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January 23, 2007

Ms. Blanca S. Bayo, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

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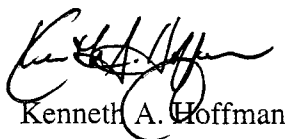
Re: Docket No. 060285-SU

Dear Ms. Bayo:

Enclosed for filing on behalf of Placida HG, LLP ("Placida") is an original and fifteen copies of Placida's Petition for Leave to Intervene in the above-referenced docket.

Please acknowledge receipt of these documents by stamping the extra copy of this letter filed and returning the copy to me. Thank you for your assistance with this filing.

Sincerely,


Kenneth A. Hoffman

KAH/rl
Enclosures
cc: All Parties of Record
placida\bayo.jan2307ltr

CMP _____
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DOCUMENT NUMBER-DATE

00628 JAN 23 5

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Utilities, Inc. of)
SANDALHAVEN for an increase in)
wastewater rates in Seminole County,)
Florida.)
_____)

Docket No. 060285-SU

Filed: January 23, 2007

**PLACIDA HG, LLP'S PETITION
FOR LEAVE TO INTERVENE**

Placida HG, LLP ("Placida"), by and through its undersigned counsel, and pursuant to Rules 25-22.039 and 28-106.201(2), Florida Administrative Code, hereby petitions for leave to intervene with full party rights in this proceeding. In support of this Petition, Placida states as follows:

- 1. The Petitioner's name and address are:

Placida HG, LLP
601 Bayshore Boulevard
Suite 650
Tampa, FL 33606

- 2. All pleadings, motions, orders and other documents directed to Placida should be served on the following:

Kenneth A. Hoffman, Esquire
Martin P. McDonnell, Esquire
Rutledge, Ecenia, Purnell & Hoffman, P.A.
215 South Monroe Street, Ste. 420
P.O. Box 551
Tallahassee, FL 32302
850-681-6788 (telephone)
850-681-6515 (telecopier)

- 3. Placida is a Florida limited liability partnership authorized to and conducting business in the State of Florida. Placida is the developer of a 418 unit residential development in Charlotte County. Placida has entered into a Developer's Agreement with Utilities, Inc. of Sandalhaven

DOCUMENT NUMBER-DATE

00628 JAN 23 07

FPSC-COMMISSION CLERK

("Sandalhaven") dated September 11, 2006. A copy of the Developer's Agreement is attached hereto as Exhibit A. Pursuant to said Developer's Agreement, Placida agreed to pay and has paid Sandalhaven its currently tariffed service availability charges for the 418 units. Based on Sandalhaven's currently tariffed service availability charge of \$1,250.00 per residential ERC, Placida has paid Sandalhaven a total of \$522,500.00 in service availability charges for its 418 units.

4. Under Article IV of the Developer's Agreement, Placida is required to pay Sandalhaven "the Commission approved charges in effect at the time the units are connected to the Utility's system." Placida has not connected any of the 418 units in its development to the Sandalwood system. Based on this provision of the Developer's Agreement, Placida's substantial interests are materially and directly affected by Sandalhaven's recently filed Amended Application to Increase its Service Availability Charges for Residential ERCs from \$1,250.00 per ERC to \$2,627.70 for residential ERC - - an increase of approximately 110% over the currently tariffed charges. Sandalhaven also has asked the Commission to approve its request for increased service availability charges on an interim basis, subject to refund.

5. Although Placida has paid Sandalhaven its approved service availability charges, based upon information and belief, Placida understands that Sandalhaven intends to transition its wastewater treatment and disposal functions in total to the Englewood Water District ("EWD"). Upon information and belief, Placida maintains that the actual wastewater treatment and disposal functions necessary to provide wastewater service to the Placida development will not be performed by Sandalhaven but instead will be performed by EWD. A copy of a Bulk Wastewater Agreement dated October 6, 2005, by and between Sandalhaven and EWD is attached hereto as Exhibit B. Indeed, based on information and belief, Placida understands that Sandalhaven intends to remove

its current wastewater treatment plant from service and rely on EWD for all of Sandalhaven's wastewater treatment requirements, and further, that Sandalhaven will lose its current location for disposal of treated effluent, the Wildflower Golf Course, thereby requiring EWD to provide that function.¹

6. Although Placida has paid Sandalhaven its tariffed service availability charges, it has received on written assurance and confirmation from Sandalhaven that the monies paid by Placida to Sandalhaven have been remitted to EWD to insure that wastewater treatment capacity is reserved and wastewater treatment services will be provided by EWD for the 418 units in the Placida development.

