



Public Service Commission

ORIGINAL

-M-E-M-O-R-A-N-D-U-M-

17

DATE: June 16, 1998

TO: Division of Records and Reporting

FROM: Division of Legal Services (Gervasi) *RS*

RE: Docket No. 960288-SU - Application for approval of reuse project plan in Seminole County by Alafaya Utilities, Inc.

Please file the attached letter with attachments dated June 15, 1998, in the docket file for the above-referenced docket.

RG/dr

cc: Division of Water and Wastewater (Chase, Lingo, McRoy, VonFossen)

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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ROBERT M. C. BURE
OF COUNSEL

June 15, 1998

VIA HAND DELIVERY

Roseanne Gervasi, Esquire
Florida Public Service Commission
Legal Division
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 960288-SU; Application of Alafaya Utilities, Inc.
for Approval of Reuse Project Plan
Our File No. 30057.05

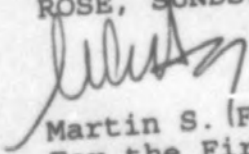
Dear Roseanne:

Enclosed is a copy of the Developer Agreements which have been executed on behalf of Live Oak Reserve, Ltd. and Richland Seminole Ranch, Ltd. You will recall from our meeting last week that these developers will be withdrawing their objections upon execution of the Developer Agreement. I am today forwarding these Developer Agreements by overnight delivery to Alafaya Utilities, Inc. for appropriate execution. Since these Agreements have been previously negotiated, I see no reason why they would not be executed on behalf of Alafaya Utilities, Inc.

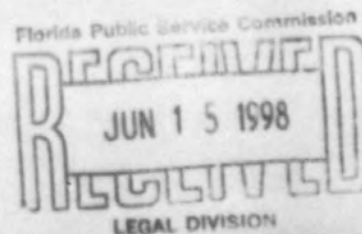
Please do not hesitate to give me a call, should you have any questions regarding this matter.

Very truly yours,

ROSE, SUNDSTROM & BENTLEY, LLP


Martin S. Friedman, P.A.
For the Firm

MSF:tmg
Enclosure
cc: Mr. Andy Dopuch (w/out enclosure)
Mr. Don Rasmussen (w/out enclosure)
alafaya\reuse\2gervasi.1tr



DEVELOPER AGREEMENT

~~April~~ ^{June} THIS AGREEMENT made and entered into this 11 day of ~~April~~ ^{June}, 1998, by and between RICHLAND SEMINOLE RANCH, LTD., a Florida limited partnership, hereinafter referred to as "Developer," and ALAFAYA UTILITIES, INC., a Florida corporation, hereinafter referred to as "Service Company,"

WHEREAS, Developer owns or controls lands located in Seminole County, Florida, and described in Exhibit "A," attached hereto and made a part hereof as if fully set out in this paragraph and hereinafter referred to as the "Property," and Developer has plans to develop the Property by constructing thereon residential and commercial units; and

WHEREAS, Developer desires that the Service Company provide central wastewater collection, and reuse services for Developer's property herein described; and

WHEREAS, the Service Company is willing to provide, in accordance with the provisions of this Agreement and Service Company's Service Availability Policy, central wastewater and reuse services to the Property and thereafter operate applicable facilities so that the occupants of the improvements on the Property will receive an adequate wastewater collection, treatment disposal and reuse services from Service Company;

NOW, THEREFORE, for and in consideration of the premises, the mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1.0 The foregoing statements are true and correct and incorporated herein.

2.0 The following definitions and references are given for the purpose of interpreting the terms as used in this Agreement and apply unless the context indicates a different meaning:

2.1 "Consumer Installation" - All facilities ordinarily on the consumer's side of the Point of Delivery.

2.2 "Contribution-in-aid-of-Construction (CIAC)" - The sum of money and/or the value of property represented by the cost of the wastewater collection systems including lift stations and treatment plants, and reuse facilities constructed or to be constructed by a Developer or owner, which Developer or owner transfers, or agrees to transfer, to Service Company at no cost to Service Company to provide wastewater and reuse services to the Property.

2.3 "Equivalent Residential Connection (ERC)" - A factor used to convert a given average daily flow (ADF) to the equivalent

number of residential connections. For this purpose the average daily flow of one equivalent residential connection (ERC) is 280 gallons per day (gpd). The number of ERC's contained in a given ADF is determined by dividing that ADF by 280 gpd. The determination of the number of ERC's for the Property shall be subject to factoring as outlined in Service Company's Service Availability Policy.

2.4 "Point of Delivery" - The point where the wastewater collection and reuse pipes of Service Company are connected with the wastewater collection and reuse pipes of the consumer. Unless otherwise indicated, the Point of Delivery shall be at the consumer's property/lot line.

2.4 "Property" - The area or parcel of land described in Exhibit "A."

2.5 "Service" - The readiness and ability on the part of Service Company to furnish and maintain wastewater and reuse services to the Point of Delivery (pursuant to applicable rules and regulations of applicable regulatory agencies).

3.0 "Assurance of Title. Within a period of forty-five (45) days after the execution of this Agreement, at the expense of Developer, Developer agrees to deliver to Service Company a copy of Title Insurance Policy issued to the Developer or an opinion of title from a qualified attorney-at-law, with respect to the Property, which opinion shall include a current report on the status of the title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens and covenants. The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service and conveyance by Developer contained in this Agreement.

4.0 "Connection Charges. Developer shall pay those System Capacity Charges as set forth in Exhibit "B" hereto. Payment of the connection charges does not and will not result in Service Company waiving any of its rates or rules and regulations, and their enforcement shall not be affected in any manner whatsoever by Developer making payment of same. Service Company shall not be obligated to refund to Developer any portion of the value of the connection charges for any reason whatsoever, nor shall Service Company pay any interest or rate of interest upon the connection charges paid.

4.1 Neither Developer nor any person or other entity holding any of the Property by, through or under Developer, or otherwise, shall have any present or future right, title, claim or interest in and to the connection charges paid or to any of the wastewater or reuse facilities and properties of Service Company, and all prohibitions applicable to Developer with respect to no refund of

connection charges, no interest payment on said connection charges and otherwise, are applicable to all persons or entities.

4.2 Any user or consumer of wastewater and/or reuse service shall not be entitled to offset any bill or bills rendered by Service Company for such service or services against the connection charges paid. Developer shall not be entitled to offset the connection charges against any claim or claims of Service Company.

5.0 Payment. Developer may pay system capacity charges on a phase-by-phase basis with such charges payable upon commencement of construction of the infrastructure for each such phase. Capacity is only reserved upon payment of the system capacity charges.

6.0 The parties agree that the capacity needed to provide service to the Property is approximately 289,000 gallons per day for wastewater removal based upon the ultimate project scope. Developer agrees that the number of units of capacity reserved hereby shall not exceed the number of units of development for which capacity is reserved hereby pursuant to Exhibit B. Developer agrees that wastewater to be treated by Service Company from Developer's property will consist of domestic wastewater and further agrees that it will not allow any abnormal strength wastewater to flow from Developer's property to the Utility's wastewater treatment facility that will cause harm to the treatment process. In addition, Developer further agrees that no wastewaters, fluids or other substances and materials shall be discharged to Service Company's sanitary wastewater collection/transmission system which contains any hazardous, toxic and/or industrial constituents. Developer grants to Service Company the right to sample the Developer's wastewater, as referred to hereinabove, to verify Developer's compliance with this paragraph.

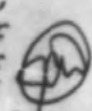
7.0 On-Site and Off-Site Systems. Developer hereby covenants and agrees to construct the on-site wastewater collection, and reuse systems. The term "on-site wastewater collection and reuse systems" means and includes all wastewater collection lines, facilities and equipment, and reuse lines constructed within the boundaries of Developer's Property adequate in size to serve each lot or unit within the Property or as required by Service Company, but shall not include any Consumer Installations. Developer hereby covenants and agrees to construct the off-site wastewater collection systems, and Service Company covenants and agrees to construct the off-site reuse system. The term "off-site wastewater collection, and reuse systems" means and includes all wastewater collection lines, facilities and equipment, and reuse lines constructed to connect the on-site wastewater collection, and reuse systems" to Service Company's existing wastewater collection, and reuse systems.

