Town of Howey-in-the-Hills and Central Lake Community Development District

WHOLESALE WASTEWATER SERVICE AGREEMENT

For

THE MISSION RISE, THE RESERVE, AND VENEZIA NORTH AND SOUTH DEVELOPMENTS

July 9, 2007
Town of Howey-in-the-Hills
and
Central Lake Community Development District

WHOLESALE WASTEWATER SERVICE AGREEMENT

For
THE MISSION RISE, THE RESERVE, AND VENEZIA NORTH AND SOUTH DEVELOPMENTS

THIS AGREEMENT is made and entered into this 9th day of July, 2007, by and between the Town of Howey-in-the-Hills, a Florida municipal corporation (hereafter “Howey”), and the Central Lake Community Development District, a Florida Special District created pursuant to Chapter 190 of the Florida Statutes, (hereafter the “CDD”).

RECITALS

WHEREAS, the CDD leases and operates a wastewater system located in Lake County, Florida (hereafter the “CDD’s Wastewater System”) and is willing to sell, on a wholesale basis, Wastewater Service Capacity to Howey for the three developments described herein and known as The Mission Rise, The Reserve, and Venezia North and South (collectively the “Developments”); and

WHEREAS, Howey’s residents currently use septic systems; and

WHEREAS, the Developments are located within Howey;

WHEREAS, Developments are interested in obtaining centralized sewer service because the Developments are not suitable for septic systems; and

WHEREAS, Howey wishes to connect the Developments to the CDD’s Wastewater System and to purchase Wastewater Service Capacity on a wholesale basis from the CDD in order to serve the Developments; and

WHEREAS, Howey and the CDD covenant and agree that they have the power and authority to enter this Agreement and bind their respective governmental entities to the provisions of this Agreement; and

WHEREAS, the CDD is in the process of expanding its wastewater treatment and disposal system to 0.87 million gallons per day (MGD) and hereby represents to Howey that it has or will have the capability of serving the Developments; and
WHEREAS, Howey and the CDD are entering into this Agreement pursuant to and in compliance with the requirements of subsection 190.012(1)(g) of Florida Statutes (2006); and

WHEREAS, this Agreement shall govern the wastewater utility service to be provided by the CDD, on a wholesale basis, to Howey for the Developments only.

NOW THEREFORE, in consideration of the Recitals, covenants, agreement and promises herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties, the parties covenant and agree as follows:

SECTION 1. RECITALS. The above Recitals are true and correct, and form a material part of this Agreement upon which the parties have relied.

SECTION 2. DEFINITIONS. The Parties agree that in construing this Agreement, the following words, phrases, and terms shall have the following meanings unless the context indicates otherwise:

2.1. "Agreement" means this Howey / CDD Wholesale Wastewater Service Agreement as it may from time to time be modified.

2.2. "Howey's Collection Facilities" means the lines, pipes, meters, and appurtenant equipment owned and operated by Howey to collect Sewage within the three developments and to transmit the same to the Point of Connection with the Interconnect Facilities.

2.3. "CDD Service Agreements" means those certain Agreements and Commitments for Utility Service between the CDD, as wastewater service provider, and the Developments, attached hereto as Composite Exhibit "A."

2.4. "Developments" mean the lands being developed as residential and commercial land use projects known as The Mission Rise, The Reserve, and Venezia North and South, legal descriptions of which are included in the CDD Service Agreements, the owners of which (or their predecessors) have entered into the CDD Service Agreements prior to this Agreement, and which lands have been annexed prior to December 31, 2006 into the municipal boundaries of Howey.

2.5. "Interconnect Facilities" means the wastewater meters and other facilities owned and operated by the CDD at the points of connection between Howey's Collection Facilities and the Treatment Facilities.

2.6. "GPD" means gallons per day, average annual basis.

2.7. "GPM" means gallons per minute actual flow rate.

2.8. "MGD" means million gallons per day on an annual average basis.
2.9. “Point of Connection” means the location where Howey’s Collection Facilities connect to the CDD’s Interconnect Facilities. At that point, appropriate metering will be installed by the CDD to measure the flow of wastewater from Howey’s Collection Facilities.

2.10. “PSI” means pounds per square inch of fluid pressure.

2.11. “Residential Wastewater Strength” means residential and commercial wastewater discharges exhibiting the following characteristics: biochemical oxygen demand of 300 mg/l or less, suspended solids of 300 mg/l or less, and pH between 6.0 and 9.0 or such other restrictions as established for residential wastewater strength by the Florida Department of Environmental Protection. Prohibited discharges include, but are not limited to, constituents that could cause a fire or explosion; solid or viscous substances which could obstruct flow or interfere with the system; or discharges containing any toxic pollutants.

2.12. The “CDD’s Wastewater System” means the CDD’s wastewater collection, transmission and treatment facilities (including the Treatment Facilities) in which Sewage is treated and disposed of, and which are operated and maintained by the CDD.

2.13. “Sewage” or “Wastewater” means water-carried wastes from residences, business-buildings, commercial establishments, institutions, industrial establishments, and other customers, but does not mean or include hazardous or toxic wastes.

2.14. “Treatment Facilities” means those treatment and disposal facilities and rights used by the CDD to treat wastewater and detain, transmit, and dispose of said treated wastewater in accordance with applicable governmental and regulatory requirements.

2.15. “Wastewater Service Capacity” means the volume of wastewater flow measured in GPD, which Howey wishes to buy from the CDD and which the CDD agrees to accept on a continuous basis into the CDD’s Wastewater System in accordance with the terms of this Agreement.

SECTION 3. PROVISION AND ALLOCATION OF WASTEWATER SERVICE CAPACITY. On and after the effective date of this Agreement, as set forth in Section 22, Wastewater Service Capacity shall be provided by the CDD to Howey for service in the Developments in the following manner and subject to the following terms and conditions:

3.1. Capacity Reservation by the Developments.
The CDD represents and warrants to Howey that, pursuant to the CDD Service Agreements, the Developments have reserved capacity, and the CDD has set aside and encumbered capacity, in the CDD’s Wastewater System for the residential and nonresidential land development contemplated by the CDD Service Agreements to occur in the future at the Developments in the amounts set forth in Exhibit “B” attached hereto. To ensure that contributions in aid of construction have been paid and that the wastewater-treatment demand of land development to be permitted from time to time by Howey within the Developments does not exceed the treatment and disposal capacity of the CDD’s Wastewater Facilities, the Town Council for Howey shall require, as a condition to the issuance of a building permit for the
construction of a residence or commercial building within the Developments, the issuance by the CDD of a certificate assuring Howey that, as required by Section 163.3180 of Florida Statutes, wastewater service will be available concurrent with the new development and that appropriate contributions in aid of construction have been paid.

3.2. **Capacity Needs of the Developments.** On and after the effective date of this Agreement, the CDD shall accept, treat, and dispose of the Wastewater Service Capacity as required by the CDD Service Agreements to serve the Developments. Howey shall have no liability for any charges for the capital costs of capacity at the Treatment Facilities or any other capital costs associated with expanding the CDD’s Wastewater System to serve the Developments.

3.3. **Technical and Operation and Maintenance Requirements.** The CDD shall determine the Point of Connection of the two systems to serve the Developments. The CDD will provide to Howey the required system pressures and elevations to connect, along with any other applicable technical requirements for connection. Howey shall review the proposed Point of Connection based upon the CDD’s technical requirements.

