) require any consent by Utility.

7.

NO WAIVER

7.1 A Party's failure to obtain or require compliance with any provision(s) of this Agreement in no way shall be construed and/or be a waiver of that particular requirement(s), and in no way precludes that Party from requiring such provision(s) at any time.

8.

NOTICES

8.1 Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by email *and* one of the following: (i) personal delivery; (ii) by overnight courier for next business day delivery; or (iii) by registered or certified mail, return receipt requested. Notice shall be effective: (x) for personal delivery, upon personal delivery; and (y) for overnight courier, registered mail, or certified

mail, upon written verification of receipt. Notice to the parties shall be sufficient if made or addressed as follows:

If to Developer:

Oak Stone LLC
2502 North Rocky Point Drive
Suite 1050
Tampa, FL 33607
Attn: John Ryan, Manager
Email: john@metrodg.com

If to Utility:

NI FLORIDA, INC.
1710 Woodcreek Farms Road
Elgin, SC 29045
Attn: Craig Sorensen
E-mail: csorensen@swwc.com

With a copy to:

TEXAS WATER UTILITIES, L.P.
2150 Town Square Place, Suite 400
Sugar Land, Texas 77479
Attn: General Counsel
E-mail: legal@swwc.com

9.

DEFAULT

9.1 In the event of default by either party with respect to this Agreement, the party not in default shall give to the defaulting party written notice of such default specifying the failure or default relied upon. If the defaulting party fails to fully cure such default specified in such notice within thirty (30) days after receipt of such notice or if such default cannot reasonably be cured within such thirty (30) day period and the defaulting party has failed to use reasonable efforts to attempt to cure such default within sixty (60) days after the expiration of such 30-day time period, then, the party not in default shall have the right to:

- (a) pursue specific performance of this Agreement; or
- (b) in the event of default by Developer with respect to the construction of the System, then, Utility may cure such default by Developer and seek a reimbursement of the funds used to cure such default from Developer; or
- (c) in the event of default by Utility with respect to the construction of the Plant, Developer may make written demand under the Surety under the Payment and Performance Bond and demand that the Surety under such Payment and Performance Bond cure such default by Utility to the extent applicable under the Payment and Performance Bond; or
- (d) commence legal action against the other party seeking damages against the other party for all damages and other liabilities caused by such default by such party and/or seeking the appointment of a receiver to oversee the completion of the construction of the System (with respect to Developer); or
- (e) seek any other remedy available to such party not in default at law, in equity, by statute, under this Agreement or otherwise.

10.

TERM

10.1 The initial term of this Agreement runs fifteen (15) years from the Effective Date (the "Term") and afterward automatically renews on an annual basis for one-year terms unless either Party provides written notice to in accordance with Paragraph 8 that it is electing to terminate this Agreement.

11.
GENERAL

11.1 This Agreement shall be governed by and be construed in accordance with the laws of the State of Florida, without regard to its conflict of law principles. Exclusive venue for any dispute will be in a court of appropriate jurisdiction in and for DeSoto County, Florida.

11.2 If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law or public policy or otherwise unenforceable, the remaining provisions shall remain in full force and effect, and the parties shall negotiate, in good faith, a substitute, valid, and enforceable provision which most nearly reflects the parties' stated intention as set forth in such affected provision.

11.3 It is understood and agreed that no brokers are involved in the negotiation and consummation of this Agreement, and each of the parties represents to the other that it has not incurred and will not incur any liability for brokerage fee or agent commissions in connection with this Agreement.

11.4 In the event this Agreement or any provisions herein shall be found contrary to or in conflict with any applicable law, order, directive, rule or regulation, the latter shall be deemed to control, but nothing in this Agreement shall prevent either Party from contesting the validity of any such law, order, directive, rule, or regulation, nor shall anything in this Agreement be construed to require either Party to waive its respective rights to assert the lack of jurisdiction of any governmental agency other than the Commission, over this Agreement or any part thereof.

11.5 Time is of the essence with respect to all matters covered by this Agreement.

11.6 This Agreement shall bind the parties to this Agreement, their affiliates, successors, and assigns. No other persons or entities may enforce this Agreement or claim any benefits under this Agreement.

11.7 If any party is rendered unable, wholly or in part, by Force Majeure (hereinafter defined) to carry out any of its obligations under this Agreement, other than an obligation to pay or provide money, then such obligations of that party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period, provided however that written notice is given to each of the affected parties within five (5) business days of the occurrence of such event of Force Majeure. Such cause, as far as possible, shall be remedied with all reasonable diligence. As used in this Agreement, "Force Majeure" shall mean: acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of government of the United States or the State of Florida or any civil or military authority, insurrections, riots, acts of terrorism, epidemics, tornadoes, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and any other incapacities of either party, whether similar to those enumerated or otherwise, which are not within the control of the party claiming such inability, and which such party could not have avoided by the exercise of due diligence and care.

11.8 This Agreement constitutes the entire agreement between the parties relating to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, representations, covenants or warranties, whether oral or in writing, respecting this Agreement's subject matter. This Agreement shall be subject to change or modification only with the mutual written consent of Utility and Developer. Each

of the recitals to this Agreement is true and correct, and each recital is hereby incorporated into this Agreement for all purposes.

11.9 EACH OF DEVELOPER AND UTILITY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, DEVELOPER, OR UTILITY AND FOR ANY COUNTERCLAIM THEREIN (REGARDLESS OF THE LEGAL THEORY INVOLVED, WHETHER AT LAW, IN EQUITY, BY STATUTE, UNDER THE ACT, IN TORT, OR OTHERWISE).

11.10 Developer may assign all or any portion of its rights and obligations under this Agreement (i) to a CDD without the consent of Utility provided that CDD assumes Developer's assigned obligations under this Agreement and notice is promptly provided to Utility or (ii) to a purchaser of all or any portion of the Land in accordance with Section 6.2.

11.11 Developer shall not have an approval right with respect to Utility's assignment of this Agreement, but Developer shall have the right to consent, which consent shall not unreasonably withheld, with respect to the form and content of the assumption of Utility's obligations under this Agreement by such assignee; provided however that Utility may assign this Agreement to an affiliate without the consent of Developer.

11.12 If any action at law or equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

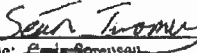
11.13 The parties to this Agreement are not partners or joint venturers with each other and nothing herein shall be construed to make them partners or joint venturers or impose any liability as such on either of them. The Parties agree that Utility will not be considered to be in privity with any contractors used by Developer.

11.14 In performing their respective obligations under this Agreement, the Parties will abide by and comply with all applicable federal, state, and local laws, rules and regulations, including, without limitation, those related to bribery and corruption. Additionally, Developer understands that Utility prohibits employees from engaging in activities that could create even the appearance of a conflict of interest. Developer will take no actions to induce any of Utility's employees into any conflicts of interest.

* * * * * *Signature Page Follows* * * * * *

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to Provide Wastewater Services as of the Effective Date.

NI FLORIDA, INC.

By: 
Name: Craig Sorensen
Title: President

OAK STONE LLC


By: 
Name:
Title:

Exhibit A
LUE Criteria

- A. A living unit equivalent (LUE) is defined as the typical flow that would be produced by a single-family residence (SFR) located in a typical subdivision. For water this includes consumptive uses such as lawn watering and evaporative coolers. The number of LUE's for a project are constant; only the flows are different.