7.1 Developer shall cause to be prepared five (5) copies of the applications for permits and four (4) sets of finalized engineering plans prepared and sealed by a professional engineer registered in the State of Florida. Plans shall show the on-site and off-site wastewater collection system, and the on-site reuse system proposed to be installed to provide service to the Property. The initial set of detailed plans shall be limited to the off-site wastewater collection system. Thereafter, such detailed plans may be limited to the first development phase only, and subsequent phases may be furnished from time to time. However, each such development phase shall conform to a master plan for the development of the Property and such master plan shall be submitted to Service Company concurrent with or prior to submission of engineering plans for the first development phase. Developer reserves the right to modify its master plan any time in such a manner as to not unduly interfere with Service Company's existing facilities and upon modification, shall submit four copies of the modified plan to Service Company. The cost of any modifications to Service Company's existing systems or to its Master Plan that are caused by Developer's modifications or changes shall be borne by Developer. Developer shall cause its engineer to submit to Service Company specifications governing the material to be used and the method and manner of installation. All such plans and specifications submitted to Service Company's engineer shall meet the minimum specifications of Service Company and shall be subject to the approval of Service Company, which approval shall not be unreasonably withheld. No construction shall commence until Service Company and appropriate regulatory agencies have approved such plans and specifications in writing. When permits and approved plans are returned by appropriate regulatory agencies to Developer, Developer shall submit to Service Company one copy of the permits and approved plans.

7.2 After the approval of plans and specifications by Service Company and appropriate regulatory agencies, Developer, or the engineer of record, shall set up a preconstruction conference with engineer of record, utility contractor, appropriate building official(s), all other utility companies involved in the development of the Property, and Service Company.

7.3 Developer shall provide to Service Company's inspector, twenty-four (24) hours notice prior to commencement of construction. Developer shall cause to be constructed, at Developer's own cost and expense, the on-site and off-site wastewater collection, and on-site reuse systems as shown on the approved plans and specifications.

7.4 During the construction of the wastewater collection, and reuse systems by Developer, Service Company shall have the right to inspect such installations to determine compliance with the approved plans and specifications. The engineer of record shall also inspect construction to assure compliance with the approved

plans and specifications. Service Company, engineer of record and utility contractor shall be present for all standard tests for pressure, exfiltration, line and grade, and all other normal engineering tests to determine that the systems have been installed in accordance with the approved plans and specifications, and good engineering practices. Developer agrees to pay to Service Company, or Service Company's authorized agent, a reasonable sum to cover the cost of inspection of installations made by Developer or Developer's contractor. It is estimated that such cost of inspection shall be approximately ~~\$~~ One Thousand Dollars (\$1,000.00) per phase. 

7.5 Upon completion of construction, Developer's engineer of record shall submit to Service Company a copy of the signed certification of completion submitted to the appropriate regulatory agencies. The engineer of record shall also submit to Service Company ammonia mylars of the as-built plans prepared and certified by the engineer of record.

7.6 By these presents, Developer hereby transfers, subject to the completion of construction of facilities, to Service Company, title to the on-site and off-site systems installed by Developer or Developer's contractor pursuant to the provisions of this Agreement. Such conveyance shall take effect at the time Service Company issues its final letter of acceptance. As further evidence of said transfer of title, upon the completion of the installation, but prior to the issuance of the final letter of acceptance and the rendering of service by Service Company, Developer shall:

- 7.6.1 Convey to Service Company, by bill of sale in form reasonably satisfactory to Service Company's counsel, the on-site and off-site systems as constructed by Developer and approved by Service Company. This bill of sale shall include the final cost breakdown of the actual costs of installation of the on-site and off-site systems.
- 7.6.2 Provide Service Company with copies of invoices from contractor for installation of the on-site and off-site systems.
- 7.6.3 Provide Service Company with copies of Releases of Lien for said invoices.
- 7.6.4 Assign any and all warranties and/or maintenance bonds and the rights to enforce same to the Service Company which Developer obtains from any contractor constructing the on-site and off-site systems. If Developer does not obtain such written warranty and/or maintenance bond from its contractor and deliver same to Service Company, which warranty and/or maintenance bond shall be for a minimum period of one year, then in such event, Developer, by the terms of this instru-

ment, agrees to indemnify and save harmless the Service Company for any loss, damages, costs, claims, suits, debts or demands by reason of latent defects in the systems which could not have been reasonably discovered upon normal engineering inspection, for a period of one year from the date of acceptance by the Service Company of the on-site and off-site systems or from the date which Service Company should reasonably have accepted the on-site and off-site systems.

- 7.6.5 Provide to the Service Company an executed affidavit of release of liens in form reasonably satisfactory to Service Company's counsel for the on-site and off-site systems installed by Developer by reason of work performed or services rendered in connection with the installation of the on-site and off-site systems.
- 7.6.6 Provide Service Company with all appropriate operations/maintenance and parts manuals for the on-site and off-site systems.
- 7.6.7 Further cause to be conveyed to Service Company easements and/or rights-of-way covering all areas in which the on-site and off-site systems are installed, with adequate legal access to same, by recordable document in form reasonably satisfactory to Service Company's counsel. Without limitation on the foregoing, each such easement will provide that the Service Company can use the easements or right-of-way will not be planted with any trees or obstructed by any structure, and that Service Company shall have no obligation to replant any plants or shrubbery or repair any structures located within said easements or right-of-way.

7.7 Service Company agrees that the issuance of the final letter of acceptance for on-site and off-site systems installed by Developer shall constitute the assumption of responsibility by Service Company for the continuous operation and maintenance of such system from that date forward.

8.0 Easements. Developer hereby grants and gives to Service Company, its successors and assigns, but subject to the terms of this Agreement, the exclusive right or privilege to construct, own, maintain or operate the wastewater and reuse facilities to serve the Property, and the exclusive right or privilege to construct, own, maintain and operate said facilities in, under, upon, over and across the present and future streets, roads, alleys, and easements reserved utility strips and utility sites, and any public place as provided and dedicated to public use in the record plats, or as provided for in agreements, dedications, or grants made otherwise and is independent of said record plats. Mortgagees, if any,

holding prior liens on the Property shall be required to either release such liens, subordinate their position or join the grant or dedication of the easements or rights-of-way, or give to Service Company assurance by way of a non-disturbance agreement, that in the event of foreclosure, mortgagees would continue to recognize the easement rights of Service Company, as long as Service Company complies with the terms of this Agreement. All wastewater collection facilities and reuse facilities, save and except consumer installations, shall be covered by easements or rights-of-way if not located within the platted or dedicated roads or rights-of-way for utility purposes.

8.1 Developer hereby further agrees that the foregoing grants include the necessary right of ingress and egress to any part of the Property upon which Service Company is constructing or operating utility facilities. The foregoing grants shall be for such period of time as Service Company or its successors or assigns require such rights, privileges or easements in the construction, ownership, maintenance, operation or expansion of the wastewater facilities. The parties agree that in the event Developer and Service Company agree to install any of the wastewater facilities in lands within the Property lying outside the streets and easement areas described above, then Developer of the owner shall grant to Service Company the necessary easement or easements for such "private property" installation; provided, all such "private property" installations by Service Company shall be made in such a manner as not to interfere with the then primary use of such "private property". The use of easements granted by Developer to Service Company shall not preclude the use by other utilities of these easements, such as for cable television, telephone, electric, or gas utilities, or as otherwise agreed to by Service Company, provided each does not interfere with Service Company's use thereof.

8.2 Service Company hereby agrees that all easement grants will be utilized in accordance with the established and generally accepted practices of the wastewater industry with respect to the installation of its facilities in any of the easement areas.