Both Howey and the CDD acknowledge that each party operates and maintains its own wastewater system on its respective side of the Point of Connection. At the Point of Connection, the CDD will be responsible for providing the appropriate metering and maintenance and reading of the Point of Connection meters. The meter shall be calibrated as required by law and the results provided to Howey. In the event of meter failure, both Howey and the CDD will mutually develop a method to estimate flows until the meter is repaired.

3.4. **Delivery Pressure; Peak Flows; Usage.** Howey shall deliver Wastewater through Howey’s Collection Facilities and to the Interconnect Facilities at a pressure not less than 26 PSI to enable receipt of Wastewater into the Treatment Facilities without repumping.

The CDD shall receive Wastewater flows from Howey at a flow rate not exceeding 1,500 GPM. If at any time sanitary Wastewater flow from Howey exceeds 1,500 GPM, Howey shall, at its expense, plan, construct, operate, and maintain a surge tank as a part of the Howey Collection Facilities, in order to reduce Wastewater flows to a rate that is at or below 1,500 GPM.

3.5. **Treated Wastewater.** Wastewater received by the CDD from Howey through the Interconnect Facilities shall be deemed to be the property of the CDD.

**SECTION 4. PURCHASE OF EXCESS WASTEWATER CAPACITY.** In the event that Howey’s wastewater usage exceeds its subscribed capacity by the three (3) Developments for three (3) consecutive months, Howey shall either buy additional wastewater capacity from the CDD or shall pay the capital costs of providing the additional capacity needed, but only if the CDD provides Howey written notice that wastewater received by the CDD has exceeded Howey’s subscribed capacity for a one (1) month period and such notice is received by Howey within fifteen (15) days following the termination of that one (1) month period for which Howey’s usage exceeded its subscribed capacity.
SECTION 5. SERVICE STANDARDS. The parties mutually agree that after connection of Howey’s Collection Facilities to the Interconnect Facilities, the CDD agrees to comply with all state, regional, and federal requirements and rules applicable to the provision of Wastewater Service Capacity to the public. Notwithstanding the above, the CDD does not guaranty or warrant any special service, pressure, quality, capacity, availability, or other facility other than what is required to fulfill a duty of reasonable care to the customers to whom it provides such Wastewater Service Capacity. Upon connection of Howey’s Collection Facilities to the Interconnect Facilities, any customers that have connected or will connect into Howey’s Collection Facilities shall be Howey’s retail customers. Howey shall be the party responsible for discontinuing services to customers provided for hereunder if customers fail to pay bills for said services.

SECTION 6. CONSISTENCY OF WASTEWATER. Howey acknowledges and recognizes that in the operation and maintenance of the CDD’s Wastewater System, the CDD has certain obligations to protect the health, safety and welfare of the public and to prevent undue burden to the CDD’s customers resulting from extraordinary discharges attributable to Howey. Howey agrees that all Sewage collected by Howey and transmitted to the CDD shall conform to the CDD’s published standards prior to introduction into the CDD’s Treatment Facilities.

No substance other than domestic wastewater, including but not limited to hazardous, flammable, toxic, and/or industrial constituents, regardless of the concentrations of such constituents, will be placed into the CDD’s Wastewater System and delivered to the Treatment Facilities. Non-domestic wastes from commercial establishments may be introduced into the CDD’s Wastewater System only upon prior written approval from the CDD based on the CDD’s determination that such non-domestic waste will not harm the Treatment Facilities. Should any non-domestic wastes, grease or oils, including but not limited to, floor wax, paint, chlorides, or salt water be delivered to the Treatment Facilities, Howey will be responsible for payment of the cost and expense required in correcting or repairing any resulting damage to the Treatment Facilities or property of third parties. The CDD shall have the right to sample Howey’s sewage to verify compliance with this Agreement.

In the event the CDD determines that property served or to be served by Howey poses a threat of introducing chlorides, salt water, or similar constituents into the Treatment Facilities at levels determined by the CDD, in accordance with current industry standards, to be harmful to the Treatment Facilities, including but not limited to, the Treatment Facilities’ ability to provide effluent meeting reuse standards, and its acceptability as an irrigation supply source for vegetation, the CDD has the right to decline or discontinue service, or charge a higher rate due to increased treatment costs if applicable, to such property or customer and to require such pretreatment or other measures as are necessary to protect the integrity of Treatment Facilities. In the event of such declination or discontinuance of service, Howey shall have the right to provide or obtain treatment of the effluent from such property through its own facilities or from a third party.
SECTION 7. WHOLESALE WASTEWATER USER CHARGES. The CDD agrees to provide transmission, treatment and disposal of Howey’s wastewater initially for a monthly charge per thousand gallons of metered flow. The volume shall be measured by the CDD at the Point of Connection between the CDD and Howey. After the first of each month, the CDD shall submit an invoice to Howey for treatment services rendered to Howey during the previous month detailing the daily volume through the Point of Connection. Howey shall pay the invoice within twenty-five (25) days of receipt.

The initial rate payable by Howey shall be $2.00 per thousand gallons. This rate shall remain in effect for no less than four (4) years running from the date of the first building permit issuance for the construction of a residence or commercial building in any of three Developments, unless:

CDD elects to conduct, at its expense, a rate study for the entire CDD Wastewater System, both inside and outside the boundaries of Howey. The study shall arrive at a uniform retail rate for all retail customers of the CDD’s Wastewater System. Upon completion of the rate study, that replacement rate shall be charged uniformly to all CDD retail wastewater customers, and the wholesale rate to be charged to Howey will be eighty-five percent (85%) of the retail rate determined by the study. That replacement rate (and the 85% wholesale rate to be paid by Howey) shall remain in effect for at least the remainder of the four (4) years running from the date of the first building permit issued in the Developments.

At the end of the four (4) year period as referenced hereinabove, either Howey may require the CDD to conduct, or the CDD may elect to conduct, a new rate study to determine both retail and wholesale rates. Howey and the CDD each shall pay one-half (1/2) the cost of this second rate study. If neither party requests a rate study at the end of the four-year period, then any future rate studies shall be at the discretion of the CDD and at the expense of the CDD.

One of the following firms will be selected to conduct these two rate studies, if they are conducted:

(1) Burton & Associates (Mike Burton);
(2) Brown & Caldwell (Mike Rocca); or
(3) PRMG (Rob Ori); or
(4) such other firm that the parties may hereinafter agree to.

The retail rate determined by the study shall apply uniformly to all the CDD’s retail wastewater customers, both inside and outside Howey’s boundaries. The wholesale rate to be charged to Howey shall be the wholesale rate determined by the study conducted after the four-year period, and the retail rate charged by Howey to its retail wastewater customers shall be a rate determined by Howey’s Town Council to be sufficient to pay the costs of Howey’s retail wastewater operation.

In all events, at such time as the wholesale rate charged to Howey exceeds $2.00 per thousand gallons, and thereafter throughout the term of this Agreement, the CDD shall charge a
uniform rate to all its retail wastewater customers, both within the town limits of Howey and outside the town limits, without discrimination. If and when rate studies are conducted from time to time, as allowed by Section 8 and this Section, such studies shall assume, for purposes of calculating Howey's wholesale rate, that the costs incurred by the CDD for administration, billing and collection, capital improvements, and operation and maintenance of its treatment, collection and transmission system not related to providing service to Howey shall be excluded from the wholesale rate.