7. Without waiving its right to raise additional disputed issues of material fact and law, and subject to discovery in this proceeding, Placida alleges that the disputed issues of material fact and law include, but are not limited to:

- a. Whether Sandalhaven has remitted all required fees and charges to EWD to insure that EWD has reserved sufficient wastewater treatment capacity for the Placida development and to insure that Placida is provided wastewater treatment capacity and service for the 418 units in the Placida development as intended and required under the Placida/Sandalhaven Developer's Agreement?

¹Upon information and belief, Placida understands that the owner and/or developer of the Wildflower Golf Course has received approval from Charlotte County for a comprehensive plan amendment to permit multi-family, single-family and retail development on the current golf course property. Once the comprehensive plan amendment is approved by the Department of Community Affairs, the owner or developer will pursue rezoning of the property for the previous described purposes thereby eliminating the availability of the golf course property for use by Sandalhaven for effluent disposal.

- b. Whether Sandalhaven's proposed service availability charges are cost justified?
 - c. Whether the costs purporting to support the increase in Sandalhaven's service availability charges were prudently incurred?
 - d. Whether the amount of the costs purporting to support the increase in service availability charges are just and reasonable?
 - e. Whether existing customers should bear the major share of any cost recovery authorized by the Commission for the costs purporting to support Sandalhaven's proposed increase in service availability charges?
 - f. Whether Sandalhaven's proposed increase in service availability charges is lawful and consistent with applicable Commission statutes, rules and orders?
 - g. Whether the Commission has the legal authority to grant Sandalhaven's request for increased interim service availability charges and, if so, whether Sandalhaven has justified and supported its proposed interim increase in service availability charges?
8. Placida maintains that:
- a. Sandalhaven's proposed increase in service availability charges are not cost justified;
 - b. Sandalhaven's proposed increase in service availability charges are not just and reasonable;
 - c. Sandalhaven's proposed increase in service availability charges are not predicated on prudently incurred costs of Sandalhaven;

- d. Sandalhaven's proposed increase in service availability charges is based on inappropriate, wasteful and poor management decisions and oversight by Sandalhaven;
- e. The benefits of the costs incurred by Sandalhaven purporting to support the proposed increase in service availability charges accrue primarily to existing customers and, therefore, existing customers should bear the major share of any increase in service availability charges approved by the Commission through monthly rates;
- f. The Commission lacks the statutory authority to grant Sandalhaven's Request to Charge Revised System Capacity Charges on an Interim Basis; and
- g. Sandalhaven has failed to meet its burden of justifying an interim increase in service availability charges.

9. In addition, Placida maintains that Sandalhaven must demonstrate and confirm in writing, in a manner satisfactory to Placida and the Commission, that Sandalhaven has properly and lawfully utilized the service availability charges paid by Placida to Sandalhaven under the Developer's Agreement to pay and remit in full all fees and charges due from Sandalhaven to EWD to insure the availability and provision of wastewater treatment capacity and service to the 418 units in the Placida development. Absent such written confirmation, the Commission should order Sandalhaven to refund, with interest, the amounts paid by Placida to Sandalhaven under the Developer's Agreement.