9.0 Agreement to Serve. Upon the completion of construction of the on-site and off-site systems, their inspection, and the other terms of this Agreement and Service Company's Service Availability Policy, Service Company covenants and agrees that it will connect or oversee the connection of the on-site and off-site systems installed by Developer to the central facilities of Service Company in accordance with the terms and intent of this Agreement. Such connection shall at all times be in accordance with rules, regulations and orders of the applicable governmental authorities. Service Company agrees that once it provides wastewater and/or reuse services to the Property and Developer or others have connected Consumer Installations to its systems, that thereafter Service Company will continuously provide, at its cost and expense,

but in accordance with the other provisions of this Agreement, including rules and regulations and rate schedules, wastewater and reuse services to the Property in a manner to conform with all requirements of the applicable governmental authority having jurisdiction over the operations of Service Company.

10.0 Application for Service: Consumer Installations. Developer, or any owner of any parcel of the Property, or any occupant of any building or unit located thereon shall not have the right to and shall not connect any Consumer Installation until formal written application has been made to Service Company by the prospective user of service, or either of them, in accordance with the then effective rules and regulations of Service Company and approval for such connection has been granted.

11.1 Although the responsibility for connecting the Consumer Installation to the lines of Service Company at the Point of Delivery is that of the Developer or entity other than Service Company, with reference to such connections, the parties agree as follows:

- 11.1.1 All Consumer Installation connections must be inspected by Service Company before backfilling and covering of any pipes.
- 11.1.2 Notice to Service Company requesting an inspection of a Consumer Installation connection may be given by the plumber or Developer, and the inspection will be made within twenty-four (24) hours, not including Saturdays, Sundays, and holidays.
- 11.1.3 If Service Company fails to inspect the Consumer Installation connection within forty-eight (48) hours after such inspection is requested by Developer or the owner of any parcel, Developer or owner may backfill or cover the pipes without Service Company's approval and Service Company must accept the connection as to any matter which could have been discovered by such inspection.
- 11.1.4 If the Developer does not comply with the foregoing inspection provisions, Service Company may refuse service to a connection that has not been inspected until Developer complies with these provisions.

11.1.5 The cost of constructing, operating, repairing or maintaining Consumer Installations shall be that of Developer or a party other than Service Company.

11.1.6 If a commercial kitchen, cafeteria, restaurant or other food preparation or dining facility is constructed within the Property, the Service Company requires that a grease trap be constructed, installed and connected so that all wastewaters from any grease producing equipment within such facility, including floor drains in food preparation areas, shall first enter the grease trap for pretreatment before the wastewater is delivered to the lines of the Service Company. Size, materials and construction of such grease trap shall be approved by Service Company.

No substance other than domestic wastewater will be placed into the wastewater system and delivered to the lines of the Service Company. Should any non-domestic wastes, grease or oils, including, but not limited to, floor wax or paint, be delivered to the lines, the customer will be responsible for payment of the cost and expense required in correcting or repairing any resulting damage.

12.0 Exclusive Right to Provide Service. Developer, as a further and essential consideration of this Agreement, agrees that Developer, or the successors and assigns of Developer, shall not (the words "shall not" being used in a mandatory definition) engage in the business or businesses of providing wastewater or reuse services to the Property during the period of time Service Company, its successors and assigns, provide wastewater and/or reuse services to the Property, it being the intention of the parties hereto that under the foregoing provision and also other provisions of this Agreement, Service Company shall have the sole and exclusive right and privilege to provide wastewater and reuse services to the Property and to the occupants of such buildings or units constructed thereon.

13.0 Rates. Service Company agrees that the rates to be charged to Developer and individual consumers of wastewater and reuse services shall be those set forth in the tariff of Service Company approved by the applicable governmental agency. However, notwithstanding any provision in this Agreement, Service Company, its successors and assigns, may establish, amend or revise, from time to time in the future, and enforce rates or rate schedules so established and enforced and shall at all times be reasonable and subject to regulations by the applicable governmental agency, or as may be provided by law. Rates charged to Developer or consumers located upon the Property shall at all times be identical to rates charged for the same classification of service, as are or may be in effect throughout the service area of Service Company.

13.1 Notwithstanding any provision in this Agreement to the contrary, Service Company may establish, amend or revise, from time to time, in the future, and enforce rules and regulations covering wastewater and reuse services to the Property. However, all such rules and regulations so established by Service Company shall at all times be reasonable and subject to such regulations as may be provided by law.

13.2 Any such initial or future decreased or increased rates, rate schedules, and rules and regulations established, amended or revised and enforced by Service Company from time to time in the future, as provided by law, shall be binding upon Developer; upon any person or other entity holding by, through or under Developer; and upon any user or consumer of the wastewater and/or reuse services provided to the Property by Service Company.

13.3 The owners of all buildings constructed on the Property shall pay to Service Company those fees for wastewater and reuse services as are approved from time to time by the Florida Public Service Commission. These fees currently include a \$5.00 per month reuse availability fee for residential customers to which reuse service is available even if such owners do not utilize reuse services.

14.0 Binding Effect of Agreement. This Agreement shall be binding upon and shall inure to the benefit of Developer, Service Company and their respective assigns and successors by merger, consolidation, conveyance or otherwise, subject to the provisions of paragraph 28.0 hereof.

15.0 Notice. Until further written notice by either party to the other, all notices provided for herein shall be in writing and transmitted by messenger, by mail or by telegram, and if to Developer, shall be mailed or delivered to Developer at:

Richland Seminole Ranch, Ltd.
One Urban Centre
4830 W. Kennedy Boulevard, Suite 740
Tampa, Florida 33609
Attention: J. Curt Wilkinson

with a copy to:

Lowndes, Drosdick, Doster, Kantor
& Reed
215 North Eola Drive
Orlando, Florida 32801-2028
Attention: Hal Kantor, Esquire

and if to the Service Company, at:

Alafaya Utilities, Inc.
c/o Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062-6440
Attention: James Camaren, Chairman and CEO

with a copy to:

Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, FL 32714
Attention: Don Rasmussen, Vice President

with a copy to:

Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
Attention: William E. Sundstrom, P.A.

16.0 Laws of Florida. This Agreement shall be governed by the laws of the State of Florida and it shall be and become effective immediately upon execution by both parties hereto, subject to any approvals which must be obtained from governmental authorities, if applicable.

17.0 Costs and Attorney's Fees. In the event the Service Company or Developer is required to enforce this Agreement by Court proceedings or otherwise, by instituting suit or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, including reasonable attorney's fees, including such fees and costs of any appeal.

18.0 Force Majeure. In the event that the performance of this Agreement by either party to this Agreement is prevented or interrupted in consequence of any cause beyond the control of either party, including but not limited to Act of God or of the public enemy, war, national emergency, allocation or of other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil rights disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, earthquake, sinkhole or other casualty or disaster or catastrophe, unforeseeable failure or breakdown of pumping

transmission or other facilities (which will be repaired by Service Company as soon as reasonably possible), governmental rules or acts or orders or restrictions or regulations or requirements, acts or action of any government or public or governmental authority or commission or board or agency or agent or official or officer, the enactment of any statute or ordinance or resolution or regulation or rule or ruling or order, order or decree or judgment or restraining order or injunction of any court, said party shall not be liable for such non-performance. This provision shall not be applicable to the payment of connection charges by Developer to Service Company.

19.0 Indemnification. Each party agrees to indemnify and hold the other harmless from and against any and all liabilities, claims, damages, costs and expenses (including reasonable trial and appellate attorney's fees) to which such party may become subject by reason of or arising out of the other party's performance of this Agreement. This indemnification provision shall survive the actual connection to Service Company's wastewater and reuse systems. Notwithstanding any provision in this Developer Agreement to the contrary, Developer's obligations hereunder shall cease when all the residential lots on the Property have been conveyed to third party purchasers.

MISCELLANEOUS PROVISIONS

20.0 The rights, privileges, obligations and covenants of Developer and Service Company shall survive the completion of the work of Developer with respect to completing the facilities and services to any development phase and to the Property as a whole.

21.0 Upon the execution of this Agreement, Developer shall provide Service Company with a schedule of the build out of the development on the Property. On or before January 1, of each year, Developer shall provide Service Company with a revised build-out schedule specifically showing the anticipated number of units which will be constructed during the following two years. Service Company agrees to provide service in accordance with the schedule provided by Developer on an annual basis and upon payment of applicable service availability charges.

22.0 The rights, privileges, obligations and covenants of Developer and Service Company shall survive completion of the work of Developer with respect to completing the facilities and services to any development phase and to the Property as a whole.