SECTION 8. CHANGE OF RATES. For each year after the expiration of the initial rate established as provided in Section 7, the CDD may increase its retail wastewater rates and the wholesale rate paid by Howey either

(i) by a percentage not exceeding the price-increase-or-decrease index established during that year by the Florida Public Service Commission for wastewater utilities as required by Section 367.081(4)(a) of Florida Statutes, or

(ii) as determined and calculated by a rate study performed by one of the firms listed in Section 7.

SECTION 9. ASSIGNMENT OF CDD RETAIL WASTEWATER AGREEMENTS. The CDD hereby assigns to Howey the right to be the retail wastewater service provider for the Developments and Howey assumes such obligations for the Developments. The CDD retains the right under the CDD Service Agreements to provide wastewater service to the Developments, but only as a wholesale provider to Howey. Howey agrees that the Developments have purchased and made provision for payment in full of Wastewater Service Capacity sufficient for the needs of such customers, and that no other or additional wastewater connection fee, impact fee, service availability fee, or other capital charges whatsoever (however characterized by Howey) shall be due from the Developments for or on account of the provision of wastewater service.

SECTION 10. RESERVATION AND MAINTENANCE FEES. In the event that the CDD adopts reservation and maintenance fees that apply to customers uniformly, both inside and outside the boundaries of Howey, the fees shall be payable by the Developments, and the CDD shall be entitled to receive from Howey all such fee revenues collected, without deduction of any type. Howey shall use reasonable efforts to collect such fees from its customers and shall pay the amounts collected to the CDD within twenty-five (25) days of receipt. Should any customer not pay reservation and maintenance fees, then the CDD shall notify Howey, at which time such capacity will be forfeited in accordance with the procedure adopted by the CDD.

SECTION 11. INDEPENDENT CONTRACTOR RELATIONSHIP; NO LIABILITY FOR HOWEY OR CDD DEBT.

11.1. Neither the CDD nor Howey is or shall be deemed to be an agent of the other, and neither shall have the authority or power to obligate or act for or on behalf of the other. Each is entering into this Agreement as an independent contractor.
11.2. The parties agree expressly that (i) the CDD has no obligation whatsoever to creditors of Howey or other third-parties for any existing or future debts or other obligations of Howey of any type or nature, and (ii) Howey has no obligation whatsoever to creditors of the CDD or other third-parties for any existing or future debts or other obligations of the CDD of any type or nature.

SECTION 12. DISCLAIMER OF THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal parties herein, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto.

SECTION 13. ASSIGNMENT. This Agreement shall be binding on the parties hereto and their representatives, successors, and assigns. Neither party shall assign this Agreement or the rights and obligations to any other party without the prior written consent of the other party hereto, which may not be unreasonably withheld.

SECTION 14. INDEMNIFICATION.

14.1. Neither party hereto waives sovereign immunity, except that, consistent with applicable Florida law, including, but not limited to Chapter 768, Florida Statutes, each party shall hold the other harmless for the negligent acts of itself and its officers, agents, and employees, but only to the extent permitted by law.

14.2. If service provided hereunder is discontinued to a customer due to failure of the customer to pay for services provided, the party responsible for discontinuing service shall hold the other party harmless as to any and all claims or suits regarding such action.

SECTION 15. DEFAULT.

15.1. Either party to this Agreement, in the event of or act of default by the other, shall have all remedies available to it under the laws of the state of Florida including but not limited to injunction to prevent default or specific performance to enforce this Agreement. Each party agrees to pay all reasonable costs and attorneys fees to the other party not in default provided such costs and attorneys fees are payable under this section only to the prevailing party in such suit. The rights of the parties shall be considered cumulative and shall not be waived now or in the future by the exercise of any rights and remedies provided under the terms of this Agreement and authorized by law.

15.2. In the event of a default by Howey, the CDD agrees that it will not discontinue service to Howey except in the case of an emergency resulting from a substantial and material default under Section 6 of this Agreement, provided all payments for service required hereunder are made by Howey and until such time as a court of competent jurisdiction has rendered an adjudication of default. In the event Howey disputes amounts payable for service pursuant to this Agreement, Howey shall continue to make such payments under protest. Upon resolution of the protest, CDD shall refund any amounts determined to be overpaid, plus interest at the prime rate as published daily in the Wall Street Journal plus two percent (2%).
15.3. In the event of default by the CDD, Howey shall be entitled to any and all remedies available to customers of the CDD’s water and sewer system.

15.4. Each of the parties hereto shall give the other party written notice of any defaults hereunder and shall allow the defaulting party thirty (30) days from the date of receipt to cure such defaults (or if the default cannot be cured within thirty (30) days, the defaulting party shall commence the cure within such period and shall complete such cure within a reasonable period thereafter), and shall otherwise comply with any state law related to resolving disputes between local governments.

SECTION 16. NOTICES. Any notice required or allowed to be delivered hereunder shall be in writing and be deemed to be delivered when either (1) hand-delivered to the official hereinafter designated, or (2) upon receipt of such notice when deposited in the U.S. mail, postage prepaid, certified mail, return-receipt requested, addressed to a party at the address set forth opposite the party’s name below, or at such other address as the party’s name below, or at such other address as the party shall have specified by written notice to the other party delivered in accordance herewith:

CDD: Mr. Bud Beucher
Central Lake Community Development District
201 East Pine Street, Suite 950
Orlando, Florida 32801

with a copy to: George S. Flint
District Manager
Central Lake Community Development District
201 East Pine Street, Suite 950
Orlando, Florida 32801

and: Daniel B. Harrell
Gonano & Harrell
1600 S. Federal Highway, Suite 200
Fort Pierce, Florida 34950

HOWEY: The Honorable Kenneth Green
Mayor, Howey-in-the-Hills
(101 North Palm Ave. 34737)
P. O. Box 128
Howey-in-the-Hills, Florida 34737

with a copy to: Thomas J. Wilkes
GrayRobinson, P.A.
(301 E. Pine Street, Suite 1400 32801)
P. O. Box 3068
Orlando, Florida 32802
SECTION 17. SEVERABILITY. If any part of this Agreement is found invalid or unenforceable by any court, such invalidity or unenforceability shall not affect the other parts of the Agreement if the rights and obligations of the parties contained herein are not materially prejudiced and if the intentions of the parties can continue to be effected. To that end, this Agreement is declared severable.

SECTION 18. RECORDATION. The parties hereto agree that an executed copy of this Agreement and Exhibits attached hereto shall be recorded in the Public Records of Lake County at the expense of the parties, said expense to be shared equally.

SECTION 19. TIME OF THE ESSENCE. Time is hereby declared of the essence to the lawful performance of the duties and obligations contained in this Agreement.

SECTION 20. APPLICABLE LAW. This Agreement and the Provisions contained herein shall be construed, controlled, and interpreted according to the laws of the state of Florida.

SECTION 21. FORCE MAJEURE. In the event that the performance of this Agreement by either party is prevented or interrupted in consequence of any cause beyond the control of either party, including but not limited to an 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, or other casualty or disaster or catastrophe, 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, such party shall not be liable for such non-performance.