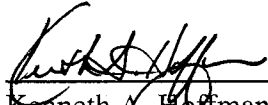
10. The Commission should deny Sandalhaven's Request to Charge Revised System Capacity Charges on an Interim Basis pending a full evidentiary hearing to allow Placida and all parties the opportunity to fully examine and address the costs purporting to support the proposed increased charges and whether any cost recovery authorized by the Commission with respect to the costs purporting to support Sandalhaven's proposed increase in service availability charges should be properly recovered from existing customers through monthly rates, future customers through service availability charges, or some combination of both. Existing customers should bear a fair and equitable share of any prudently incurred costs approved for recovery by the Commission that Sandalhaven proposes to impose in full on future customers and that have been presented by Sandalhaven as purported support for an approximate 110% increase in service availability charges.

WHEREFORE, Placida respectfully requests that the Commission enter an Order:

- A. Granting this Petition for Leave to Intervene and afford Placida full party rights in this proceeding.
- B. Denying Sandalhaven's request to charge Revised System Capacity Charges on an Interim Basis.
- C. Scheduling a formal administrative hearing to address Sandalhaven's Amended Application to Increase its Service Availability Charges.
- D. Determining whether any of the costs proposed by Sandalhaven and purporting to support its proposal to increase its service availability charges should be authorized for recovery, and, if so, the manner and from whom such costs should be recovered.
- E. Requiring Sandalhaven to provide adequate and sufficient written documentation and confirmation that Sandalhaven has utilized the monies paid by Placida to Sandalhaven under the

Developer's Agreement to pay all amounts, fees and charges due to EWD to insure the reservation of wastewater treatment plant capacity and the provision of wastewater treatment service for the 418 units in the Placida development.

Respectfully submitted,



Kenneth A. Hoffman, Esquire
Martin P. McDonnell, Esquire
Rutledge, Ecenia, Purnell & Hoffman, P.A.
215 South Monroe Street, Ste. 420
P.O. Box 551
Tallahassee, FL 32302
850-681-6788 (telephone)
850-681-6515 (telecopier)

Attorneys for Placida HG, LLP

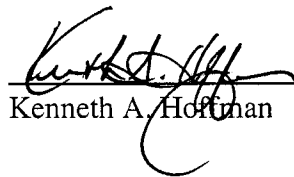
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of Placida HG, LLP's Petition for Leave to Intervene was furnished by U. S. Mail to the following this 23rd day of January, 2007:

Martin Friedman, Esq.
Rose, Sundstrom & Bentley
2180 W. State Road 434
Suite 2118
Longwood, FL 32779

Ralph Jaeger, Esq.
Martha Carter Brown, Esq.
Florida Public Service Commission
Office of General Counsel
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Stephen C. Reilley, Esq.
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400



Kenneth A. Hoffman

placida\petitiontointervene



2335 S. Sanders Road
Northbrook, Illinois 60062
Phone: (847) 498-6448
Fax: (847) 498-6498

October 5, 2006

Charles Frank
Placida HG, LLC.
601 Bayshore Boulevard
Suite 650
Tampa, FL 33606

Re: Agreement for Wastewater Service Utilities, Inc of Sandalhaven

Dear Charles:

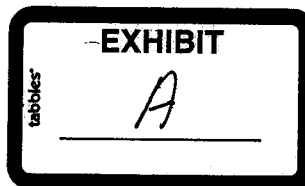
Enclosed, please find one fully executed copy of the above captioned Agreement for your files.

If you have any questions, please give me a call.

Sincerely,

Lisa A. Crossett
Chief Operating Officer

Enclosure



**AGREEMENT FOR WASTEWATER SERVICE
UTILITIES, INC. OF SANDALHAVEN**

This Agreement is entered into this 11 day of September, 2006, by and between PLACIDA HG, LLP, a Florida limited liability partnership (hereinafter referred to as "Developer"), and Utilities, Inc. of Sandalhaven, a Florida corporation (hereinafter referred to as "Utility").