23.0 This Agreement supersedes all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company, made with respect to the matters herein contained, and when duly executed, constitutes the

agreement between Developer and Service Company. No additions, alterations or variations of the terms of this Agreement shall be valid, nor can provisions of this Agreement be waived by either party, unless such additions, alterations, variations or waivers are expressed in writing and duly signed.

24.0 Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine, feminine and neuter genders shall each include the others.

25.0 Whenever approvals of any nature are required by either party to this Agreement, it is agreed that same shall not be unreasonably withheld or delayed.

26.0 The submission of this Developer Agreement for examination by Developer does not constitute an offer but becomes effective only upon execution thereof by Service Company.

27.0 Failure to insist upon strict compliance of any of the terms, covenants, or conditions herein shall not be deemed a waiver of such terms, covenants, or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time or times be deemed a waiver or relinquishment of such right or power at any other time or times.

28.0 Because of inducements offered by Developer to Service Company, Service Company has agreed to provide wastewater and reuse services to Developer's project. Developer understands and agrees that capacity reserved hereunder cannot and shall not be assigned by Developer to third parties without the written consent of Service Company, except in the case of a bona-fide sale of Developer's Property. Such approval shall not be unreasonably withheld. Moreover, Developer agrees that this Agreement is a superior instrument to any other documents, representations, and promises made by and between Developer and third parties, both public and private, as regards the provisions of wastewater service to Developer's property.

29.0 It is agreed by and between the parties hereto that all words, terms and conditions contained herein 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 in the interpretation of this Agreement.

30.0 The parties hereto recognize that prior to the time Service Company may actually commence upon a program to carry out the terms and conditions of this Agreement, Service Company may be required to obtain approval from various state and local governmental authorities having jurisdiction and regulatory power over the construction, maintenance and operation of Service Company. The Service Company agrees that it will diligently and

earnestly, at its sole cost and expense, make the necessary proper applications to all governmental authorities and others and will pursue the same to the end that it will use its best efforts to obtain such approvals.

31.0 Developer shall make available to Service Company and assist Service Company in the irrigation with reuse of open areas, greenbelts, lawns and other open areas of the residential phases of this project. Developer and/or consumers shall accept quantity of reuse as needed by them for irrigation purposes. Service Company shall be responsible for the obtainment of all necessary regulatory agency approvals and monitoring programs for all such irrigation activities.

32.0 The Developer, or a subsidiary, owns certain real property in the service area of the Service Company near the intersection of CR 419 and Lockwood Boulevard (hereinafter referred to as "River Oaks Reserve"). Notwithstanding anything in this Agreement to the contrary, the Developer shall have the right to assign wastewater capacity purchased hereunder for use in River Oaks Reserve without payment of additional fees or costs from Service Company.

IN WITNESS WHEREOF, Developer and Service Company have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement.

WITNESSES:

RICHLAND SEMINOLE RANCH, LTD.
CANYON MESA, INC., GENERAL PARTNER

Lisette D. Akins
Print Name LISETTE D. AKINS

By: [Signature]
Title: VICE PRESIDENT

Michelle M. Haeck
Print Name Michelle M Haeck

Attest: [Signature]

ALAFAYA UTILITIES, INC.

Print Name _____

By: _____

Print Name _____

Attest: _____

STATE OF FLORIDA
COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this _____ of
day of June, 1998, by _____ as _____ of
Alafaya Utilities, Inc., a Florida corporation, on behalf of the
corporation. He is personally known to me or has produced
_____ as identification.

Name: _____
Notary Public _____

My commission expires: _____

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 11th
day of June, 1998, by J. Curt Wilkinson, Vice President of Canyon
Mesa, Inc., General Partner of Richland Seminole Ranch, Ltd., a
Florida limited partnership, on behalf of the partnership. He
is personally known to me.

Nancy C. Enderlein
Name: Nancy C. Enderlein
Notary Public

My commission expires: 6/19/98

NANCY E. ENDERLEIN
Notary Public, State of Florida
My Comm. Expires June 19, 1998
No. CC 378875
Bonded Title Official Notary Service

PARCEL C:

FROM THE SOUTHEAST CORNER OF SECTION 13, TOWNSHIP 21 SOUTH, RANGE 31 EAST, IN SEMINOLE COUNTY, FLORIDA, RUN NORTH 1619.2 FEET, AND WEST 1041.9 FEET TO EASTERLY RIGHT OF WAY OF WILLINGHAM ROAD AND POINT OF BEGINNING; RUN THENCE NORTH 45°33' EAST ALONG SAID EASTERLY RIGHT OF WAY 300 FEET; THENCE SOUTH 44°27' EAST 300 FEET; THENCE SOUTH 45°33' WEST 300 FEET; THENCE NORTH 44°27' WEST 300 FEET TO THE POINT OF BEGINNING. RESERVING THE NORTHWESTERLY 8 FEET OF SAID DESCRIPTION FOR WIDENING OF WILLINGHAM ROAD RIGHT OF WAY AS RECORDED IN PUBLIC RECORDS OF SEMINOLE COUNTY, FLORIDA.

PARCEL D:

THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 21 SOUTH, RANGE 32 EAST. ALL LYING AND BEING SITUATE IN SEMINOLE COUNTY, FLORIDA.

CONTRIBUTIONS IN AID OF CONSTRUCTION

SYSTEM CAPACITY CHARGES

Developer agrees to pay Service Company the System Capacity Charges listed below to induce Service Company to reserve the system capacities for Developer's proposed connections. The Service Availability Charges shall be paid by Developer on a phase by phase basis at the time as construction commences on the infrastructure for each such phase. Developer understands that system capacity is only reserved upon payment of charges by Developer to Service Company. Said system capacity charges to be paid by Developer are those which are set forth in Service Company's Service Availability Policy approved by the Florida Public Service Commission and, accordingly, these charges may be changed from time to time with the approval of the Commission.

Payment Schedule

<u>Customer</u> <u>Category</u>	<u>Charge Per</u> <u>ERC</u>
Residential	\$640.00
General Service	\$640.00

DEVELOPER AGREEMENT

THIS AGREEMENT made and entered into this 11th day of ~~April~~ ^{June}, 1998, by and between LIVE OAK RESERVE LTD., a Florida limited partnership, hereinafter referred to as "Developer," and ALAFAYA UTILITIES, INC., a Florida corporation, hereinafter referred to as "Service Company,"

WHEREAS, Developer owns or controls lands located in Seminole County, Florida, and described in Exhibit "A," attached hereto and made a part hereof as if fully set out in this paragraph and hereinafter referred to as the "Property," and Developer has plans to develop the Property by constructing thereon residential and commercial units; and

WHEREAS, Developer desires that the Service Company provide central wastewater collection, and reuse services for Developer's property herein described; and

WHEREAS, the Service Company is willing to provide, in accordance with the provisions of this Agreement and Service Company's Service Availability Policy, central wastewater and reuse services to the Property and thereafter operate applicable facilities so that the occupants of the improvements on the Property will receive an adequate wastewater collection, treatment disposal and reuse services from Service Company;

NOW, THEREFORE, for and in consideration of the premises, the mutual undertakings and agreements herein contained and assumed, Developer and Service Company hereby covenant and agree as follows:

1.0 The foregoing statements are true and correct and incorporated herein.

2.0 The following definitions and references are given for the purpose of interpreting the terms as used in this Agreement and apply unless the context indicates a different meaning:

2.1 "Consumer Installation" - All facilities ordinarily on the consumer's side of the Point of Delivery.

2.2 "Contribution-in-aid-of-Construction (CIAC)" - The sum of money and/or the value of property represented by the cost of the wastewater collection systems including lift stations and treatment plants, and reuse facilities constructed or to be constructed by a Developer or owner, which Developer or owner transfers, or agrees to transfer, to Service Company at no cost to Service Company to provide wastewater and reuse services to the Property.