SECTION 22. EFFECTIVE DATE; TERM. This Agreement shall be effective as of the date last executed by the parties. This Agreement shall continue in full force and effect until midnight on the December 31st next following the 35th anniversary of the issuance of the first building permit for the construction of a residence or commercial building in the Developments (such date the “Initial Termination Date”). Upon issuance of the first building permit in the Developments, the parties shall execute an Addendum to this Agreement acknowledging commencement of the thirty-five (35) year period term and confirming the Initial Termination Date. This Agreement shall automatically be extended for one twenty (20) year period, until midnight on December 31 twenty (20) years following the Initial Termination Date, unless one party provides the other party written notice of its intent to cancel this Agreement at the expiration of the initial term, and such notice is delivered no later than December 31, 2040. Both parties shall be fully discharged from any service obligations arising from any cancellation.

SECTION 23. ENTIRE AGREEMENT; EFFECT ON PRIOR AGREEMENT. This instrument constitutes the entire Agreement between the parties and supersedes all previous discussions, understandings, and agreements between the parties relating to the subject matter of
this Agreement. Amendments to and waivers of the provisions herein may be made only by the parties in writing, by formal waiver or amendment approved by majority vote of both Howey’s Town Council and the CDD’s Board of Supervisors.

**SECTION 24. EXERCISE OF POLICE POWER.** Without limiting Howey’s obligations under this Agreement, nevertheless, nothing contained in this Agreement shall be construed to require Howey to exercise the police power, and nothing herein shall act as a waiver of Howey’s authority to require a permit, license, certificate, approval, exception, or variance applicable to similar projects and uniformly imposed by Howey.

**SECTION 25. DISPUTE RESOLUTION.** By Resolution No. 2006-03, dated July 7, 2006 ("Conflict Resolution"), the Board of Supervisors of the CDD initiated the conflict resolution procedures set forth in the Florida Government Conflict Resolution Act, Chapter 164, Florida Statutes, with respect to Howey’s adoption of its Ordinance 2006-005. The parties agree that the dispute that occasioned the CDD’s adoption of the Conflict Resolution has been resolved by this Agreement, that no further conflict exists between the parties, and that this Agreement constitutes a full and complete resolution of such conflict in accordance with Section 164.1057, Florida Statutes.

IN WITNESS WHEREOF, the Parties hereto have hereunder executed this Agreement on the date and year first above written.

**ATTEST:**

By: [Signature]

**CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT**

By: Board of Supervisors

By: Mr. Bud Beucher, Chairman

Approved as to form and correctness:

Name Martin S. Friedman
ATTEST WITH SEAL
By: Brenda Brasher
Town Clerk Brenda Brasher

TOWN OF HOWEY-IN-THE-HILLS
By: Town Council
By: Mayor Kenneth Green

Approved as to form and correctness:

Town Attorney
STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 1st day of July, 2007, by BUD BEUCHER as Chairman of CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT, Board of Supervisors. He is personally known to me or has produced as identification.

GEORGE S. FLINT
NOTARY PUBLIC – STATE OF FLORIDA
Printed Name: GEORGE S. FLINT
My Commission Expires: 10/18/2009

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 30th day of July, 2007, by MAYOR KENNETH GREEN as Mayor of TOWN OF HOWEY-IN-THE-HILLS, Town Council. He is personally known to me or has produced as identification.

BRENDA BRASHER
NOTARY PUBLIC – STATE OF FLORIDA
Printed Name: BRENDA BRASHER
My Commission Expires: March 8, 2008
EXHIBIT A

[CDD Service Agreements]
AGREEMENT AND COMMITMENT FOR UTILITY SERVICE

PROJECT NAME: THE RESERVE AT HOWEY-IN-THE-HILLS

PROJECT DESCRIPTION: See Exhibit AB attached hereto and incorporated herein by reference.

PROJECT OWNER: EAGLES LANDING, LLC

THIS AGREEMENT is entered into this _21_ day of _June_ , 2005, between EAGLES LANDING, LLC whose address is 232 S. Dillard Street, 2nd Floor, Winter Garden, Florida 34787 ("Developer"), and CENTRAL LAKE COMMUNITY DEVELOPMENT
DISTRICT, whose address is 10400 CR 48 Howey-in-the-Hills, Fl 34737 (the "District").

RECITALS

1. Developer owns or controls lands located in Lake County, Florida, as more particularly described in Exhibit A attached hereto and made a part hereof by reference (the "Property"), and the Developer has developed or intends to develop the Property by constructing or having constructed, the Project described above, the project to include approximately _750_ residential structures and approximately _300,000_ square feet of commercial structures.

2. Developer desires that the District provide central wastewater collection and treatment services (the "Utility Services") for the Property and that District provide potable water in the event a potable water supply is not available from or provided by the City of Howey-in-the-Hills (ACity@). (\text"C:\i:y\").

3. The District is a duly created community development district with the authority and capacity to provide the Utility Services to the Property.

4. The District is willing to commit to provide Utility Services and potable water to the Property in accordance with the conditions and provisions of this Agreement.

5. The Developer, at its sole cost and expense, is willing to design, construct and install the necessary water mains, valves, services, sewage pumping station(s), force main (if applicable), gravity sewer mains, manholes, laterals, connection to District's water and sewer system and other appurtenances at its expense to furnish water supply (if applicable) and sewage disposal service to the Property.

6. Both the Developer and the District recognize that the supply of water and the collection and disposal of sewage by the District for the Property are subject to regulation, prohibition, limitation and restriction by local, State and Federal governmental agencies.
7. The Developer recognizes and agrees that the District's obligations for the provision of water and for the collection and disposal of sewage for the Property are at all times subject to such governmental regulation, prohibition, limitation and restriction and that these factors are beyond the control and responsibility of the District.

8. At this time the parties wish to set forth their agreement as stated below.

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

1. Recitals. The Recitals set forth above are true and correct.

2. District Obligations.

2.1 District covenants and agrees that it will allow Developer to connect the wastewater collection facilities installed by Developer in connection with development of the Property to the central facilities of District and, if applicable, that the District will provide potable water to the Property in accordance with the terms and intent of this Agreement upon:

   a. the completion of construction of the on-site and off-site central wastewater facilities and potable water distribution system (if applicable) by Developer in accordance with plans and specifications approved by District all at Developer's sole expense except as provided herein,

   b. the inspection and approval of such central wastewater facilities and potable water distribution system during construction by District and the furnishing of a complete set of "as built" plans in a form acceptable to District for all facilities constructed by Developer,

   c. the issuance of the final letter of acceptance by District (which District will promptly issue solely on Developer's satisfaction of the other requirements prescribed in this Section 2.1), subject to an acceptable warranty and guarantee by either Developer and/or the Developer's contractor running in favor of District, which shall be for a period of not less than one year as described later in this Agreement,

   d. the compliance by the Developer with all of the other terms of this Agreement, including the payment of such fees and charges as set forth herein,

   e. authorization by all necessary governmental entities for the District to provide such services outside its boundaries.

2.2 Such connections to District's central wastewater and potable water facilities shall
at all times be in accordance with rules, regulations and orders of the applicable governmental authorities and of the published rules and specifications of the District. The District agrees that once it provides Utility Service and, if applicable, potable water to the Property, that thereafter, the District will continuously provide Utility Services and potable water, in accordance with the rules and regulations and rate schedules of the District, as they exist from time to time, such rules to include, but not be limited to, a prohibition on acceptance of any type of hazardous materials or industrial waste and regulations as to usage and quantity of potable water. The current charge per residence for sewer services is $35.00 per month and the current charges for potable water are set forth in established rules of the District. Utility deposits may be required from the owners of completed residences on the Property.