WITNESSETH

WHEREAS Developer is the owner of or is duly authorized to act on behalf of the owners of certain real estate in Charlotte County, Florida, hereinafter referred to as "Property" and more fully described in Exhibit 1 attached hereto, and

WHEREAS, Developer is in the process of developing the Property into a residential project consisting of 418 units, hereinafter referred to as "Development", and

WHEREAS, Utility is engaged in the business of furnishing wastewater service to the public in its service territory as authorized by its Certificate of Public Convenience and Necessity which encompasses the Property, and

WHEREAS, Developer desires Utility to provide wastewater service within the Property and Utility desires to provide wastewater service to the Property according to the terms and conditions of this Agreement.

WHEREFORE, in consideration of the mutual covenants as hereinafter set forth, the parties hereto agree as follows:

ARTICLE I
Representations and Warranties of Developer

Developer represents and warrants:

1. That Developer is the owner of or is duly authorized to act on behalf of the owners of the Property, and;

2. That Developer will cooperate fully with the Utility in any and all applications or petitions to public authorities deemed necessary or desirable by Utility in connection with the construction and installation of the wastewater system contemplated by this Agreement; however, Developer is not prohibited hereby from participating in any proceeding involving Utility for the amendment or establishment of service availability charges for the purpose of opposing or challenging proposed service availability charges that would be applicable to Developer.
3. That Developer will convey to the Utility or provide by recorded subdivision plats such easements or rights of way as the Utility may require for the Utility's performance of its obligations under this Agreement. Any such plats, conveyances or licenses will be in form satisfactory to Utility's legal counsel.

ARTICLE II
Construction and Installation of Collection Facilities by Developer

1. The Developer hereby agrees to construct and install the complete wastewater collection facilities within and throughout the Property (hereinafter referred to as "**On-Site Facilities**"), as well as funding the cost of all necessary off-site interconnection facilities and system upgrades (hereinafter referred to as "**Off-Site Facilities**") reasonably required to provide adequate wastewater service (in accordance with applicable governmental standards) to all dwelling units and facilities to be constructed within the Property. Subject to approval of Utility's engineer, such Off-Site Facilities shall consist of (a) the cost of a tie-in to the wet well; and (b) the cost of construction and installation of a ten-inch line that will interconnect with the Utility's system at a point designated by the Utility.
2. The On-Site Facilities to be constructed by Developer pursuant to Paragraph 1 of this Article II when installed will meet the reasonable needs of the customers within the Property. All plans, specifications and construction shall be in accordance with applicable standards, requirements, rules and regulations and agencies of the State of Florida and respective County authority.
3. All materials used shall be new, first-class, and suitable for the uses made thereof.

4. Developer guarantees all construction, materials, workmanship, and the trouble-free operation of the Facilities for one year after completion of each phase or section.
5. Developer shall save and hold Utility harmless from and against all suits or claims that may be based upon any injury to any person or property that may occur in the course of the performance of the construction of both the On-Site Facilities by Developer or by anyone acting on Developer's behalf, or under Developer's supervision and control, including, but not limited to, claims made by employees of Developer, and Developer shall, at its own cost and expense, pay all costs and other expenses arising therefrom, or incurred in connection therewith, including reasonable attorneys' fees.
6. All of the On-Site Facilities installed by Developer pursuant to this Agreement shall become the property of Utility as installed. Developer shall execute all conveyances, licenses and other documents reasonably requested by Utility as necessary or desirable in its opinion to ensure its ownership of, ready access to, and operation of the On-Site Facilities. Developer shall furnish Utility with lien waivers in a form satisfactory to Utility's counsel from Developer and from all suppliers, subcontractors and all others who furnish labor, equipment, materials, rentals, or who perform any services in connection with the On-Site Facilities construction herein.
7. Developer shall, prior to the transfer to Utility of the On-Site Facilities, grant permanent, assignable easements satisfactory to Utility, authorizing Utility to own, operate and maintain the On-Site Facilities and providing reasonably adequate rights of access and working space for such purposes.
8. Developer shall, upon transfer to Utility of the On-Site Facilities, provide to Utility operating manuals, permits, as-built drawings, and all other information reasonably required to operate, maintain and repair the On-Site Facilities.