2.3 "Equivalent Residential Connection (ERC)" - A factor used to convert a given average daily flow (ADF) to the equivalent

number of residential connections. For this purpose the average daily flow of one equivalent residential connection (ERC) is 280 gallons per day (gpd). The number of ERC's contained in a given ADF is determined by dividing that ADF by 280 gpd. The determination of the number of ERC's for the Property shall be subject to factoring as outlined in Service Company's Service Availability Policy.

2.4 "Point of Delivery" - The point where the wastewater collection and reuse pipes of Service Company are connected with the wastewater collection and reuse pipes of the consumer. Unless otherwise indicated, the Point of Delivery shall be at the consumer's property/lot line.

2.4 "Property" - The area or parcel of land described in Exhibit "A."

2.5 "Service" - The readiness and ability on the part of Service Company to furnish and maintain wastewater and reuse services to the Point of Delivery (pursuant to applicable rules and regulations of applicable regulatory agencies).

3.0 "Assurance of Title." Within a period of forty-five (45) days after the execution of this Agreement, at the expense of Developer, Developer agrees to deliver to Service Company a copy of Title Insurance Policy issued to Developer or an opinion of title from a qualified attorney-at-law, with respect to the Property, which opinion shall include a current report on the status of the title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens and covenants. The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service and conveyance by Developer contained in this Agreement.

4.0 "Connection Charges." Developer shall pay those System Capacity Charges as set forth in Exhibit "B" hereto. Payment of the connection charges does not and will not result in Service Company waiving any of its rates or rules and regulations, and their enforcement shall not be affected in any manner whatsoever by Developer making payment of same. Service Company shall not be obligated to refund to Developer any portion of the value of the connection charges for any reason whatsoever, nor shall Service Company pay any interest or rate of interest upon the connection charges paid.

4.1 Neither Developer nor any person or other entity holding any of the Property by, through or under Developer, or otherwise, shall have any present or future right, title, claim or interest in and to the connection charges paid or to any of the wastewater or reuse facilities and properties of Service Company, and all prohibitions applicable to Developer with respect to no refund of

connection charges, no interest payment on said connection charges and otherwise, are applicable to all persons or entities.

4.2 Any user or consumer of wastewater and/or reuse service shall not be entitled to offset any bill or bills rendered by Service Company for such service or services against the connection charges paid. Developer shall not be entitled to offset the connection charges against any claim or claims of Service Company.

5.0 Payment. Developer may pay system capacity charges on a phase-by-phase basis with such charges payable upon commencement of construction of the infrastructure for each such phase. Capacity is only reserved upon payment of the system capacity charges.

6.0 The parties agree that the capacity needed to provide service to the Property is approximately 400,000 gallons per day for wastewater removal based upon the ultimate project scope. Developer agrees that the number of units of capacity reserved hereby shall not exceed the number of units of development for which capacity is reserved pursuant to Exhibit B. Developer agrees that wastewater to be treated by Service Company from Developer's property will consist of domestic wastewater and further agrees that it will not allow any abnormal strength wastewater to flow from Developer's property to the Utility's wastewater treatment facility that will cause harm to the treatment process. In addition, Developer further agrees that no wastewaters, fluids or other substances and materials shall be discharged to Service Company's sanitary wastewater collection/transmission system which contains any hazardous, toxic and/or industrial constituents. Developer grants to Service Company the right to sample the Developer's wastewater, as referred to hereinabove, to verify Developer's compliance with this paragraph.

7.0 On-Site and Off-Site Systems. Developer hereby covenants and agrees to construct the on-site wastewater collection, and reuse systems. The term "on-site wastewater collection and reuse systems" means and includes all wastewater collection lines, facilities and equipment, and reuse lines constructed within the boundaries of Developer's Property adequate in size to serve each lot or unit within the Property or as required by Service Company, but shall not include any Consumer Installations. Developer hereby covenants and agrees to construct the off-site wastewater collection systems, and Service Company covenants and agrees to construct the off-site reuse system. The term "off-site wastewater collection, and reuse systems" means and includes all wastewater collection lines, facilities and equipment, and reuse lines constructed to connect the on-site wastewater collection, and reuse systems" to Service Company's existing wastewater collection, and reuse systems.

7.1 Developer shall cause to be prepared five (5) copies of the applications for permits and four (4) sets of finalized engineering plans prepared and sealed by a professional engineer registered in the State of Florida. Plans shall show the on-site and off-site wastewater collection system, and the on-site reuse system proposed to be installed to provide service to the Property. The initial set of detailed plans shall be limited to the off-site wastewater collection system. Thereafter, such detailed plans may be limited to the first development phase only, and subsequent phases may be furnished from time to time. However, each such development phase shall conform to a master plan for the development of the Property and such master plan shall be submitted to Service Company concurrent with or prior to submission of engineering plans for the first development phase. Developer reserves the right to modify its master plan any time in such a manner as to not unduly interfere with Service Company's existing facilities and upon modification, shall submit four copies of the modified plan to Service Company. The cost of any modifications to Service Company's existing systems or to its Master Plan that are caused by Developer's modifications or changes shall be borne by Developer. Developer shall cause its engineer to submit to Service Company specifications governing the material to be used and the method and manner of installation. All such plans and specifications submitted to Service Company's engineer shall meet the minimum specifications of Service Company and shall be subject to the approval of Service Company, which approval shall not be unreasonably withheld. No construction shall commence until Service Company and appropriate regulatory agencies have approved such plans and specifications in writing. When permits and approved plans are returned by appropriate regulatory agencies to Developer, Developer shall submit to Service Company one copy of the permits and approved plans.

7.2 After the approval of plans and specifications by Service Company and appropriate regulatory agencies, Developer, or the engineer of record, shall set up a preconstruction conference with engineer of record, utility contractor, appropriate building official(s), all other utility companies involved in the development of the Property, and Service Company.

7.3 Developer shall provide to Service Company's inspector, twenty-four (24) hours notice prior to commencement of construction. Developer shall cause to be constructed, at Developer's own cost and expense, the on-site and off-site wastewater collection, and on-site reuse systems as shown on the approved plans and specifications.

7.4 During the construction of the wastewater collection, and reuse systems by Developer, Service Company shall have the right to inspect such installations to determine compliance with the approved plans and specifications. The engineer of record shall also inspect construction to assure compliance with the approved

plans and specifications. Service Company, engineer of record and utility contractor shall be present for all standard tests for pressure, exfiltration, line and grade, and all other normal engineering tests to determine that the systems have been installed in accordance with the approved plans and specifications, and good engineering practices. Developer agrees to pay to Service Company, or Service Company's authorized agent, a reasonable sum to cover the cost of inspection of installations made by Developer or Developer's contractor. It is estimated that such cost of inspection shall be approximately \$1,000 per capacity

7.5 Upon completion of construction, Developer's engineer of record shall submit to Service Company a copy of the signed certification of completion submitted to the appropriate regulatory agencies. The engineer of record shall also submit to Service Company ammonia mylars of the as-built plans prepared and certified by the engineer of record.

7.6 By these presents, Developer hereby transfers, subject to the completion of construction of facilities, to Service Company, title to the on-site and off-site systems installed by Developer or Developer's contractor pursuant to the provisions of this Agreement. Such conveyance shall take effect at the time Service Company issues its final letter of acceptance. As further evidence of said transfer of title, upon the completion of the installation, but prior to the issuance of the final letter of acceptance and the rendering of service by Service Company, Developer shall:

- 7.6.1 Convey to Service Company, by bill of sale in form reasonably satisfactory to Service Company's counsel, the on-site and off-site systems as constructed by Developer and approved by Service Company. This bill of sale shall include the final cost breakdown of the actual costs of installation of the on-site and off-site systems.
- 7.6.2 Provide Service Company with copies of invoices from contractor for installation of the on-site and off-site systems.
- 7.6.3 Provide Service Company with copies of Releases of Lien for said invoices.
- 7.6.4 Assign any and all warranties and/or maintenance bonds and the rights to enforce same to the Service Company which Developer obtains from any contractor constructing the on-site and off-site systems. If Developer does not obtain such written warranty and/or maintenance bond from its contractor and deliver same to Service Company, which warranty and/or maintenance bond shall be for a minimum period of one year, then in such event, Developer, by the terms of this instru-

ment, agrees to indemnify and save harmless the Service Company for any loss, damages, costs, claims, suits, debts or demands by reason of latent defects in the systems which could not have been reasonably discovered upon normal engineering inspection, for a period of one year from the date of acceptance by the Service Company of the on-site and off-site systems or from the date which Service Company should reasonably have accepted the on-site and off-site systems.