3. CIAC.

3.1 In addition to the charges as set forth above, the Developer agrees to pay to the District Contributions-In-Aid-of-Construction (CIAC) as set forth in District rules and policy at the rates set forth below:

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<tr>
<th>Connection Type</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Sewer connection per residence</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Water connection per residence</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Commercial connections</td>
<td>TBD</td>
</tr>
</tbody>
</table>

4. Developer Obligations.

4.1 Design. The Developer at its sole cost and expense shall be responsible for designing and preparing the plans and specifications for the Utility Services and potable water supply for the Property and for the connection of such services to District's system and for obtaining all necessary and required permits from all regulatory agencies.

4.2 Construction and Installation. Developer shall install its main sewer distribution line connection from the Property to District's central treatment plant utilizing a pipe sized to provide services to the Property and, subject to District's obligation below to pay to oversize the pipe, to other properties in the general area to District's specifications, this to include all required connections to District's current system. Said pipe shall not be exclusively used to provide Utility Services to the Property as District may utilize said pipe to provide Utility Services to other properties up to the capacity of the pipe. Developer shall be responsible for the cost of the sewer pipe to serve its development and District shall have the option and right to pay any required additional expense for upsizing the pipe and any pump station(s) as necessary to provide Utility Services to other properties and developments. If District elects to so oversize the pipe, District will so notify Developer within 150 days of the date of this Agreement. After that date, Developer may refuse to oversize the pipe.

4.3 Inspections. The Developer, at its sole cost and expense, shall retain the services of a Florida registered professional engineer for the purposes of inspecting and supervising the
construction and installation of the Utility Services and potable water system (if applicable) to
insure compliance with accepted civil engineering practices and the approved plans and
specifications. Prior to Developer's conveying the systems as constructed to the District, the
engineer shall certify in writing that the construction and installation of all systems comply with
accepted civil engineering practices and are in substantial conformance with the approved plans and
specifications. The District shall have the right but not the obligation to make inspections of all of
the construction work performed by or for the Developer under the terms of this Agreement,
including both onsite and offsite facilities, and regardless of whether or not the facilities will be
subsequently owned by the District. Inspections by the District shall not be construed to constitute
any guarantee by the District as to materials or workmanship, nor shall they relieve the Developer
of the responsibility of the proper construction of said facilities in accordance with the requirements
of this Agreement nor shall the inspections, if undertaken, abrogate any warranties made by the
Developer as to the quality and condition of the materials and workmanship. District shall
not disrupt or delay the performance of work on the Property nor cause any damage to the Property or
improvements thereon. All inspections conducted by District shall be at District's sole risk and
expense. District will indemnify, defend, and hold harmless Developer with respect to any fines,
penalties, expenses (including legal fees and court costs incurred at all levels of review), losses,
damages, claims, judgments, obligations, and liabilities arising from or relating to District's
inspections.

4.4 Accuracy of Information. The Developer shall furnish to the District accurate
information with regard to all matters under this Agreement. The Developer shall be responsible
for errors or changes in the information furnished by Developer to the District under this
Agreement.

4.5 Expansion of District Plant. Developer shall pay in advance amounts required to
expand District's sewage plant to accommodate Developer's project, this to include, but not be
limited to, all engineering, permitting and construction costs. District will furnish an engineer's
estimate of such costs and Developer will either deposit with District or furnish an irrevocable
standby letter of credit in form reasonably satisfactory to the District or other financial guarantee
satisfactory to District in an amount of 110% of such estimate that District can draw upon to cover
the costs. District will reimburse such costs to Developer through credits granted by District
against required sewer CIAC, each residential credit to be calculated by dividing the number of
residential units approved for the Property into the cost of such expansion. Credits will be limited
to 50% of each residential sewer CIAC until advanced costs are paid in full. District will utilize all
such funds solely for expanding District's sewage plant as may be necessary to provide additional
capacity for providing the Utility Service. District shall maintain detailed books and records
relating to expansion of the sewage plant and will from time to time make those records available to
Developer for review and copying. District will perform the sewage plant expansion in an efficient
and economical manner, consistent with prudent practices. If the cost of performing the sewage
plant expansion is less than the financial guarantee provided by Developer pursuant to this
Agreement, then on completion of the expansion, District will immediately refund to Developer the
surplus funds. Developer shall pay all costs of expanding the system pursuant to this provision.
Accordingly, if the total cost thereof exceeds the amount of the deposit, letter of credit, or other financial guarantee provided by Developer pursuant to this provision, then Developer shall pay the deficit to District within forty-five (45) days of receiving District's demand therefor accompanied by an accounting verifying the actual costs of the work.

4.6 Potable Water Connection. As to potable water, if provided by the District, Developer shall install a potable water distribution main line from the Property to connect to District's potable water system utilizing a pipe sized to provide potable water to the Property and, subject to District's obligation below to pay to oversize the pipe, to other properties in the general area to District's specifications, this to include all required connections to District's current system. Said pipe shall not be exclusively used to provide potable water to the Property as District may utilize said pipe to provide potable water to other properties up to the capacity of the pipe. Developer shall be responsible for the cost of the potable water system and pipes to serve its development and District shall have the option and right to pay any required additional expense for upsizing certain main distribution pipe as necessary to provide potable water to other properties and developments. If District elects to so oversize the pipe, District will so notify Developer within ____ days of the date of this Agreement. After that date, Developer may refuse to oversize the pipe.

4.7 Cost of Expansion. If Developer elects to have the District provide potable water to the Property, Developer shall pay in advance amounts required to expand District's water supply system to accommodate Developer's project, this to include, but not be limited to, all engineering, permitting and construction costs. District will furnish an engineer's estimate of such costs and Developer will either deposit with District or furnish an irrevocable stand-by letter of credit in form reasonably satisfactory to the District or other financial guarantee satisfactory to the District in an amount of 110% of such estimate that District can draw upon to cover the costs. District will reimburse such costs through credits against required water CIAC, each residential credit to be calculated by dividing the number of residential units into the cost of such expansion. Credits will be limited to 50% of each residential water CIAC until advanced costs are paid in full. District will utilize all such funds solely for expanding District's water supply system as may be necessary to provide additional capacity for providing the potable water. District shall maintain detailed books and records relating to expansion of the water supply system and will from time to time make those records available to Developer for review and copying. District will perform the water supply system expansion in an efficient and economical manner, consistent with prudent practices. If the cost of performing the water supply system expansion is less than the financial guarantee provided by Developer pursuant to this Agreement, then on completion of the expansion, District will immediately refund to Developer the surplus funds. Developer shall pay all costs of expanding the system pursuant to this provision. Accordingly, if the total cost thereof exceeds the amount of the deposit, letter of credit, or other financial guarantee provided by Developer pursuant to this provision, then Developer shall pay the deficit to District within forty-five (45) days of receiving District's demand therefor accompanied by an accounting verifying the actual costs of the work.

4.8 Fire Hydrants. In the event District provides potable water to the Property, no
water may be used or disbursed by Developer, its employees or agents through fire hydrants or water mains, or by any person, firm, corporation or agency, public or private, until there has first been made adequate provisions for compensating the District for such water.

4.9 Wells. Developer, its successors and assigns, and the owners and occupants of buildings on the Property shall not install or maintain any water wells for any purpose. Under no circumstances at any time will wells be used on the Property for potable water. This provision shall remain in effect even if the City, rather than the District, provides potable water service to the Property. Notwithstanding the foregoing, wells may be used to irrigate portions of the Property intended for public use such as common areas, parkways, right-of-ways, golf courses, parks, and the like.