ARTICLE III
Capacity Limitations & Planned Expansion

1. Developer acknowledges there is not currently sufficient available capacity at Utility's WWTP to serve the Development on the Property. Utility represents that it has entered into an Agreement

with the Englewood Water District ("EWD") for EWD to treat wastewater from Utility, which includes capacity to serve Developer's Property. The timing for the construction of the collection system facilities that will connect Utility to the EWD WWTP is contingent upon approvals from regulatory and permitting authorities and the acquisition of a master lift station site. Developer acknowledges that Utility makes no representations regarding wastewater treatment capacity availability before the completion of said interconnection with EWD.

ARTICLE IV
Developer Contribution/Connection Fees

1. Developer shall pay Utility in full upon execution of this Agreement, the Commission approved plant capacity charge (herein referred to as "Connection Fees"), totaling \$522,500.00 (detailed in Exhibit 2). In addition, Developer will be responsible for the cost of the Facilities as provided for in Article II 1. Developer, upon execution of this Agreement, shall also deposit with Utility pursuant to Rule 25-30.540(2), Florida Administrative Code, Five Thousand Dollars (\$5,000.00). Such Connection Fees are subject to change upon approval of the Commission, and Developer shall pay the Commission approved charges in effect at the time units are connected to the Utility's system.

ARTICLE V
Utility Service, Rates and Charges

1. Upon installation of the Facilities and completion of the interconnection by Developer, as well as the interconnection with EWD, Utility agrees to supply all customers within the Property with adequate and customary wastewater service, and to operate, maintain and repair all Facilities as indicated herein, after acceptance by Utility and issuance of operational approvals by all regulatory authorities.
2. RATES. The rates to be charged by Utility for wastewater services to the Development hereafter built on the Property shall be those rates and charges made by Utility to its customers which are from time to time approved by the Florida Public Service Commission, or by any other governmental regulatory body from time to time having jurisdiction over such matters. Moreover,

the service to the Development shall be subject to such other regulations from time to time lawfully imposed on Utility with respect to the operations of its wastewater systems, and except as limited by such regulations, the amounts of utility deposits, billing practices and times, liability for damage to Utility's Property and rate changes shall be exclusively within the discretion and control of Utility as approved by the Florida Public Service Commission.

3. Acceptance by Utility cannot be unreasonably withheld and in any event shall not be withheld if construction of the Facilities meets the applicable standards and requirements of Article II.

ARTICLE VI
General

1. This Agreement is intended to be performed in the State of Florida and shall be governed by the laws of the State of Florida.
2. Except as provided for in this Agreement, neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligation hereunder, if such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence such party is unable to prevent or overcome, except as otherwise provided for herein. Should any of the foregoing events occur, the parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each party may perform its obligations under this Agreement.
3. The failure of either party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.

- 4. Utility agrees to indemnify Developer, its successors and assigns, and hold Developer harmless against any loss, damage, liability, expense or cost accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Utility under this Agreement; Developer agrees to indemnify Utility, its successors and assigns, and hold it and them harmless against any loss, damage, liability, expense or cost of Utility, accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Developer under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to Utility by Developer.
- 5. This Agreement sets forth the complete understanding between Developer and Utility, and any amendments hereto to be effective must be made in writing.
- 6. Notices and correspondence required hereunder shall be given to Developer and to Utility at the following addresses, or at any other addresses designated in writing by either party subsequent to the date hereof:

If to Utility:

Utilities, Inc. of Sandalhaven
 2335 Sanders Road
 Northbrook, Illinois 60062
 Attn: Lisa Crossett, Chief Operating Officer

If to Developer:

Placida HG, LLP
 601 Bayshore Boulevard, Suite 650
 Tampa, FL 33606
 Attn: Charles Frank

Delivery when made by registered or certified mail shall be deemed complete upon mailing.

- 7. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- 8. The Exhibits to this Agreement are a part hereof and are hereby incorporated in full by reference.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year above first written.

ATTEST: [Signature]

UTILITIES, INC. OF SANDALHAVEN

[Signature]
Lisa Crossett, Chief Operating Officer

ATTEST: Kim Pedersen

PLACIDA HG, LLP

[Signature]
BY: Jeff Meehan
Its: member

Exhibit "A"

A PARCEL OF LAND LYING IN SECTIONS 33 AND 34, TOWNSHIP 41 SOUTH, RANGE 20 EAST, CHARLOTTE COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 33; THENCE S 00°22'55" W ALONG THE EAST LINE OF SAID SECTION 33, 2645.50 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 33 AND BEING THE POINT OF BEGINNING; THENCE S 00°25'00" W, ALONG THE EAST LINE OF SAID SECTION 33, 43.11 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. 775; THENCE, ALONG SAID RIGHT-OF-WAY LINE, THE FOLLOWING CALL: S 28°47'00" E, 491.55 FEET; THENCE LEAVING SAID RIGHT-OF-WAY LINE N 61°13'00" E, 493.71 FEET TO A POINT LYING ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS N 50°23'27" E, 2456.13 FEET; THENCE, IN A CLOCKWISE DIRECTION ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 2456.13 FEET AND A CENTRAL ANGLE OF 10°49'33", 464.08 FEET TO THE POINT OF TANGENCY; THENCE N 28°47'00" W, 372.22 FEET; THENCE N 61°13'00" E 69.66 FEET TO THE BEGINNING OF A CURVE TO THE LEFT; THENCE, IN A COUNTERCLOCKWISE DIRECTION ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1000.00 FEET AND A CENTRAL ANGLE OF 86°40'53", 1512.88 FEET; THENCE ALONG A NON-TANGENT LINE TO THE LAST CURVE S 56°58'17" W, 1096.95 FEET TO A POINT LYING ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS S 00°11'21" W, 312.33 FEET; THENCE IN A COUNTERCLOCKWISE DIRECTION ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 312.33 FEET AND A CENTRAL ANGLE OF 28°58'23", 157.94 FEET TO THE POINT OF TANGENCY; THENCE S 61°13'00" W, 272.76 FEET TO THE AFOREMENTIONED NORTHEASTERLY RIGHT-OF-WAY OF SAID COUNTY ROAD 775; THENCE ALONG SAID RIGHT-OF-WAY LINE S 28°47'00" E, 1192.62 FEET; THENCE LEAVING SAID RIGHT-OF-WAY LINE S 89°37'56" E, 24.08 FEET TO THE POINT OF BEGINNING.

Exhibit 2

Connection Fee, Plan Review and Inspection Fee Calculation

<u>Type of Establishment</u>	<u>ERCs</u>	<u>Total</u>
Residential	418	\$522,500.00 -----
Wastewater Usage (Residential): 418 ERCs x \$1,250 per ERC Deposit pursuant to Rule 25-30.540 (2), F.A.C.		\$522,500.00 ✓ \$ 5,000.00 ✓ =====
TOTAL CONNECTION FEES DUE:		\$527,500.00

BULK WASTEWATER AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of October, 2005, by and between the Englewood Water District, having its principal place of business at 201 Selma Avenue, Englewood, Sarasota County, Florida 34223 ("DISTRICT") and Utilities, Inc. of Sandalhaven, having its principal place of business at 200 Weatherfield Avenue, Altamonte Springs, Florida 32714 ("UTILITY");

W I T N E S S E T H:

WHEREAS, DISTRICT is an independent special district of the State of Florida with the authority to provide wastewater service within and without its boundaries; pursuant to Chapter 2004-439 Laws of Florida; and

WHEREAS, UTILITY is a Florida for profit corporation with full power and authority to enter into this Agreement, to carry out the transactions contemplated hereunder, and to carry out its obligations hereunder; and

WHEREAS, DISTRICT currently has a 3.0 MGD Water Reclamation Facility with available treatment and disposal capacity; and

WHEREAS, UTILITY desires to obtain 100,000 gallons per day of treatment capacity within DISTRICT'S Water Reclamation Facility and further desires to obtain monthly treatment service as a bulk wastewater customer at the established bulk wastewater treatment rate.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, it is mutually agreed by and between the parties hereto as follows:

1. UTILITY shall pay to DISTRICT treatment plant capital capacity charges in the amount of \$752,372.63 for 100,000 GPD of treatment capacity. The treatment plant capital capacity charge shall be due and payable prior to any service being provided. If such sums are not paid to DISTRICT by UTILITY within 180 days from the date of this Agreement, either party may terminate this Agreement.

2. UTILITY shall be responsible for design, permitting (including any required modification of DISTRICT'S operating permit), and construction of any wastewater system(s), including all sewer lines, lift stations, and other facilities and appurtenances (exclusive of providing a bulk wastewater meter) that may be necessary in order to connect to and operate DISTRICT'S wastewater system in accordance with this Agreement.

3. UTILITY shall be responsible to conduct all investigations and testing as may be required in order for UTILITY to connect to DISTRICT'S wastewater system. UTILITY shall be responsible for acquiring all easements and rights of way necessary in order to connect UTILITY'S wastewater system to DISTRICT'S wastewater system at the designated Point of Connection. The Point of Connection of UTILITY'S wastewater system to DISTRICT'S wastewater system shall be designated by DISTRICT in its sole discretion.



4. UTILITY shall construct all wastewater systems pursuant to the terms of this Agreement and DISTRICT'S standards. UTILITY shall submit all drawings and specifications to DISTRICT for approval prior to submittal to the Department of Environmental Protection.

5. Any portion of the transmission systems constructed by UTILITY pursuant to this Agreement within the geographic boundary of the DISTRICT shall be conveyed with associated easements to DISTRICT after Department of Environment Protection certification of completion and prior to any service being provided by DISTRICT per terms of this Agreement. DISTRICT, at its own expense, shall install an appropriate metering device at a location determined by DISTRICT for the purpose of determining the amount of monthly wastewater service being provided.

6. Upon UTILITY connecting its wastewater system to DISTRICT'S wastewater system, DISTRICT shall use reasonable diligence to provide continuously bulk wastewater treatment and disposal services to UTILITY within the purchased capacity established by this Agreement. DISTRICT shall not be liable to UTILITY for any interruption of service. In the event UTILITY desires to divert flow to DISTRICT for limited periods in excess of the capacity established by this Agreement, DISTRICT will make its best efforts to accommodate the excess flow, but does not guarantee the availability of capacity in excess of that provided herein. If the Annual Average Daily Flow (AADF) for any 12 month period exceeds the purchased treatment capacity herein, additional capacity charges will be due and payable to DISTRICT up to the AADF capacity at the applicable rates at the time of purchase if capacity is available in the Water Reclamation Facility.

7. UTILITY shall not discharge or cause to be discharged any waste that may be harmful to DISTRICT'S wastewater systems to include but not limited to: excessive storm water or ground water; wastewater containing toxic, poisonous, pathogenic, explosive or flammable substances; wastewater with a ph lower than 5.5 or higher than 9.5 or a temperature greater than 150 degree Fahrenheit; or other wastewaters that may create a hazard in the received waters of the Water Reclamation Facility. The maximum allowable values for certain materials in, or characteristics of wastewater measured at the point of entry into UTILITY'S collection system shall be governed by standards of the USEPA, EDEP and the Water Pollution Control Federation. DISTRICT reserves the right to refuse waste from any source which may, in the sole judgment of DISTRICT, harm the Water Reclamation Facility or create a hazardous situation. If UTILITY fails to comply with this provision after 90 days' written notice to UTILITY of its violation of this provision, this Agreement may be terminated by DISTRICT.

8. The current DISTRICT Bulk wastewater treatment rate is \$7.28 per 1,000 gallons of metered wastewater flow. There is no monthly base charge for availability. The bulk wastewater treatment rate for all bulk customers is subject to change from time to time consistent with DISTRICT Customer Rules and Regulations.