- 7.6.5 Provide to the Service Company an executed affidavit of release of liens in form reasonably satisfactory to Service Company's counsel for the on-site and off-site systems installed by Developer by reason of work performed or services rendered in connection with the installation of the on-site and off-site systems.
- 7.6.6 Provide Service Company with all appropriate operations/maintenance and parts manuals for the on-site and off-site systems.
- 7.6.7 Further cause to be conveyed to Service Company easements and/or rights-of-way covering all areas in which the on-site and off-site systems are installed, with adequate legal access to same, by recordable document in form reasonably satisfactory to Service Company's counsel. Without limitation on the foregoing, each such easement will provide that the Service Company can use the easements or right-of-way will not be planted with any trees or obstructed by any structure, and that Service Company shall have no obligation to replant any plants or shrubbery or repair any structures located within said easements or right-of-way.

7.7 Service Company agrees that the issuance of the final letter of acceptance for on-site and off-site systems installed by Developer shall constitute the assumption of responsibility by Service Company for the continuous operation and maintenance of such system from that date forward.

8.0 Easements. Developer hereby grants and gives to Service Company, its successors and assigns, but subject to the terms of this Agreement, the exclusive right or privilege to construct, own, maintain or operate the wastewater and reuse facilities to serve the Property, and the exclusive right or privilege to construct, own, maintain and operate said facilities in, under, upon, over and across the present and future streets, roads, alleys, and easements reserved utility strips and utility sites, and any public place as provided and dedicated to public use in the record plats, or as provided for in agreements, dedications, or grants made otherwise and is independent of said record plats. Mortgagees, if any,

holding prior liens on the Property shall be required to either release such liens, subordinate their position or join the grant or dedication of the easements or rights-of-way, or give to Service Company assurance by way of a non-disturbance agreement, that in the event of foreclosure, mortgagees would continue to recognize the easement rights of Service Company, as long as Service Company complies with the terms of this Agreement. All wastewater collection facilities and reuse facilities, save and except consumer installations, shall be covered by easements or rights-of-way if not located within the platted or dedicated roads or rights-of-way for utility purposes.

8.1 Developer hereby further agrees that the foregoing grants include the necessary right of ingress and egress to any part of the Property upon which Service Company is constructing or operating utility facilities. The foregoing grants shall be for such period of time as Service Company or its successors or assigns require such rights, privileges or easements in the construction, ownership, maintenance, operation or expansion of the wastewater facilities. The parties agree that in the event Developer and Service Company agree to install any of the wastewater facilities in lands within the Property lying outside the streets and easement areas described above, then Developer of the owner shall grant to Service Company the necessary easement or easements for such "private property" installation; provided, all such "private property" installations by Service Company shall be made in such a manner as not to interfere with the then primary use of such "private property". The use of easements granted by Developer to Service Company shall not preclude the use by other utilities of these easements, such as for cable television, telephone, electric, or gas utilities, or as otherwise agreed to by Service Company, provided each does not interfere with Service Company's use thereof.

8.2 Service Company hereby agrees that all easement grants will be utilized in accordance with the established and generally accepted practices of the wastewater industry with respect to the installation of its facilities in any of the easement areas.

9.0 Agreement to Serve. Upon the completion of construction of the on-site and off-site systems, their inspection, and the other terms of this Agreement and Service Company's Service Availability Policy, Service Company covenants and agrees that it will connect or oversee the connection of the on-site and off-site systems installed by Developer to the central facilities of Service Company in accordance with the terms and intent of this Agreement. Such connection shall at all times be in accordance with rules, regulations and orders of the applicable governmental authorities. Service Company agrees that once it provides wastewater and/or reuse services to the Property and Developer or others have connected Consumer Installations to its systems, that thereafter Service Company will continuously provide, at its cost and expense,

but in accordance with the other provisions of this Agreement, including rules and regulations and rate schedules, wastewater and reuse services to the Property in a manner to conform with all requirements of the applicable governmental authority having jurisdiction over the operations of Service Company.

10.0 Application for Service: Consumer Installations. Developer, or any owner of any parcel of the Property, or any occupant of any building or unit located thereon shall not have the right to and shall not connect any Consumer Installation until formal written application has been made to Service Company by the prospective user of service, or either of them, in accordance with the then effective rules and regulations of Service Company and approval for such connection has been granted.

11.1 Although the responsibility for connecting the Consumer Installation to the lines of Service Company at the Point of Delivery is that of the Developer or entity other than Service Company, with reference to such connections, the parties agree as follows:

- 11.1.1 All Consumer Installation connections must be inspected by Service Company before backfilling and covering of any pipes.
- 11.1.2 Notice to Service Company requesting an inspection of a Consumer Installation connection may be given by the plumber or Developer, and the inspection will be made within twenty-four (24) hours, not including Saturdays, Sundays, and holidays.
- 11.1.3 If Service Company fails to inspect the Consumer Installation connection within forty-eight (48) hours after such inspection is requested by Developer or the owner of any parcel, Developer or owner may backfill or cover the pipes without Service Company's approval and Service Company must accept the connection as to any matter which could have been discovered by such inspection.
- 11.1.4 If the Developer does not comply with the foregoing inspection provisions, Service Company may refuse service to a connection that has not been inspected until Developer complies with these provisions.

11.1.5 The cost of constructing, operating, repairing or maintaining Consumer Installations shall be that of Developer or a party other than Service Company.

11.1.6 If a commercial kitchen, cafeteria, restaurant or other food preparation or dining facility is constructed within the Property, the Service Company requires that a grease trap be constructed, installed and connected so that all wastewaters from any grease producing equipment within such facility, including floor drains in food preparation areas, shall first enter the grease trap for pretreatment before the wastewater is delivered to the lines of the Service Company. Size, materials and construction of such grease trap shall be approved by Service Company.

No substance other than domestic wastewater will be placed into the wastewater system and delivered to the lines of the Service Company. Should any non-domestic wastes, grease or oils, including, but not limited to, floor wax or paint, be delivered to the lines, the customer will be responsible for payment of the cost and expense required in correcting or repairing any resulting damage.

12.0 Exclusive Right to Provide Service. Developer, as a further and essential consideration of this Agreement, agrees that Developer, or the successors and assigns of Developer, shall not (the words "shall not" being used in a mandatory definition) engage in the business or businesses of providing wastewater or reuse services to the Property during the period of time Service Company, its successors and assigns, provide wastewater and/or reuse services to the Property, it being the intention of the parties hereto that under the foregoing provision and also other provisions of this Agreement, Service Company shall have the sole and exclusive right and privilege to provide wastewater and reuse services to the Property and to the occupants of such buildings or units constructed thereon.

13.0 Rates. Service Company agrees that the rates to be charged to Developer and individual consumers of wastewater and

reuse services shall be those set forth in the tariff of Service Company approved by the applicable governmental agency. However, notwithstanding any provision in this Agreement, Service Company, its successors and assigns, may establish, amend or revise, from time to time in the future, and enforce rates or rate schedules so established and enforced and shall at all times be reasonable and subject to regulations by the applicable governmental agency, or as may be provided by law. Rates charged to Developer or consumers located upon the Property shall at all times be identical to rates charged for the same classification of service, as are or may be in effect throughout the service area of Service Company.

13.1 Notwithstanding any provision in this Agreement to the contrary, Service Company may establish, amend or revise, from time to time, in the future, and enforce rules and regulations covering wastewater and reuse services to the Property. However, all such rules and regulations so established by Service Company shall at all times be reasonable and subject to such regulations as may be provided by law.

13.2 Any such initial or future decreased or increased rates, rate schedules, and rules and regulations established, amended or revised and enforced by Service Company from time to time in the future, as provided by law, shall be binding upon Developer; upon any person or other entity holding by, through or under Developer; and upon any user or consumer of the wastewater and/or reuse services provided to the Property by Service Company.