One (1) LUE produces: 0.54 GPM (Peak Hour) of water flow
 0.32 GPM (Peak Day) of water flow
 230 GPD (0.160 G.P.M.) average dry weather flow

- B. Peak Flow Factor Formula

$$PPF = \frac{18 + [0.0144 (F)]^{0.5}}{4 + [0.0144 (F)]^{0.5}} \quad F = \text{AVERAGE FLOW (GPM)}$$

RESIDENTIAL

LUE CONVERSION

One (1) Single Family Residence Modular Home; Mobile Home	1 LUE
One (1) Duplex	2 LUE's
One (1) Triplex; Fourplex; Condo Unit P.U.D. unit (6+ Units/Acre to 24 Units/Acre)	0.7 LUE/Unit
One (1) Apartment Unit (24 + Units/Acre)	0.5 LUE/Unit
One (1) Hotel or Motel Room	0.5 LUE/Room

COMMERCIAL

LUE CONVERSION

Office	1 LUE/1533 Square Feet of Floor
Office Warehouse	1 LUE/4000 Square Feet of Floor
Retail; Shopping Center	1 LUE/2300 Square Feet of Floor
Restaurant; Cafeteria	1 LUE/200 Square Feet of Floor
Hospital	1 LUE/Bed
Rest Home	1 LUE/2 Beds
Church (Worship Services Only)	1 LUE/70 Seats
School (Includes Gym and Cafeteria)	1 LUE/13 Students

The LUE conversions to uses not described above will be determined by Utility, in its reasonable discretion in accordance with applicable law.

C. Additional Terms

Developer agrees to install a minimum 1,000 gallon, two-compartment grease trap, unless otherwise approved, to serve each proposed restaurant, food service establishment or other user that in the opinion of Utility's engineer, may discharge fats, oils and/or greases to the wastewater system. Grease traps may not be shared between separate users without Utility's prior written consent.

* * * * *

Exhibit B
Description of the Land
(Entire Project)

Exhibit B

DESCRIPTION:

A tract of land located in Section 29 and 30, Township 39 South, Range 23 East, DeSoto County, Florida, being more particularly described as follows:

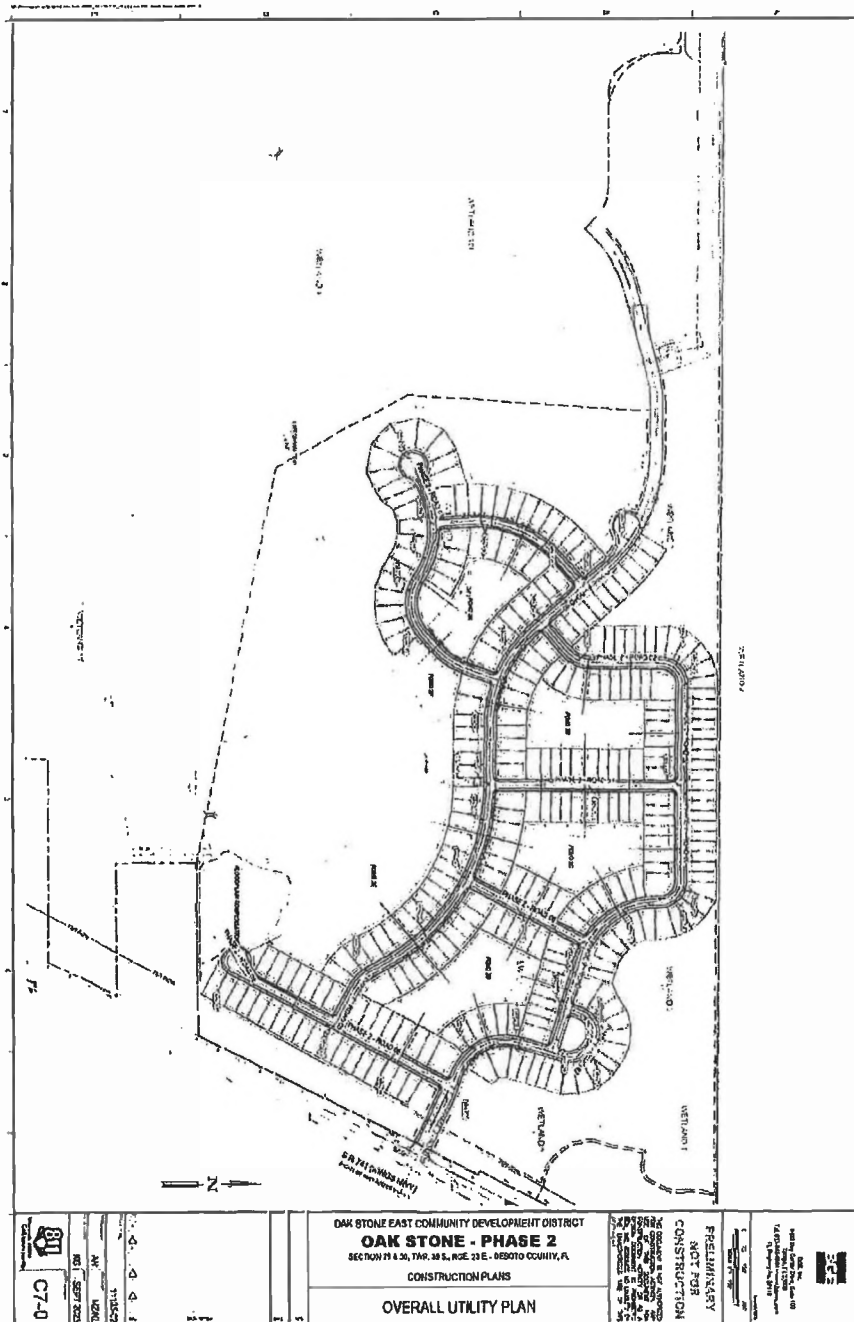
BEGINNING at the Southwest corner of said Section 30, run thence N. 00°04'04" E., along the West line of said Section 30, 2168.72 feet to a point on the Northwestern right of way of former Seaboard Coastline Railroad; thence N. 51°14'02" E., along said Northwestern right of way, 4986.09 feet to the North line of said Section 30; thence N. 89°58'19" E., along said North line, 1421.03 feet to the Northeast corner of said Section 30; thence S. 89°36'36" E., along the North line aforesaid Section 29 4606.96 feet; thence leaving said North line, run S. 00°23'20" W., 34.71 feet; thence 100.86 feet in a southerly direction along a non-tangent curve turning to the left, having a central angle of 30°24'43", with a radius of 190.00 feet, having a chord bearing of S. 06°48'06" W. and a chord distance of 89.67 feet; thence 83.35 feet in a southerly direction along a reverse tangent curve turning to the right, having a central angle of 35°22'29", with a radius of 135.00 feet, having a chord bearing of S. 09°16'59" W. and a chord distance of 82.03 feet; thence S. 26°58'16" W., 61.41 feet; thence 82.82 feet in a southwesterly direction along a tangent curve turning to the right, having a central angle of 73°00'14", with a radius of 65.00 feet, having a chord bearing of S. 63°28'22" W. and a chord distance of 77.33 feet; thence N. 79°34'21" W., 46.99 feet; thence S. 10°01'10" W., 120.33 feet; thence S. 18°33'09" W., 80.62 feet; thence 285.38 feet in a southeasterly direction along a non-tangent curve turning to the left, having a central angle of 86°03'29", with a radius of 190.00 feet, having a chord bearing of S. 41°37'10" E. and a chord distance of 269.30 feet; thence S. 63°01'45" E., 65.00 feet to the Westerly right of way of State Road S-741 (Kings Highway) (County Road 769); thence along said Westerly right of way the following four (4) courses: 1) S. 26°58'15" W., 176.42 feet; 2) S. 29°13'31" W., 74.10 feet; 3) S. 63°47'30" E., 17.90 feet; 4) S. 26°12'30" W., 1236.72 feet to the North right of way of 33rd Avenue, per Plat Book 4, Page 10 of the Public Records of DeSoto County; thence S. 89°36'40" W., along said North right of way 681.34 feet to the West right of way of Rakney Street, per aforesaid Plat Book 4, Page 10; thence S. 00°09'22" W., along said West right of way 320.01 feet to the South right of way of 32nd Avenue, said Plat Book 4, Page 10; thence N. 89°36'40" E., along said North right of way 523.88 feet to aforesaid Westerly right of way of State Road S-741; thence S. 26°12'30" W., along said Westerly right of way 305.52 feet; thence leaving said Westerly right of way, run N. 89°53'26" W., 799.38 feet; thence S. 00°01'12" E., 520.04 feet; thence N. 89°53'04" W., 2883.60 feet to a point on the West line aforesaid Section 29; thence N. 89°14'49" W., 3311.55 feet; thence S. 00°02'53" W., 2192.59 feet to the South line aforesaid Section 30; thence N. 89°07'20" W., 1999.84 feet to the POINT OF BEGINNING.