9. UTILITY shall pay DISTRICT'S monthly invoice for bulk wastewater treatment within thirty (30) days after receipt. In the event that payment is not made within thirty (30) days after receipt of the invoice, UTILITY agrees to pay interest at a rate of one and one-half percent (1.5%) per month on the outstanding balance until paid in full.

10. This Agreement shall be governed by and construed in accordance with

the laws of the State of Florida. The parties expressly consent to the jurisdiction of and agree to suit in any court of general jurisdiction in the State of Florida, whether state, local or federal, and further agree that venue shall lie in Charlotte County, Florida.

11. A breach of this Agreement shall mean a material failure to comply with any of the provisions of this Agreement. If any party breaches any obligation herein, then, upon receipt of written notice by the non-breaching party, the breaching party shall proceed diligently and in good faith to take all reasonable actions to cure such breach and shall continue to take all such actions until such breach is cured. If either party breaches this Agreement, the injured party may seek damages or specific performance to the extent allowed by law; however, neither party waives its rights, privileges, or immunities. Notwithstanding the foregoing, DISTRICT shall not be deemed to be in breach of this Agreement for any interruption in service.

12. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following address:

TO DISTRICT:
Englewood Water District
ATTN: Richard L. Rollo, P.E.
District Administrator
201 Selma Avenue
Englewood, FL 34223

WITH A COPY TO:
Robert Berntson, Esq.
21175 Olean Boulevard
Port Charlotte, FL 33952

TO UTILITY:
Utilities, Inc, of Sandalhaven
2335 Sanders Road
Northbrook, IL 60062

WITH A COPY TO:
Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2180 W. State Road 434, Suite 2118
Longwood, FL 32779

and

200 Weathersfield Avenue
Altamonte Springs, FL 32714

13. The parties may, by notice in writing given to the other, designate any future or different addresses to which the subsequent notices, certificates, or other communications shall be sent. Any such notice shall be deemed given on the date such notice is delivered by hand or by facsimile transmission or five (5) days after the date mailed.

14. No amendment, appendix, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties hereto.

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

of pumping transmission or other facilities, and all governmental rules or acts or orders or restrictions or regulation 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 by governmental entities having jurisdiction, over the operation of DISTRICT or otherwise having valid legal jurisdiction, excluding any acts or rules or regulations adopted by DISTRICT, or rule or ruling or order, order or decree or judgement or restraining order or injunction of any court, said party shall not be liable for such non-performance.

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

17. This Agreement is solely for the benefit of the parties hereto and no other causes of action upon, or hereof, is to or for the benefit of any third party, who or which is not a formal party hereto.

18. The Englewood Water District Customer Rules and Regulations ("Rules"), which are subject to revision from time to time, are incorporated into this Agreement by reference. This Agreement will control should there be any conflict between this Agreement and the Rules. However, any amendments to the Rules shall automatically be incorporated herein.

19. UTILITY agrees to indemnify and hold DISTRICT harmless from and against any and all liabilities, claims, damages, costs, and expenses (including reasonable attorney fees) to which DISTRICT may become subject by reason of or arising out of this Agreement. Nothing herein shall constitute a waiver of sovereign immunity pursuant to state law.

20. This Agreement shall be binding upon and shall inure to the benefit of the successors or assigns of the parties hereto.

21. This Agreement is the entire agreement between the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understanding, negotiations, and discussions of the agreements, understanding, negotiations, and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein.

IN WITNESS WHEREOF, ENGLEWOOD WATER DISTRICT and UTILITIES, INC. OF SANDALHAVEN have caused this Agreement to be duly executed and entered into on the day and year first above written.

(SEAL)

ATTEST:

By: _____

Secretary to the Board

ENGLEWOOD WATER DISTRICT
BOARD OF SUPERVISORS

By: _____

Chairman, Board of Supervisors

Dated: 9/29/2005

By: Joy Rosen
Print: Joy ROSEN

By: Jim Camaren
Print: JIM CAMAREN
Its: Chairman & CEO