13.3 The owners of all buildings constructed on the Property shall pay to Service Company those fees for wastewater and reuse services as are approved from time to time by the Florida Public Service Commission. These fees currently include a \$5.00 per month reuse availability fee for residential customers to which reuse service is available even if such owners do not utilize reuse services.

14.0 Binding Effect of Agreement. This Agreement shall be binding upon and shall inure to the benefit of Developer, Service Company and their respective assigns and successors by merger, consolidation, conveyance or otherwise, subject to the provisions of paragraph 28.0 hereof.

15.0 Notice. Until further written notice by either party to the other, all notices provided for herein shall be in writing and transmitted by messenger, by mail or by telegram, and if to Developer, shall be mailed or delivered to Developer at:

Live Oak Reserve Ltd.
1455 Semoran Boulevard
Suite 153
Casselberry, Florida 32707
Attention: Thomas J. Corkery

with a copy to:

Lowndes, Drosdick, Doster, Kantor
& Reed
215 North Eola Drive
Orlando, Florida 32801-2028
Attention: Hal Kantor, Esquire

and if to the Service Company, at:

Alafaya Utilities, Inc.
c/o Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062-6440
Attention: James Camaren, Chairman and CEO

with a copy to:

Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, FL 32714
Attention: Don Rasmussen, Vice President

with a copy to:

Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
Attention: William E. Sundstrom, P.A.

16.0 Laws of Florida. This Agreement shall be governed by the laws of the State of Florida and it shall be and become effective immediately upon execution by both parties hereto, subject to any approvals which must be obtained from governmental authorities, if applicable.

17.0 Costs and Attorney's Fees. In the event the Service Company or Developer is required to enforce this Agreement by Court proceedings or otherwise, by instituting suit or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, including reasonable attorney's fees, including such fees and costs of any appeal.

18.0 Force Majeure. In the event that the performance of this Agreement by either party to this Agreement is prevented or interrupted in consequence of any cause beyond the control of either party, including but not limited to Act of God or of the public enemy, war, national emergency, allocation or of other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil rights disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, earthquake, sinkhole or other casualty or disaster or catastrophe, unforeseeable failure or breakdown of pumping

transmission or other facilities (which will be repaired by Service Company as soon as reasonably possible), governmental rules or acts or orders or restrictions or regulations or requirements, acts or action of any government or public or governmental authority or commission or board or agency or agent or official or officer, the enactment of any statute or ordinance or resolution or regulation or rule or ruling or order, order or decree or judgment or restraining order or injunction of any court, said party shall not be liable for such non-performance. This provision shall not be applicable to the payment of connection charges by Developer to Service Company.

19.0 Indemnification. Each party agrees to indemnify and hold the other harmless from and against any and all liabilities, claims, damages, costs and expenses (including reasonable trial and appellate attorney's fees) to which such party may become subject by reason of or arising out of the other party's performance of this Agreement. This indemnification provision shall survive the actual connection to Service Company's wastewater and reuse systems. Notwithstanding any provision in this Developer Agreement to the contrary, Developer's obligations hereunder shall cease when all the residential lots on the Property have been conveyed to third party purchasers.

MISCELLANEOUS PROVISIONS

20.0 The rights, privileges, obligations and covenants of Developer and Service Company shall survive the completion of the work of Developer with respect to completing the facilities and services to any development phase and to the Property as a whole.

21.0 Upon the execution of this Agreement, Developer shall provide Service Company with a schedule of the build out of the development on the Property. On or before January 1, of each year, Developer shall provide Service Company with a revised build-out schedule specifically showing the anticipated number of units which will be constructed during the following two years. Service Company agrees to provide service in accordance with the schedule provided by Developer on an annual basis and upon payment of applicable service availability charges.

22.0 The rights, privileges, obligations and covenants of Developer and Service Company shall survive completion of the work of Developer with respect to completing the facilities and services to any development phase and to the Property as a whole.

23.0 This Agreement supersedes all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company, made with respect to the matters herein contained, and when duly executed, constitutes the

agreement between Developer and Service Company. No additions, alterations or variations of the terms of this Agreement shall be valid, nor can provisions of this Agreement be waived by either party, unless such additions, alterations, variations or waivers are expressed in writing and duly signed.

24.0 Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine, feminine and neuter genders shall each include the others.

25.0 Whenever approvals of any nature are required by either party to this Agreement, it is agreed that same shall not be unreasonably withheld or delayed.

26.0 The submission of this Developer Agreement for examination by Developer does not constitute an offer but becomes effective only upon execution thereof by Service Company.

27.0 Failure to insist upon strict compliance of any of the terms, covenants, or conditions herein shall not be deemed a waiver of such terms, covenants, or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time or times be deemed a waiver or relinquishment of such right or power at any other time or times.

28.0 Because of inducements offered by Developer to Service Company, Service Company has agreed to provide wastewater and reuse services to Developer's project. Developer understands and agrees that capacity reserved hereunder cannot and shall not be assigned by Developer to third parties without the written consent of Service Company, except in the case of a bona-fide sale of Developer's Property. Such approval shall not be unreasonably withheld. Moreover, Developer agrees that this Agreement is a superior instrument to any other documents, representations, and promises made by and between Developer and third parties, both public and private, as regards the provisions of wastewater service to Developer's property.

29.0 It is agreed by and between the parties hereto that all words, terms and conditions contained herein 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 in the interpretation of this Agreement.

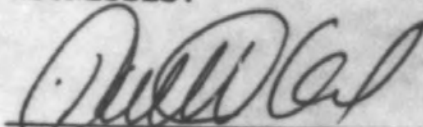
30.0 The parties hereto recognize that prior to the time Service Company may actually commence upon a program to carry out the terms and conditions of this Agreement, Service Company may be required to obtain approval from various state and local governmental authorities having jurisdiction and regulatory power over the construction, maintenance and operation of Service Company. The Service Company agrees that it will diligently and

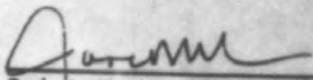
earnestly, at its sole cost and expense, make the necessary proper applications to all governmental authorities and others and will pursue the same to the end that it will use its best efforts to obtain such approvals.

31.0 Developer shall make available to Service Company and assist Service Company in the irrigation with reuse of open areas, greenbelts, lawns and other open areas of the residential phases of this project. Developer and/or consumers shall accept quantity of reuse as needed by them for irrigation purposes. Service Company shall be responsible for the obtainment of all necessary regulatory agency approvals and monitoring programs for all such irrigation activities.

IN WITNESS WHEREOF, Developer and Service Company have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement.

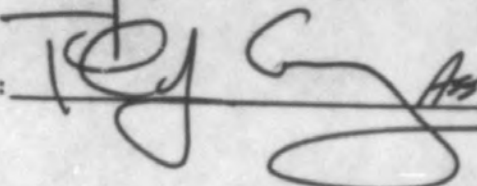
WITNESSES:


Print Name Hal H. Kantor


Print Name Janet M. Cantor

LIVE OAK RESERVE LTD.
By: Sterling Live Oak, Inc.
Its General Partner

BY: 

Attest:  Atty. Sec

ALAFAYA UTILITIES, INC.

Print Name _____

By: _____

Print Name _____

Attest: _____

STATE OF FLORIDA
COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this _____ of
day of June, 1998, by _____ as _____ of
Alafaya Utilities, Inc., a Florida corporation, on behalf of the
corporation. He is personally known to me or has produced
_____ as identification.

Name: _____
Notary Public

My commission expires:

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 11th
day of June, 1998, by Richard Jerman, Vice President, and Tom
Corkery, Assistant Secretary, of Sterling Live Oak, Inc., a Florida
corporation, General Partner of Live Oak Reserve, Ltd., a Florida
limited partnership, on behalf of _____ of the partnership. They are
personally known to me.

Name: Terri M. Aronson
Notary Public

My commission expires:



Terri M. Aronson
MY COMMISSION # CC554457 EXPIRES
July 17, 2000
BONDED THRU TRUITY FARM INSURANCE, INC.

EXHIBIT "A"

DESCRIPTION:

That part of Sections 19, 20, 29 and 30, Township 21 South, Range 32 East, Seminole County, Florida, being described as follows:

BEGIN at the Southwest corner of said Section 30; thence run N 00°23'56" E along the West line of said Section 30 for a distance of 2658.04 feet to the Northwest corner of the Southwest 1/4 of said Section 30; thence run N 89°40'07" E along the North line of said Southwest 1/4 for a distance of 2445.20 feet to the Center of Section 30; thence run N 00°58'13" W along the West line of the Northeast 1/4 of said Section 30 for a distance of 2656.97 feet to the Northwest corner of said Northeast 1/4; thence run N 00°18'38" W along the West line of the East 1/2 of said Section 19 for a distance of 3577.67 feet to the Southerly Right-of-Way line of County Road No. 419 (100' Right-of-Way); thence run S 73°05'55" E along said Southerly Right-of-Way line for a distance of 2431.94 feet to the East line of the West 7/8 of the East 1/2 of said Section 19; thence run S 00°19'18" E along said East line for a distance of 1329.69 feet; thence run S 00°16'36" E along said East line for a distance of 664.85 feet to the Southeast corner of the West 1/2 of the Southeast 1/4 of the Southeast 1/4 of said Section 19; thence run N 89°41'08" E along the North line of said Southeast 1/4 of the Southeast 1/4 of the Southeast 1/4 for a distance of 13.32 feet to a point on the West line of the unrecorded plat of LAKE EVA ESTATES as monumented; thence run S 00°28'53" E along said West line for a distance of 17.29 feet to a found 1" iron pipe (no identifying number); thence run N 89°01'56" E along the South line of said unrecorded plat of LAKE EVA ESTATES as monumented, for a distance of 964.80 feet to a found 1" iron pipe with cap number PLS 3744; thence run N 88°08'37" E along said South line for a distance of 565.68 feet to the North line of the South 1/2 of the Southwest 1/4 of the Southwest 1/4 of said Section 20; thence run N 89°15'47" E along said North line of the South 1/2 of the Southwest 1/4 of the Southwest 1/4 for a distance of 120.20 feet to a found 5/8" iron rod with cap number LB 3556 at the Northeast corner of the South 1/2 of the Southwest 1/4 of the Southwest 1/4 of said Section 20; thence run N 89°15'47" E along the North line of the Southwest 1/4 of the Southeast 1/4 of the Southwest 1/4 of said Section 20 for a distance of

340.00 feet to a found 5/8" Iron rod with cap number LB 3556; thence run N 08°54'39" W for a distance of 2.59 feet along a line, whose point of intersection with the Southerly Right-of-Way line of County Road 419 lies 100.00 feet Southeasterly, when measured along said Southerly Right-of-Way line, from the East line of the West 1/2 of the Southwest 1/4 of said Section 20; thence run N 89°13'55" E along said South line of the unrecorded plat of LAKE EVA ESTATES as monumented, for a distance of 2.22 feet to a found 2" iron pipe (no identifying number); thence run N 09°04'03" W along the East line of said unrecorded plat of LAKE EVA ESTATES as monumented and the monumented East line of lands described in Official Records Book 2741, Page 464 of the Public Records of Seminole County, Florida, for a distance of 804.09 feet; thence run N 08°54'39" W for a distance of 849.39 feet along the aforesaid line whose point of intersection with the Southerly Right-of-Way line of County Road 419 lies 100.00 feet Southeasterly, when measured along said Southerly Right-of-Way line, from the East line of the West 1/2 of the Southwest 1/4 of said Section 20 to a found 5/8" iron rod with cap number LB 3556; thence run S 73°05'55" E along said Southerly Right-of-Way line for a distance of 2334.93 feet to the East line of the West 1/2 of the Southeast 1/4 of the Northwest 1/4 of the Southeast 1/4 of said Section 20; thence run S 00°43'26" E along said East line for a distance of 265.99 feet to the Northeast corner of the West 1/2 of the Northeast 1/4 of the Southwest 1/4 of the Southeast 1/4 of said Section 20; thence run N 89°14'26" E along the North line of the East 1/2 of the Northeast 1/4 of the Southwest 1/4 of the Southeast 1/4 of said Section 20 for a distance of 324.40 feet to a 1/2" iron rod with cap number LB68 on the West line of TOWNSITE OF NORTH CHULUOTA, as recorded in Plat Book 2, Pages 54 through 58 of the Public Records of Seminole County, Florida, as monumented; thence run the following 5 courses and distance along said West line as monumented: S 00°27'06" E for a distance of 322.95 feet to a found 1" iron pipe with cap number PLS 3744; S 00°01'23" E for a distance of 166.05 feet to a found 1" iron pipe with cap number PLS 3744; S 01°07'28" E for a distance of 219.88 feet to a found 1" iron pipe with cap number PLS 3744; S 00°53'28" E for a distance of 237.05 feet to a found 1" iron pipe (no identifying number); S 01°05'33" E for a distance of 383.94 feet to the South line of said Section 20; thence run S 89°13'48" W along said South line for a distance of 658.63 feet to the Northeast corner of the West 1/2 of the Northwest 1/4 of the Northeast 1/4 of said Section 29; thence run S 01°04'10" E along the East line of said West 1/2 of the Northwest 1/4 of the Northeast 1/4 for a distance of 664.68 feet to the Northwest corner of the Southeast 1/4 of the

Northwest 1/4 of the Northeast 1/4 of said Section 29; thence run N 89°14'58" E along the North line of the Southeast 1/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 29 for a distance of 665.78 feet; thence run S 01°02'06" E along the East line of the Northwest 1/4 of the Northeast 1/4 of said Section 29 for a distance of 100.00 feet to the South line of the North 100.00 feet of said Southeast 1/4 of the Northwest 1/4 of the Northeast 1/4; thence run S 89°14'58" W along said South line for a distance of 665.72 feet to the West line of the Southeast 1/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 29; thence run S 01°04'10" E along said West line 564.68 feet to the South line of the North 1/2 of the Northeast 1/4 of said Section 29; thence run S 89°16'07" W along said South line for a distance of 665.38 feet to the West line of the Northeast 1/4 of said Section 29; thence run S 01°06'15" E along said West line for a distance of 996.68 feet to the Northeast corner of the Southeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of the Northwest 1/4 of said Section 29; thence run S 89°18'09" W along the North line of the Southeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of the Northwest 1/4 of said Section 29 for a distance of 334.62 feet to the Northwest corner of the Southeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of the Northwest 1/4 of said Section 29; thence run S 01°04'31" E along the West line of said Southeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of the Northwest 1/4 for a distance of 332.20 feet to the South line of the Northwest 1/4 of said Section 29; thence run S 89°18'27" W along said South line for a distance of 1004.35 feet to the East line of the West 1/2 of the Southwest 1/4 of said Section 29; thence run S 00°59'01" E along said East line for a distance of 2650.35 feet to the South line of said Section 29; thence run S 89°03'53" W along said South line for a distance of 1344.67 feet to the Southwest corner of said Section 29; thence run S 89°42'52" W along the South line of said Section 30 for a distance of 2643.78 feet to the Southwest corner of the Southeast 1/4 of said Section 30; thence run S 89°34'37" W along the said South line of Section 30 for a distance of 2508.68 feet to the POINT OF BEGINNING.

Containing 1041.251 acres more or less and being subject to any rights-of-way, restrictions and easements of record.

CONTRIBUTIONS IN AID OF CONSTRUCTION

SYSTEM CAPACITY CHARGES

Developer agrees to pay Service Company the System Capacity Charges listed below to induce Service Company to reserve the system capacities for Developer's proposed connections. The Service Availability Charges shall be paid by Developer on a phase by phase basis at the time as construction commences on the infrastructure for each such phase. Developer understands that system capacity is only reserved upon payment of charges by Developer to Service Company. Said system capacity charges to be paid by Developer are those which are set forth in Service Company's Service Availability Policy approved by the Florida Public Service Commission and, accordingly, these charges may be changed from time to time with the approval of the Commission.

Payment Schedule

<u>Customer</u> <u>Category</u>	<u>Charge Per</u> <u>ERC</u>
Residential	\$640.00
General Service	\$640.00