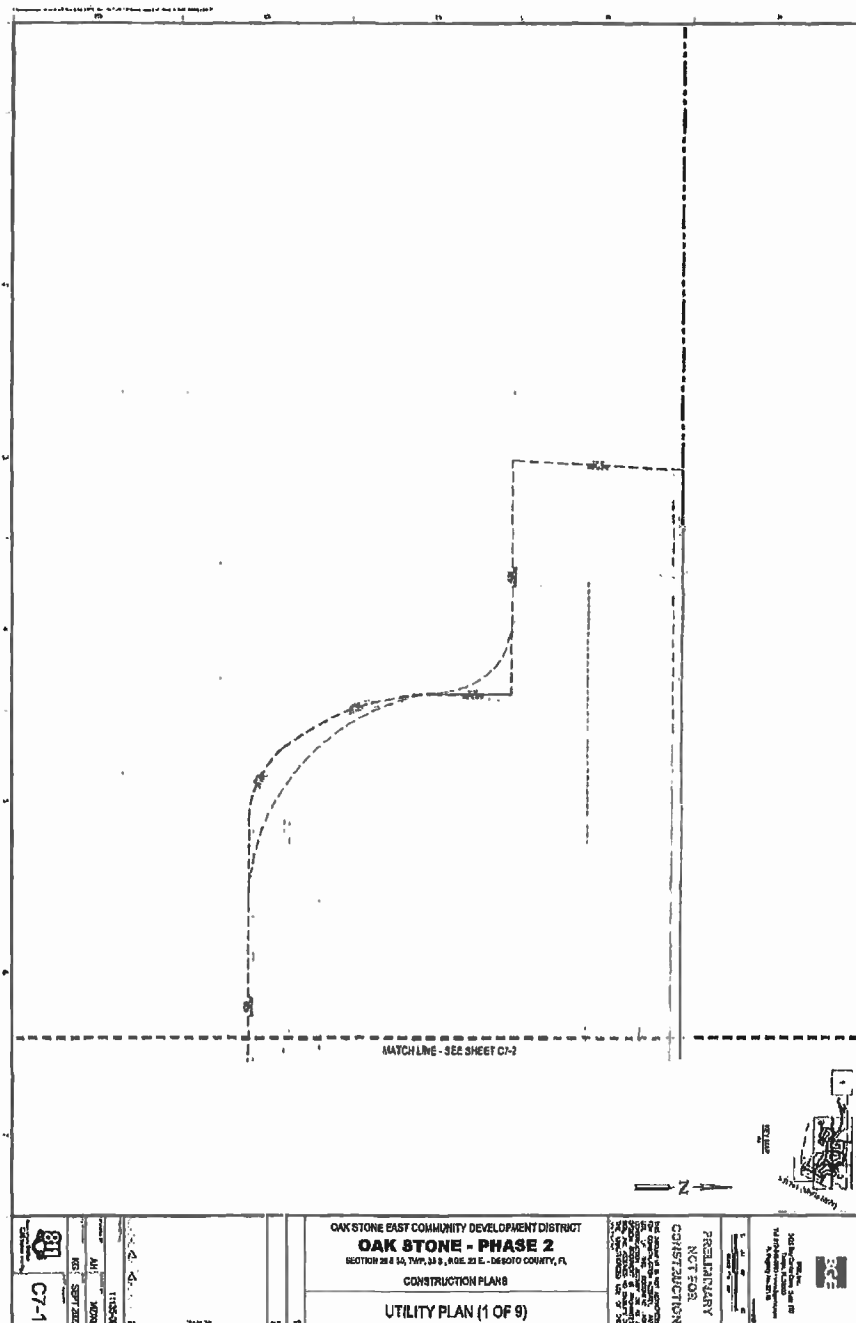
Exhibit C

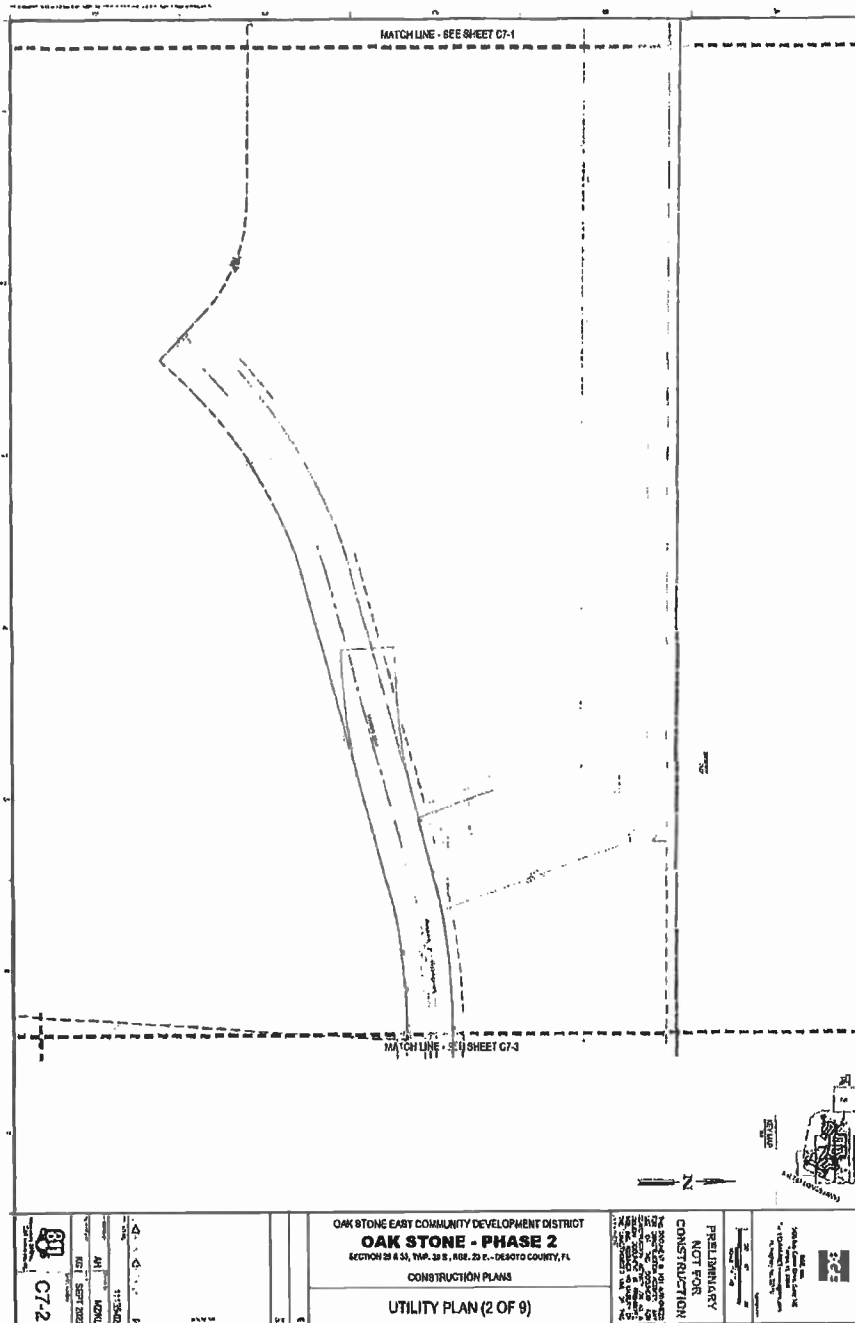
List of System Facilities

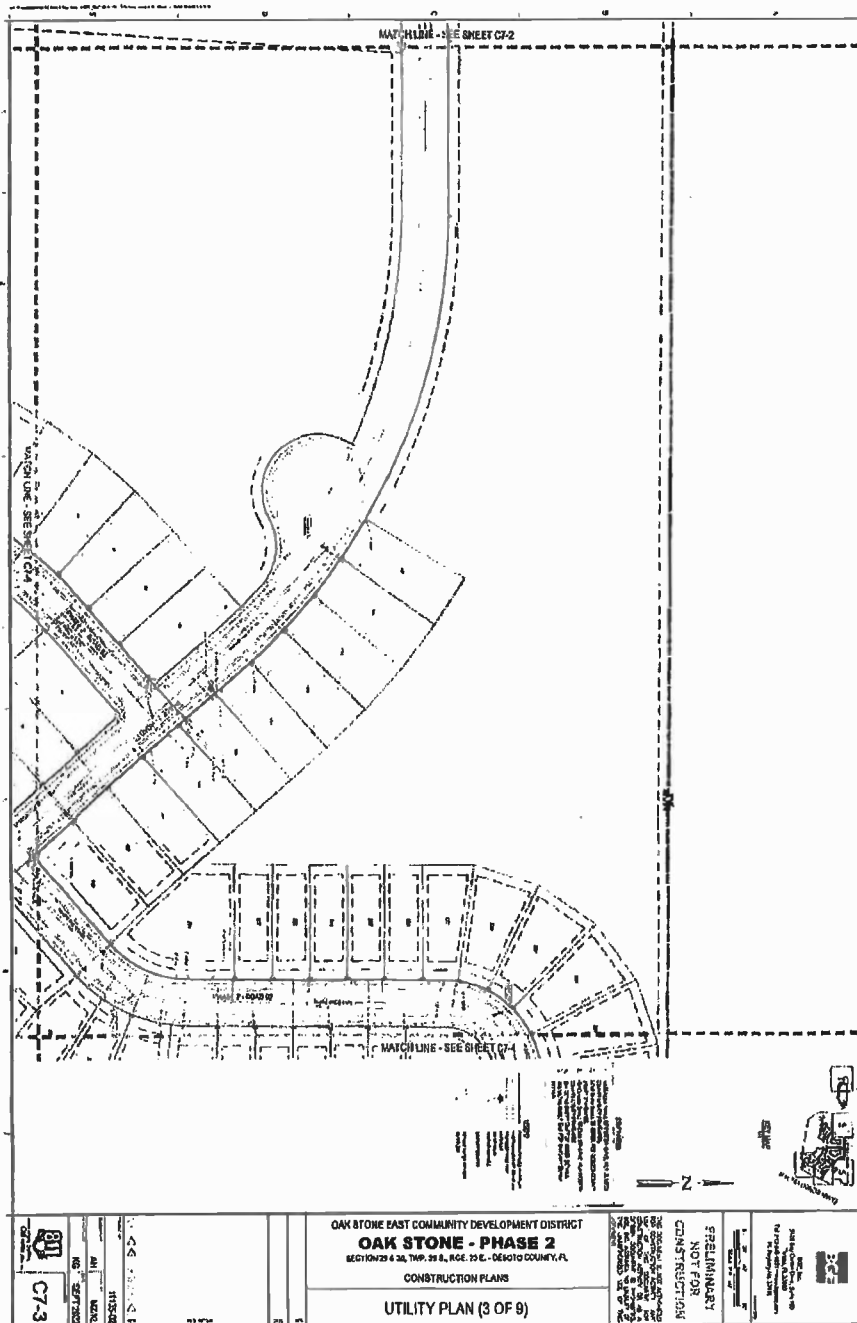
[To be attached.]

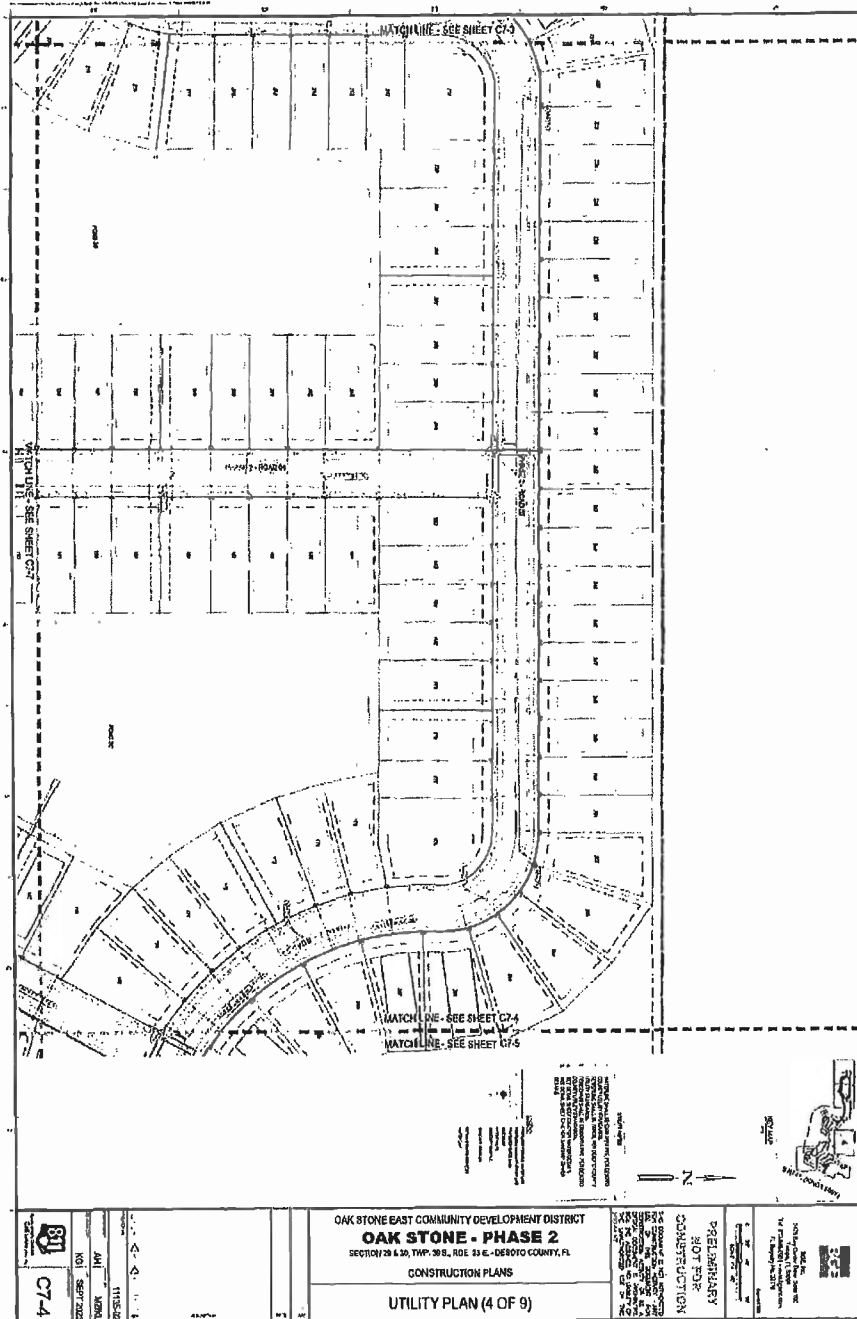
"Phase 2" as set forth in this Exhibit C will be the initial phase of development and construction for residential units requiring service from the Utility.

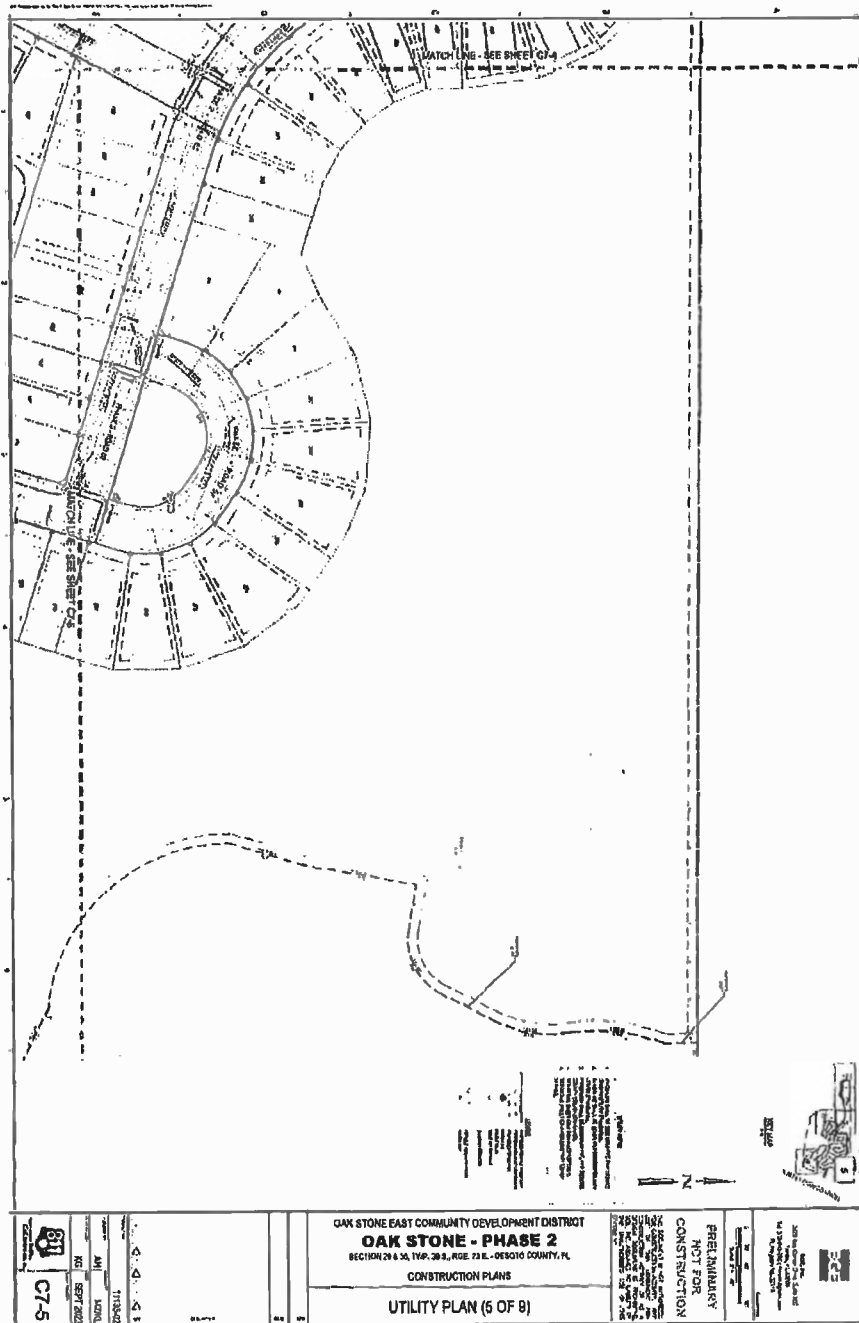


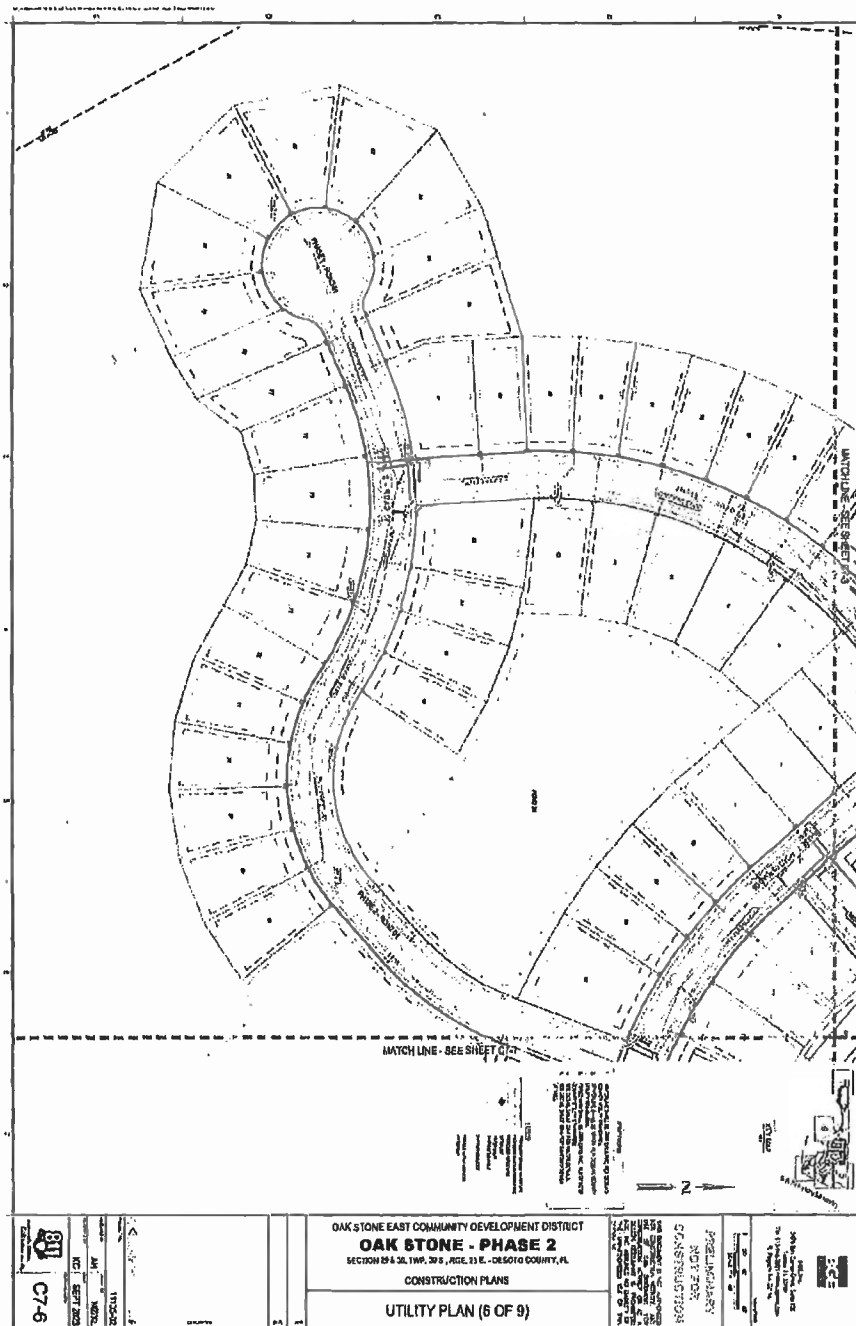


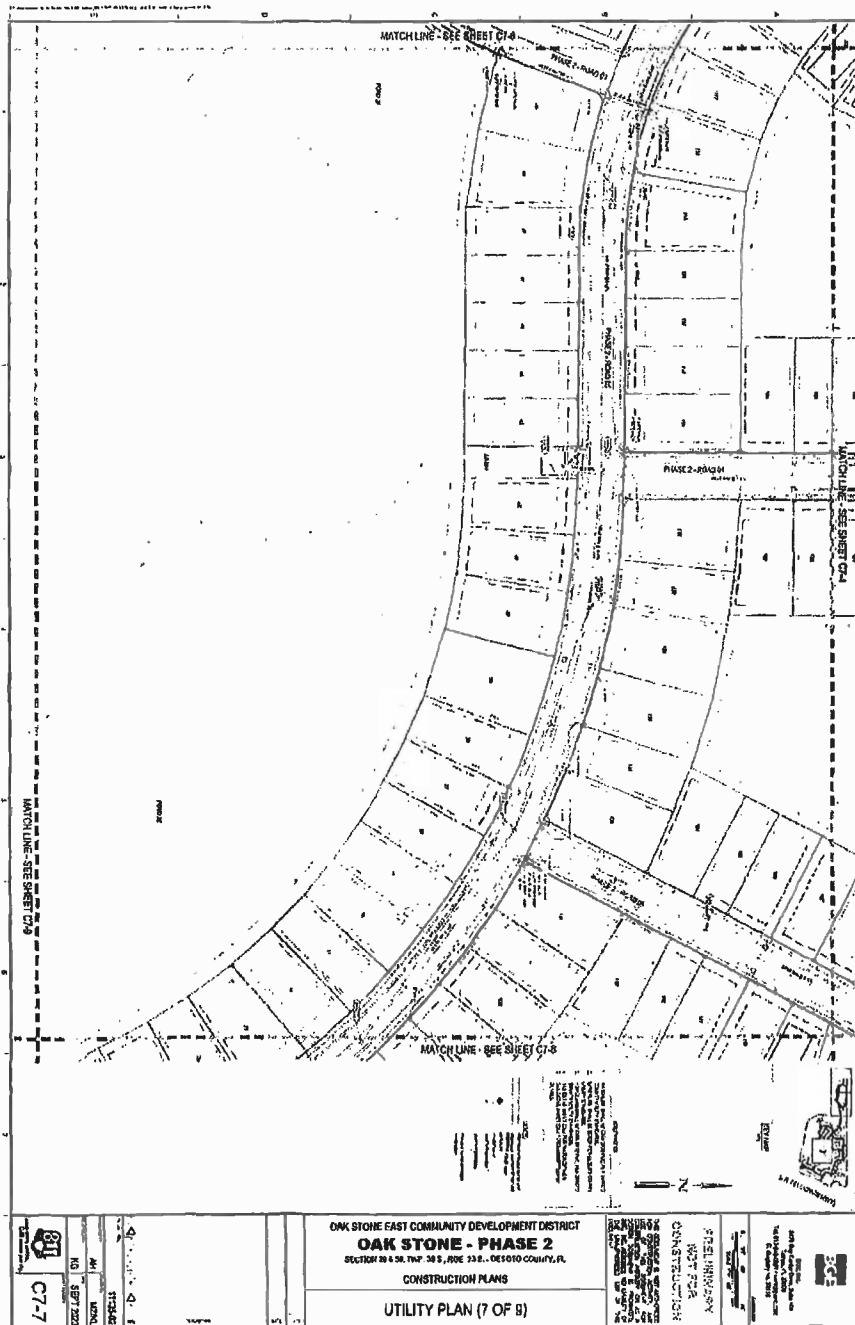


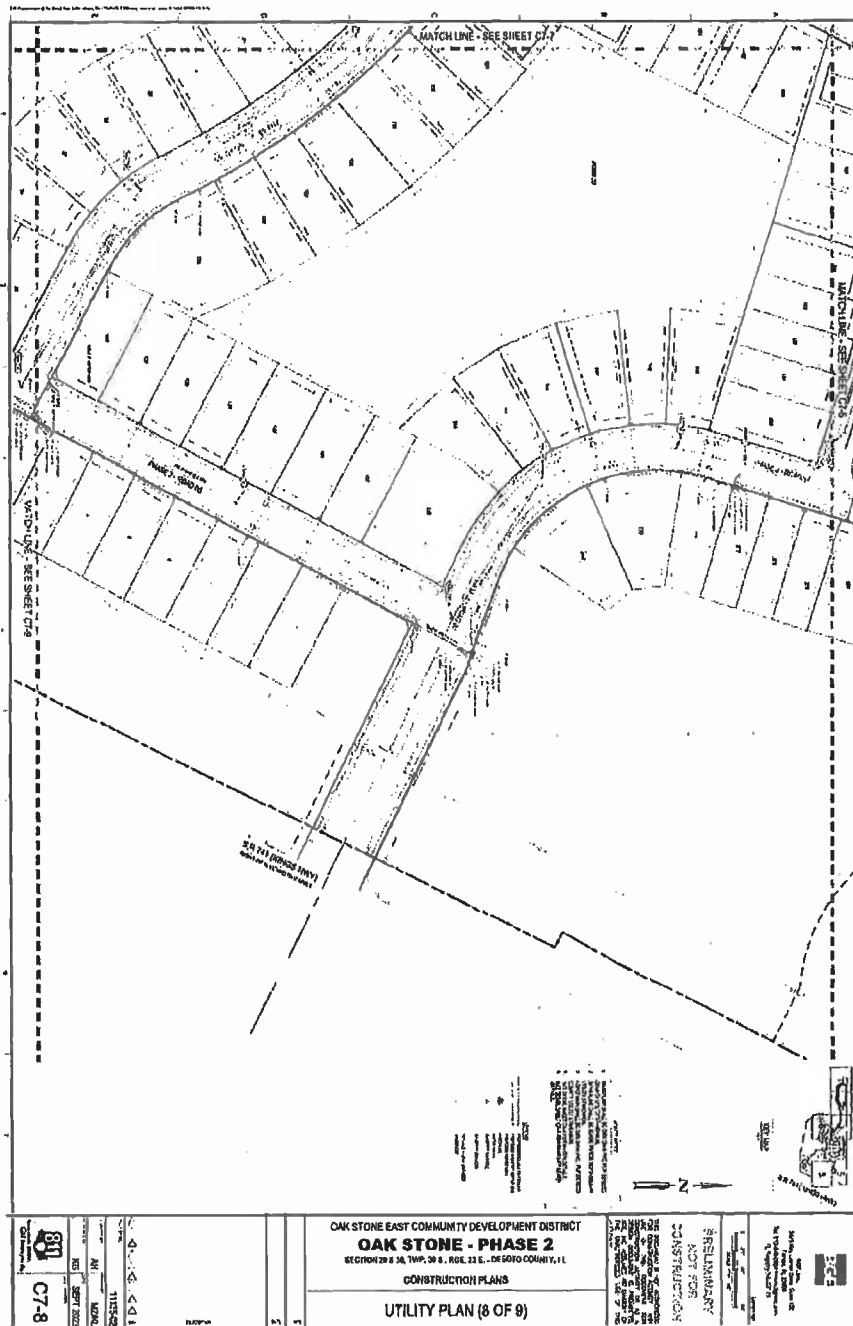


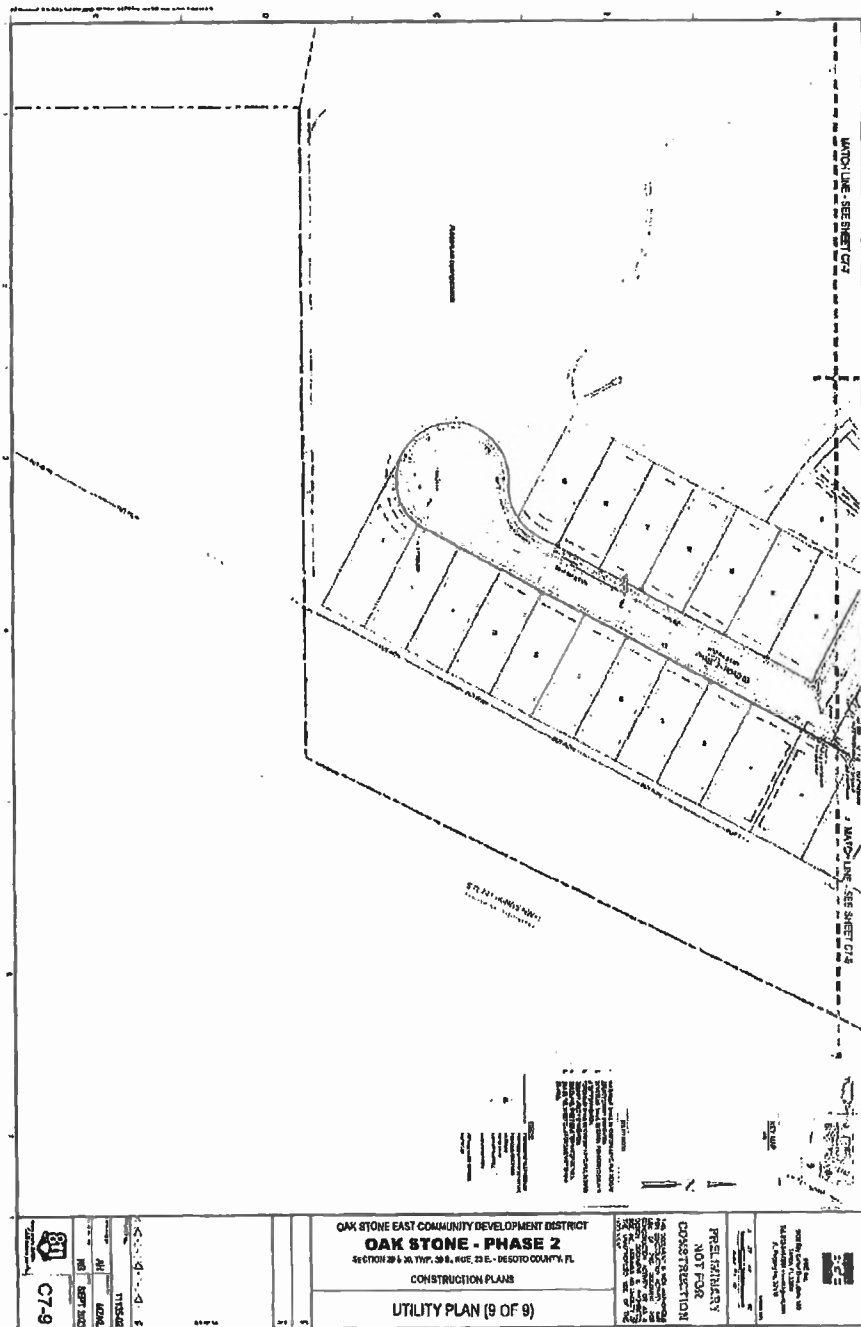












OAK STONE EAST COMMUNITY DEVELOPMENT DISTRICT
OAK STONE - PHASE 2
 SECTION 23 & 24, TWP. 36 S., RGE. 72 E., BESSIE COUNTY, PL.

CONSTRUCTION PLANS

SANITARY STRUCTURE TABLE

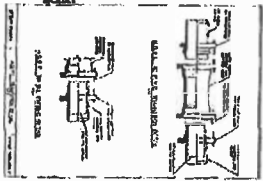
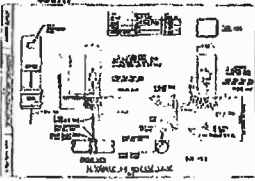
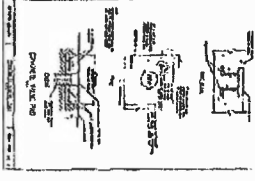





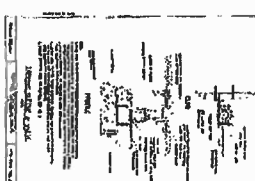





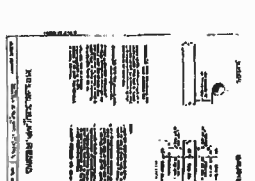
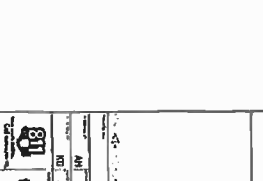








PRELIMINARY
NOT FOR
CONSTRUCTION

Scale: 1" = 10' - 0"

North Arrow

Structure Details:

- 1-A: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-B: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-C: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-D: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-E: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-F: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-G: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-H: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-I: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-J: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-K: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-L: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-M: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-N: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-O: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-P: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-Q: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-R: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-S: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-T: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-U: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-V: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-W: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-X: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-Y: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.
- 1-Z: 12' x 12' x 12' concrete structure with 12' x 12' x 12' concrete walls and 12' x 12' x 12' concrete floor.

		
		
		
		
		
		
<p>OAK STONE EAST COMMUNITY DEVELOPMENT DISTRICT OAK STONE - PHASE 2 SECTION 01.29 & 30, T109, 20 S., R06E, 23 E., SEC. 23 & 24, CO. 01, FLA.</p>		
<p>CONSTRUCTION PLANS</p>		
<p>UTILITY DETAILS (1 OF 2)</p>		
		
		

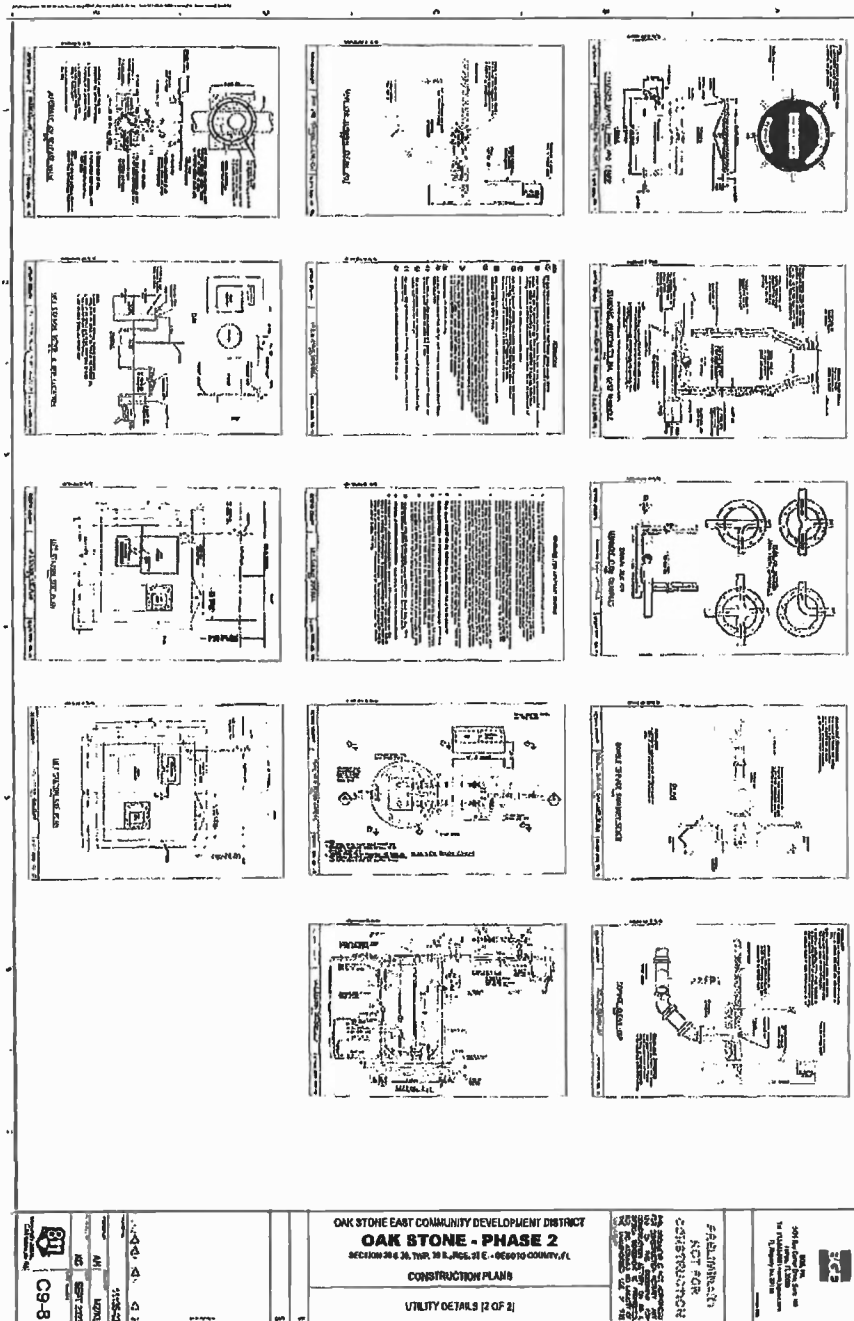


Exhibit D
Plant Construction Schedule

Exhibit D

**Estimated Design, Permitting, & Construction Schedule
Oak Stone WWTP & Perc Ponds**

<u>Critical Tasks</u>	<u>Duration</u>	<u>Start Date</u>	<u>End Date</u>
Complete WWTP & Perc Pond Plans	2 mo	4/25/2024	6/15/2024
Complete FDEP Permit Application & associated Exhibits	2 wks	6/15/2024	6/30/2024
FDEP Review & Approval	2-1/2 mo **	7/1/2024	9/15/2024
Construction Bidding or Negotiating	1 mo	9/15/2024	10/15/2024
Construction Phase	12-15 mo **	10/15/2024	10/15/2025
FDEP Approval to Place Into Service	2 wks **	Best Case	11/1/2025
Construction Completion		Worst Case	1/15/2026
FDEP Approval to Place Into Service	2 wks **	Worst Case	2/1/2026

** Schedule depends on other entities

Exhibit E

Form Utility Conveyance Agreement

UTILITY CONVEYANCE AGREEMENT

This Utility Conveyance Agreement ("Agreement") is made and entered into by and between [•]
(the "Utility") and [•] (the "Developer").

RECITALS

- A. On or about _____, 202__, Utility and Developer entered into an Agreement to Provide Wastewater Service ("Developer Agreement"), pursuant to which Utility agreed to provide retail wastewater service to the Land.
- B. The Developer Agreement, a true and correct copy of which is attached hereto as Exhibit 1, is incorporated by this reference.
- C. Developer now wishes to convey, and Utility wishes to take title to, the System, which have been constructed by Developer, so that Utility can provide wastewater service to the Land.

AGREEMENT

For and in consideration of the premises and of the mutual obligations, covenants, and benefits hereinafter set forth, Utility and Developer contract and agree as follows:

2. Definitions. Unless a different meaning is ascribed herein, capitalized terms used herein shall have the same meaning as in the Developer Agreement.
3. Sale and Purchase. Developer hereby sells, conveys, transfers, and delivers to Utility all of the System ("System Facilities") along with, to the extent assignable, the permits listed on Schedule 2 attached hereto, free and clear of all liens, claims, encumbrances, options, charges, reservations, or restrictions; provided however that Utility acknowledges that the System Facilities will be located in, on or under land which is encumbered by water, sewer and/or general utility easement(s) recorded in the public records of the County and/or included in recorded plat(s) encumbering such land.
4. Assignment. Developer hereby assigns all of its rights under the construction contracts for the construction of the System Facilities to Utility and agrees to make provision for the transfer of any performance and payment bonds, and guarantees and warranties executed by the contractor and all other

rights of Developer pursuant to the provisions of such construction contracts. Developer shall provide Utility a copy of each construction contract.

5. Representations by Developer. Developer represents to Utility that:

(a) Title. All the properties of Developer covered by this Agreement are hereby conveyed to Utility, free and clear of all liens, claims, encumbrances, options, charges, reservations, and restrictions.

(b) Rights-of-Way, Easements, etc. Developer represents and warrants that the System Facilities are located in public utility easements as shown on recorded plats or easements sufficient for the operation thereof that are assigned to Utility. Developer further represents that all governmental permits required for the System Facilities (excluding any governmental permits required for the Plant), including their construction, have been obtained.

(c) Additional Easement(s). All of the System Facilities that are not located in public utility easements as shown on recorded plats are within easements granted to the Utility, which are being specifically assigned to Utility in a form reasonably acceptable to Utility. The private easements are as follows: _____.

(d) Possession. Developer is in possession of the System Facilities and Developer has received no written objection to the location or use of the System Facilities or adverse claims of title to the lands, easements, rights-of-way, licenses, permits, or leases on which the System Facilities are situated is presently being asserted by any person or persons.

(e) Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Developer, threatened or affecting the properties to be sold hereunder and there are no pending condemnation proceedings of which Developer is aware connected with the System Facilities or other properties to be conveyed hereunder.

(f) Material Defects in System Facilities. Developer represents and warrants that the System Facilities does not have any material defects that would prohibit Utility's use of the System Facilities to be conveyed hereunder.

(g) Authorization. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Developer.

(h) No Violation of Other Contracts. This Agreement, and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein will not violate or constitute a breach of any contract or other agreement to which Developer is a party.

(i) "Record" or "As-Built" Drawings and Engineer's Certificate. Contemporaneously herewith Developer has provided Utility with a complete set of "record or as-built" drawings, together with a certificate by a registered professional engineer that the System Facilities were constructed as indicated on the drawings.

6. Plans and Specifications. Developer warrants and represents that the System Facilities are constructed in accordance with the plans and specifications previously approved by the Utility in accordance with the Developer Agreement.

7. Expenses. Except as specifically set forth herein, each party shall pay its own expenses incident to carrying this Agreement into effect and consummating all transactions contemplated hereby. All ad valorem or property taxes applicable to the System Facilities to the date of closing, including, without limitation, all taxes for [] and any "rollback" taxes assessed due to a change in land usage, shall be the obligation of Developer.

8. Further Assurances. Developer agrees that from time to time and upon the request of Utility, Developer will execute and deliver such other instruments of conveyance and transfer and take such other action as may be reasonably required to more effectively convey, transfer to, and vest in Utility and to put Utility in possession of all of the System Facilities conveyed, transferred, and delivered hereunder.

9. Representations Survive Conveyance. The agreements and representations made by the parties to this Agreement shall survive the conveyance of the System Facilities.

10. Miscellaneous. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida and can be changed or terminated only by an agreement in writing signed by the parties hereto. This Agreement embodies the entire understanding between the parties and there are no prior effective representations, warranties, or agreements between the parties. Venue for any dispute arising out of this Agreement shall be the courts in and for DeSoto County, Florida.

******Signature Page Follows******

WITNESS the execution of this Agreement in multiple counterparts, each of equal dignity, as of
the ____ day of _____, 20__.

[•]

By: _____
Name:
Title:

[•]

By: _____
Name:
Title:

THE STATE OF FLORIDA

§

§

COUNTY OF _____

§

This instrument was acknowledged before me on the ____ day of _____, 20__, by
_____, _____ of _____, on behalf of said _____.

Notary Public Signature

(Seal)

NOTARY PUBLIC

THE STATE OF _____

§

§

COUNTY OF _____

§

This instrument was acknowledged before me on the ____ day of _____, 20__, by
_____, _____ of _____, on behalf of said limited liability
company.

Notary Public Signature

(Seal)

Exhibit F

Fill Dirt Quantity Not To Exceed 48,000 cubic yards

"Fill Dirt" shall have the meaning as set forth in the Purchase Agreement.

Exhibit G

Permitted Exceptions

Each of the title exceptions listed in the Owner's Title Insurance Policy for the Land.

Exhibit H
Plant Construction Phasing
Phase 1: 260 LUE's
Phase 2: 870 LUE's
Phase 3: 870 LUE's
Total: 2,000 LUE's