4.10 Developer’s Cost Controls. This provision will apply to both the sewage plant expansion contemplated by Section 4.5 above (Sewage Work) and to the water supply system expansion contemplated by Section 4.7 above (Water Work). District acknowledges Developer has a substantial interest in limiting as much as possible the costs of the Sewage Work and the Water Work. In acknowledgement of that interest, Developer and District agree as follows:

a. Developer shall have the right, but not the obligation, to participate with and to assist District in preparing the plans, specifications, and other details (collectively, Details) for the Sewage Work and the Water Work.

b. Developer, shall have the right, but not the obligation, to participate with and assist District in negotiating and securing estimates, proposals, and contracts (collectively, Contracts) for the provision of materials and services for the Sewage Work and the Water Work. Notwithstanding any other provision of this Agreement, if Developer in its reasonable discretion determines that the amount of any such Contract is unreasonable or excessive, Developer shall have the right to secure proposals from other qualified providers. All such proposals secured by Developer shall be pursuant to competitive bids complying with Chapter 190, Florida Statutes. Further, Developer shall secure such proposals only from providers that District has prequalified for bidding on the Sewage Work or Water Work, as the case may be. For purposes of this Agreement, a provider shall be deemed qualified if it has been prequalified by District for bidding, possesses any license or certification required for the supplies or services it provides, has at least six (6) years experience in providing those supplies or services, and is solvent.

c. District will provide to Developer the estimates prepared by District’s engineer of the costs of the Sewage Work and the Water Work. Notwithstanding any other provision of this Agreement, Developer will have the right in Developer’s discretion to terminate this Agreement if Developer determines the costs so estimated are excessive. If Developer does elect to so terminate this Agreement, then Developer will reimburse to District the engineering costs and permitting costs then incurred by District in performing this Agreement, and the parties will be relieved of all obligations hereunder.
d. Notwithstanding any other provision of this Agreement, if at any stage during the course of constructing the Sewage Work or the Water Work, the costs exceed by more than then percent (10%) of the bid amount for that stage of the Work, excluding, however, any such excess costs caused by change orders or changes in plans required or requested by Developer, Developer will have the right to terminate this Agreement by delivering notice of termination to District. If Developer does elect to so terminate this Agreement, then Developer will reimburse to District the engineering and construction costs then actually incurred by District, and the parties will be relieved of all obligations hereunder.

e. Developer shall have the right to require that any provider engaged to perform Sewage Work or Water Work provide payment and performance bonds to secure the performance of the provider’s obligations. The cost of such bonds shall be paid either by Developer or by the provider.

f. Developer will have the right to participate in the selection of the providers for the Sewage Work and Water Work. Notwithstanding the foregoing, the District legally must have the right to make final determination of the providers that will be permitted to submit bids.

g. Developer will have the right to require the contract by which a provider for the Sewage Work or Water Work is engaged be a fixed sum contract so that the provider bears the risk of cost increases, other than cost increases resulting from change orders.

5. Ownership of System.

5.1 Ownership. Developer agrees with District that Developer will transfer and convey to District all wastewater facilities and, if applicable, the potable water distribution system accepted by the District in connection with providing Utility Services and potable water to the Property, and such facilities and system shall at all times remain in the sole, complete and exclusive ownership of District, its successors and assigns, and any person or entity owning any part of the Property or any residence, building or unit constructed or located thereon, shall not have any right, title, claim or interest in and to such facilities or any part of them, for any purpose, including the furnishing of wastewater services or potable water to other persons or entities located within or beyond the limits of the Property.

5.2 Conveyance.

a. Upon completion and approval of the water and sewer systems contemplated hereunder for District ownership, the Developer shall, at no cost to the District, convey to the District, its successors or assigns, all of the right, title and interest of the Developer in and to all of the water and sewer facilities constructed pursuant to this Agreement free and clear of all liens and encumbrances.
b. Developer shall deliver to the District a No Lien Affidavit and Waiver and Release of Lien from all contractors, subcontractors and suppliers of materials or labor in connection with the systems.

c. Developer shall deliver to the District a Warranty on a form provided by and approved by the District warranting all systems to the satisfaction of the District in accordance with the warranties expressly prescribed in this Agreement.

d. Developer shall remain owner of the real property on which such systems are located, but Developer shall grant to the District, its successors and assigns, a perpetual easement and/or right of way on, over, under and across those portions of the Property necessary for the construction, installation, repair, relocation, and/or maintenance of the systems contemplated hereby. Such Grant of Easements shall be in a form provided by and approved by the District and shall be accompanied by either an Opinion of Title in a form acceptable to the District prepared by a member of the Florida Bar in good standing or by a licensed Florida title company indicating that title to the easement property is vested in the Developer and indicating all appropriate subordinating releases and/or satisfaction from subordinate liens or and/or mortgages having an interest in the easement property have been given.

e. Developer shall convey to the District, its successors and assigns title to the lands where lift and/or pumping stations are located. Such conveyance shall be by Statutory Warranty Deed and shall be accompanied by either an Opinion of Title in a form acceptable to the District prepared by a member of the Florida Bar in good standing or by a licensed Florida title company indicating that title to the property is vested in the Developer and indicating all appropriate subordinating releases and/or satisfaction from subordinate liens or and/or mortgages having an interest in the easement property have been given.

6. Warranties and Bonds.

6.1 Developer shall warrant that all systems provided hereunder to be owned by the District shall be free from defects in materials and workmanship. The Developer also warrants that it shall be solely responsible for the repair of any damages to said facilities caused by persons in Developer’s employment. Said warranties shall remain in full force and effect for a period of one year from the date of final acceptance of the facilities by the District, at the end of which time the warranties shall expire and be of no further force or effect. In the event it becomes necessary to repair and/or replace any of the facilities during the initial one-year period, then the warranty as to those items repaired and/or replaced shall continue to remain in effect for an additional period of one year from the date of final acceptance by the District of those repairs and/or replacements.

6.2 Simultaneous with the conveyance of the facilities contemplated hereby, the Developer shall deliver to the District an executed surety bond in a form satisfactory to the District or irrevocable letter of credit acceptable to the District in an amount equal to 25% of the actual cost of construction of the facilities, guaranteeing all work pursuant to this Agreement against any and
all defects in material, equipment or construction for a period of one year following the date of final acceptance of the facilities by the District.

Upon demand by the District, the Developer shall correct or cause to be corrected all such defects, which are discovered within the warranty period as set forth above, failing which the District may make such repairs and/or replacements of defective work and/or materials and the Developer and/or its surety shall be liable to the District for all costs arising therefrom (the surety being liable to the extent of the surety bond or letter of credit provided by Developer).

7. Exclusive Provider.

7.1 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 Utility Services and/or potable water to the Property during the period of time District, its successors or assigns, provide Utility Services and potable water to the Property, it being the intention of the parties hereto that under the foregoing provision and also other provisions of this Agreement, District shall have the sole and exclusive right and privilege to provide Utility Services and potable water (if applicable) to the Property and to the occupants of such residence, building or unit constructed thereon. Notwithstanding the foregoing, if at any time the District defaults in its obligation to provide sufficient Utility Services or potable water to the Property, Developer and the successors and assigns of Developer in addition to such other remedies and actions as may be available, shall have the right, after providing notice to District at least sixty (60) days in advance, temporarily to secure the Utility Services and potable water from other sources; provided, however, that Developer shall again obtain such Utility Services or potable water from District after District provides Utility Services and potable water to the Property.


8.1 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 to the addresses set forth above.


9.1 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, necessary maintenance work, unforeseeable governmental rules or acts or orders or restrictions or regulations or requirements, unforeseeable
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 be excused from such performance for such period as may be reasonably required to overcome the cause of the delay.

10. Indemnification.

10.1 Developer agrees to indemnify and hold District and Packing House By-Products, Inc., its successors and/or assigns, (Packing House) harmless forever from all damages, liability, cost and expense, including reasonable attorney's fees, related to negligence of the Developer, its officers, agents and employees and from any foreseeable damage to the facilities constructed by the Developer and conveyed to the District caused by negligence of the Developer, its officers, agents and employees. Indemnification shall include costs for physical repair of the District's system.

10.2 Developer agrees to hold District and Packing House harmless forever from and all liability and damages for District's non-performance under this Agreement as a result of any ruling or order by any other governmental or regulatory agency having jurisdiction over the subject matter in the Agreement or from any discontinuance of water and sewer services as a result of the District's inability to provide such services for reasons beyond the control of District.

11. Applicable Law.

11.1 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 any governmental authority.

11.2 The sole venue for any action arising out of this agreement shall be the circuit or county court in and for Lake County, Florida.

12. Assignment.

12.1 Developer may not assign its rights, duties or obligations under this agreement without the express written consent of District which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Developer shall have the right to assign this Agreement without first obtaining District's consent to the new owner of the Property if Developer at any time conveys all or substantially all of the Property, in bulk, to another person or entity.

13. Default. The occurrence of any of the following during this Agreement shall constitute a default:

13.1 Developer's failure to pay within fifteen (15) days after receipt of notice or demand from District any sums, fees, charges, costs or expenses which are payable under this Agreement.
13.2 Developer's failure in the performance or observance of any of the terms and conditions of this Agreement within thirty (30) days after receipt of District's demand or notice; provided, however, if Developer's failure cannot reasonably be remedied within thirty (30) days, then Developer shall be permitted reasonable additional time to remedy the default for as long as Developer exercises reasonable diligence.

13.3 There shall be filed by or against the Developer in any court or other tribunal pursuant to any governmental requirement, a petition in bankruptcy or insolvency proceedings or for reorganization or for the appointment of a receiver or trustee of all or substantially all of Developer's Property.

In the event of Developer's default under this Agreement, the District's obligations under this Agreement shall, at the option of District, terminate.


14.1 This Agreement shall bind the parties, together with their respective successors, grantees, heirs and assigns.


15.1 This Agreement constitutes the entire agreement between the parties for all matters contained herein and shall supersede all previous agreements or representations either oral or in writing with respect to all matters contained herein.

15.2 This Agreement or a memorandum thereof shall be recorded in the Public Records of Lake County, Florida, to put all parties on record as to the obligations of the Developer and its successors and assigns as contained herein.

15.3 In the event of any dispute and/or litigation arising from this Agreement, the prevailing party shall be awarded reasonable attorney's fees and costs through and including any appeal.

15.4 Except to the extent this Agreement expressly provides otherwise, District shall exercise its rights to approve, consent, or exercise other discretion reasonably. Without limiting the foregoing, District shall not unreasonably withhold, condition, or delay any consent, approval, or other exercise of discretion under this Agreement, except as this Agreement expressly provides otherwise.

15.5 District warrants and represents that this Agreement does not violate any law, regulation, statute, ordinance, or other governmental requirements (collectively referred to as the date of this Agreement and applicable to District. District shall employ its best efforts to
obtain all governmental approvals and consents that may be required in order for District to perform its obligations and covenants under this Agreement.

15.6 Notwithstanding any other provision of this Agreement, Developer shall have the right in Developer's sole discretion to elect not to obtain potable water from District, but from the City. If Developer elects not to obtain potable water from the District, then the provisions of this Agreement relating to potable water, including without implied limitation references to the Water Work, will be deemed removed from this Agreement, and the remainder of this Agreement will remain in effect.

[Signatures on following page]
IN WITNESS WHEREOF, Developer and District have executed or 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.

DEVELOPER:
EAGLES LANDING, LLC

By: ____________________________
Print Name: K. M. Houston
As its: Managing Director

DISTRICT:
CENTRAL LAKE COMMUNITY
DEVELOPMENT DISTRICT

By: ____________________________
Print Name: Bob Benschoter
As its: Chairman
EXHIBIT A

EXHIBIT A

legal description of Property
EXHIBIT A

description of Project

A mixed-use development containing townhomes, single-family detached homes, self-storage facilities, town center with retail and office uses, and a church site, all in the following approximate quantities:

- Townhomes: 269 units;
- Single-Family: 481 lots;
- Self Storage Facilities: 80,000 square feet;
- Retail and Commercial: 220,000 square feet; and
- Church Site: 12,000 square feet.
AGREEMENT AND COMMITMENT FOR UTILITY SERVICE

PROJECT NAME: 7L HOWEY-IN-THE-HILLS (North and South)

PROJECT DESCRIPTION: See Exhibit “B” attached hereto and incorporated herein by reference.

PROJECT OWNER: 7L HOWEY-IN-THE-HILLS, LLC

THIS AGREEMENT is entered into this _ day of __________, 2005, between 7L HOWEY-IN-THE-HILLS whose address is 400 N. Tampa Street, Suite 2200, Tampa, Florida 33602 ("Developer"), and CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT, whose address is 10400 CR 48 Howey-in-the-Hills, Fl 34737 (the "District").

RECITALS

1. Developer owns or controls lands located in Lake County, Florida, as more particularly described in Exhibit A attached hereto and made a part hereof by reference (the "Property"), and the Developer has developed or intends to develop the Property by constructing or having constructed, the Project described above, the project to include approximately 378 residential structures and approximately 85,000 square feet of commercial structures.

2. Developer desires that the District provide central wastewater collection and treatment services (the "Utility Services") for the Property and that District provide potable water in the event a potable water supply is not available from or provided by the City of Howey-in-the-Hills ("City").

3. The District is a duly created community development district with the authority and capacity to provide the Utility Services to the Property.

4. The District is willing to commit to provide Utility Services and potable water to the Property in accordance with the conditions and provisions of this Agreement.

5. The Developer, at its sole cost and expense, is willing to design, construct and install the necessary water mains, valves, services, sewage pumping station(s), force main (if applicable), gravity sewer mains, manholes, laterals, connection to District's water and sewer system and other appurtenances at its expense to furnish water supply (if applicable) and sewage disposal service to the Property.
6. Both the Developer and the District recognize that the supply of water and the collection and disposal of sewage by the District for the Property are subject to regulation, prohibition, limitation and restriction by local, State and Federal governmental agencies.

7. The Developer recognizes and agrees that the District's obligations for the provision of water and for the collection and disposal of sewage for the Property are at all times subject to such governmental regulation, prohibition, limitation and restriction and that these factors are beyond the control and responsibility of the District.

8. At this time the parties wish to set forth their agreement as stated below.

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

1. Recitals. The Recitals set forth above are true and correct.

2. District Obligations.

2.1 District covenants and agrees that it will allow Developer to connect the wastewater collection facilities installed by Developer in connection with development of the Property to the central facilities of District and, if applicable, that the District will provide potable water to the Property in accordance with the terms and intent of this Agreement upon:

a. the completion of construction of the on-site and off-site central wastewater facilities and potable water distribution system (if applicable) by Developer in accordance with plans and specifications approved by District all at Developer's sole expense except as provided herein,

b. the inspection and approval of such central wastewater facilities and potable water distribution system during construction by District and the furnishing of a complete set of "as built" plans in a form acceptable to District for all facilities constructed by Developer,

c. the issuance of the final letter of acceptance by District (which District will promptly issue solely on Developer's satisfaction of the other requirements prescribed in this Section 2.1), subject to an acceptable warranty and guarantee by either Developer and/or the Developer's contractor running in favor of District, which shall be for a period of not less than one year as described later in this Agreement,

d. the compliance by the Developer with all of the other terms of this Agreement, including the payment of such fees and charges as set forth herein,
e. authorization by all necessary governmental entities for the District to provide such services outside its boundaries.

2.2 Such connections to District’s central wastewater and potable water facilities shall at all times be in accordance with rules, regulations and orders of the applicable governmental authorities and of the published rules and specifications of the District. The District agrees that once it provides Utility Service and, if applicable, potable water to the Property, that thereafter, the District will continuously provide Utility Services and potable water, in accordance with the rules and regulations and rate schedules of the District, as they exist from time to time, such rules to include, but not be limited to, a prohibition on acceptance of any type of hazardous materials or industrial waste and regulations as to usage and quantity of potable water. The current charge per residence for sewer services is $35.00 per month and the current charges for potable water are set forth in established rules of the District. Utility deposits may be required from the owners of completed residences on the Property.

3. CIAC.

3.1 In addition to the charges as set forth above, the Developer agrees to pay to the District Contributions-In-Aid-of-Construction (CIAC) as set forth in District rules and policy at the rates set forth below:

- Sewer connection per residence $2,000.00
- Water connection per residence $1,000.00
- Commercial connections TBD

4. Developer Obligations.

4.1 Design. The Developer at its sole cost and expense shall be responsible for designing and preparing the plans and specifications for the Utility Services and potable water supply for the Property and for the connection of such services to Districts’ system and for obtaining all necessary and required permits from all regulatory agencies.

4.2 Construction and Installation. Developer shall install its main sewer distribution line connection from the Property to District's central treatment plant utilizing a pipe sized to provide services to the Property and, subject to District’s obligation below to pay to oversize the pipe, to other properties in the general area to District's specifications, this to include all required connections to District's current system. Said pipe shall not be exclusively used to provide Utility Services to the Property as District may utilize said pipe to provide Utility Services to other properties up to the capacity of the pipe. Developer shall be responsible for the cost of the sewer pipe to serve its development and District shall have the option and right to pay any required additional expense for upsizing the pipe and any pump station(s) as necessary to provide Utility Services to other properties and developments. If District elects to so oversize the pipe,
District will so notify Developer within 120 days of the date of this Agreement. After that date, Developer may refuse to oversize the pipe.

4.3 Inspections. The Developer, at its sole cost and expense, shall retain the services of a Florida registered professional engineer for the purposes of inspecting and supervising the construction and installation of the Utility Services and potable water system (if applicable) to insure compliance with accepted civil engineering practices and the approved plans and specifications. Prior to Developer's conveying the systems as constructed to the District, the engineer shall certify in writing that the construction and installation of all systems comply with accepted civil engineering practices and are in substantial conformance with the approved plans and specifications. The District shall have the right but not the obligation to make inspections of all of the construction work performed by or for the Developer under the terms of this Agreement, including both onsite and offsite facilities, and regardless of whether or not the facilities will be subsequently owned by the District. Inspections by the District shall not be construed to constitute any guarantee by the District as to materials or workmanship, nor shall they relieve the Developer of the responsibility of the proper construction of said facilities in accordance with the requirements of this Agreement nor shall the inspections, if undertaken, abrogate any warranties made by the Developer as to the quality and condition of the materials and workmanship. District shall not disrupt or delay the performance of work on the Property nor cause any damage to the Property or improvements thereon. All inspections conducted by District shall be at District's sole risk and expense. District will indemnify, defend, and hold harmless Developer with respect to any fines, penalties, expenses (including legal fees and court costs incurred at all levels of review), losses, damages, claims, judgments, obligations, and liabilities arising from or relating to Districts' inspections.

4.4 Accuracy of Information. The Developer shall furnish to the District accurate information with regard to all matters under this Agreement. The Developer shall be responsible for errors or changes in the information furnished by Developer to the District under this Agreement.

4.5 Expansion of District Plant. Developer shall pay in advance amounts required to expand District's sewage plant to accommodate Developer's project, this to include, but not be limited to, all engineering, permitting and construction costs. District will furnish an engineer's estimate of such costs and Developer will either deposit with District or furnish an irrevocable standby letter of credit in form reasonably satisfactory to the District or other financial guarantee satisfactory to the District in an amount of 110% of such estimate that District can draw upon to cover the costs. District will reimburse such costs to Developer through credits granted by District against required sewer CIAC, each residential credit to be calculated by dividing the number of residential units approved for the Property into the cost of such expansion. Credits will be limited to 50% of each residential sewer CIAC until advanced costs are paid in full. District will utilize all such funds solely for expanding District's sewage plant as may be necessary to provide additional capacity for providing the Utility Service. District shall maintain central.blankword2.doc
detailed books and records relating to expansion of the sewage plant and will from time to time make those records available to Developer for review and copying. District will perform the sewage plant expansion in an efficient and economical manner, consistent with prudent practices. If the cost of performing the sewage plant expansion is less than the financial guarantee provided by Developer pursuant to this Agreement, then on completion of the expansion, District will immediately refund to Developer the surplus funds. Developer shall pay all costs of expanding the system pursuant to this provision. Accordingly, if the total cost thereof exceeds the amount of the deposit, letter of credit, or other financial guarantee provided by Developer pursuant to this provision, then Developer shall pay the deficit to District within forty-five (45) days of receiving District’s demand therefor accompanied by an accounting verifying the actual costs of the work.

4.6 Potable Water Connection. As to potable water, if provided by the District, Developer shall install a potable water distribution main line from the Property to connect to District's potable water system utilizing a pipe sized to provide potable water to the Property and, subject to District’s obligation below to pay to oversize the pipe, to other properties in the general area to District's specifications, this to include all required connections to District's current system. Said pipe shall not be exclusively used to provide potable water to the Property as District may utilize said pipe to provide potable water to other properties up to the capacity of the pipe. Developer shall be responsible for the cost of the potable water system and pipes to serve its development and District shall have the option and right to pay any required additional expense for upsizing certain main distribution pipe as necessary to provide potable water to other properties and developments. If District elects to so oversize the pipe, District will so notify Developer within 120 days of the date of this Agreement. After that date, Developer may refuse to oversize the pipe.

4.7 Cost of Expansion. If Developer elects to have the District provide potable water to the Property, Developer shall pay in advance amounts required to expand District's water supply system to accommodate Developer's project, this to include, but not be limited to, all engineering, permitting and construction costs. District will furnish an engineer's estimate of such costs and Developer will either deposit with District or furnish an irrevocable standby letter of credit in form reasonably satisfactory to the District or other financial guarantee satisfactory to the District in an amount of 110% of such estimate that District can draw upon to cover the costs. District will reimburse such costs through credits against required water CIAC, each residential credit to be calculated by dividing the number of residential units into the cost of such expansion. