

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

Cape Haze Resort

This Agreement is entered into this 24th day of February, 2006 by and between CHR Development-A, Inc, (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 condominium complex project consisting of 264 condo units and clubhouse facilities, 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.
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 reasonably 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 throughout the Property, as well as all necessary off-site interconnection facilities and system upgrades (hereinafter collectively referred to as "Facilities") including but not limited to wastewater mains, valves, elder valves, services, lift stations and other facilities as are 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. Developer shall be responsible for interconnecting the Facilities with adequate diameter wastewater mains to Utility's existing wastewater systems at points as specified by Utility.
2. The 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 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 off-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 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 Facilities construction herein.
7. Developer shall, prior to the transfer to Utility of the Facilities, grant permanent, assignable easements satisfactory to Utility, authorizing Utility to own, operate and maintain the off-site Facilities and providing reasonably adequate rights of access and working space for such purposes.
8. Developer shall, upon transfer to Utility of the off-site Facilities, provide to Utility operating manuals, permits, as-built drawings, and all other information reasonably required to operate, maintain and repair the off-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 is currently planning a WWTP expansion and it will reserve sufficient capacity in the expanded plant to serve the Property. Said expansion and timing is contingent upon approval from all regulatory and permitting authorities. In the interim, Utility has entered into an Agreement with the Englewood Water District ("EWD") for EWD to treat wastewater from Utility. Utility intends to use this capacity to serve Developer's Property until the expansion of its WWTP is complete. 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. 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 agrees to pay Utility in full upon execution of this Agreement, the Commission approved connection fees (herein referred to as Connection Fees), the Plan Review Fee and the Inspection Fee for service totaling \$369,532.42 (detailed in Exhibit 2).
2. In lieu of paying a portion of the cost of the off-site force main, Developer shall dedicate to the Utility a ~~50 foot by 50 foot~~ ^R _{Jc} easement in the northwest corner of the Property for Utility to install a master lift station. Such easement shall be in a form reasonable required by Utility.

ARTICLE V

Utility Service, Rates and Charges

1. Upon installation of the Facilities and completion of the interconnection by Developer, 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 AND GUARANTEED REVENUE CHARGES.** The rates to be charged by Utility for wastewater services to the Development hereafter built on the Property, and guaranteed revenue charges, 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. The guaranteed revenue charges shall be the payment to Utility by Developer for capacity reserved but not being used by an active customer. Developer shall begin paying guaranteed revenue charges at the time Developer shall request Utility to provide wastewater service to the Property; provided, however, Developer shall not be required to pay any guaranteed revenue charges until the utility plant capacity needed to serve the projects, units or facilities for which such charges are to be paid is completed and available to provide such service. Developer shall be obligated to pay such charges only on those projects, units or facilities for which Developer pays Connection Fees, or has provided equivalent consideration as provided in Article IV, Developer Contribution/Connection Fees, and shall continue to pay such charges with respect to each project, unit or facilities until an active customer is connected on such project, unit or facilities. Utility reserves the right to withhold or disconnect service to any active customer, or to refuse to give or provide new or additional services to any active customer, at any time the charges are not paid on a current basis within twenty-five (25) days after the same are billed; provided that written notification of such delinquency has been made by Utility to such customer; provided, the failure of an active customer to pay sums due to the Utility shall not affect Developer's rights under this Agreement. The record owner of the project, unit or facilities being served by Utility, as the case may be, shall be responsible for and shall save and hold harmless

Utility for any loss or damages resulting from the exercise of said right to withhold or disconnect service to an active customer. 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.

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: Mr. Jim Camaren, Chairman & C.E.O.

If to Developer: CHR Development-A, Inc
 P. O. Box 20708
 Sarasota, Florida 34276
 Attn.: Mr. Robert A. Morris

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.
9. If this Agreement is not executed prior to February 15, 2006. then the terms and conditions contained herein will be waived, with no further obligations or responsibilities to either party.

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

Utilities, Inc. of Sandalhaven

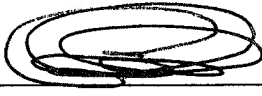
By


James Camaren
Chairman & CEO

ATTEST:  _____

CHR Development-A, Inc

By 
Robert A. Morris

ATTEST: 

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Exhibit 1

Property Description

EXHIBIT 1

CAPE HAZE RESORT A, A CONDOMINIUM

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

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 34; THENCE S.00°22'55"W., ALONG THE WEST LINE OF SAID SECTION 34, 2645.50 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF SECTION 33, TOWNSHIP 41 SOUTH, RANGE 20 EAST; THENCE CONTINUE ALONG SAID WEST LINE OF SAID SECTION 34, S.00°25'00"W., 43.11 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 775; THENCE ALONG SAID RIGHT-OF-WAY LINE, S.28°47'00"E., 491.55 FEET TO THE POINT OF BEGINNING [NORTHING 280316.0802 meters, EASTING 169749.2662 meters, FLORIDA STATE PLANE COORDINATE SYSTEM, WEST ZONE (NAD 1983/1990)]; 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 LEFT, WHOSE CENTER BEARS N.50°23'27"E., 2456.13 FEET; THENCE IN A COUNTERCLOCKWISE DIRECTION, ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 2456.13 FEET AND A CENTRAL ANGLE OF 37°36'50", 1612.42 FEET TO A POINT ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS N.77°13'22"W., 1002.34 FEET; THENCE IN A CLOCKWISE DIRECTION, ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1002.34 FEET AND A CENTRAL ANGLE OF 25°43'23" 450.00 FEET TO A POINT OF TANGENCY; THENCE S.38°30'00"W., 350.00 FEET TO THE AFOREMENTIONED NORTHEASTERLY RIGHT-OF-WAY LINE, OF SAID STATE ROAD NO. 775 [NORTHING 279929.8435 meters, EASTING 170167.3219 meters, FLORIDA STATE PLANE COORDINATE SYSTEM, WEST ZONE (NAD 1983/1990)]; THENCE ALONG SAID RIGHT-OF-WAY LINE, THE FOLLOWING CALLS: N.51°30'00"W., 1284.50 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT; THENCE IN A CLOCKWISE DIRECTION, ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1223.25 FEET AND A CENTRAL ANGLE OF 22°43'00", 484.99 FEET TO THE POINT OF TANGENCY; THENCE N.28°47'00"W., 114.04 FEET TO THE POINT OF BEGINNING.

CONTAINING 24.15 ACRES MORE OR LESS.

Exhibit 2

Connection Fee, Plan Review and Inspection Fee Calculation

<u>Type of Establishment</u>	<u>Daily Est. Flows (gal/unit)</u>	<u>Unit</u>	<u>Population</u>	<u>Unit</u>	<u>Total</u>
Clubhouse	25	gpcd	132		3,300
Condo Residence	200	gpd		264	52,800
				<u>Total Wastewater (GPD) Residential:</u>	52,800
				<u>Total Wastewater (GPD) All Others:</u>	3,300
Wastewater Usage (Residential): 52,800 gpd / 190 gal per ERC x \$1,250 per ERC					\$347,368.42
Wastewater Usage (All Others): 3,300 gpd x \$6.58 per gallon					\$21,714
Plan Review Fee					\$300.00
Inspection Fee					150.00
Total Connection Fees Due:					\$369,532.42

RAMAR SERVICES ADMINISTRATORS, INC.
P.O. BOX 20708
SARASOTA, FL 34278

SUNTRUST SUNTRUST BANK, GULF COAST
SARASOTA, FLORIDA

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63-1084/631

3/24/2006

PAY TO THE
ORDER OF

Utilities, Inc. of Sandalhaven

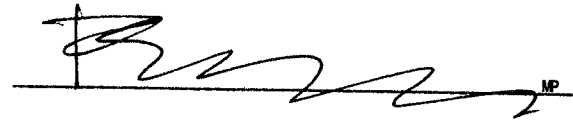
**369,532.42

\$

Three Hundred Sixty-Nine Thousand Five Hundred Thirty-Two and 42/100*****

DOLLARS

Utilities, Inc. of Sandalhaven



MEMO

Connection Fee, Plan Review and Inspection Fee

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT

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RAMAR SERVICES ADMINISTRATORS, INC.
Utilities, Inc. of Sandalhaven

3/24/2006

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Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
3/9/2006	Bill	SU030806	369,532.42	369,532.42		369,532.42
				Check Amount		369,532.42

RSA SunTrust

Connection Fee, Plan Review and Inspection Fe

369,532.42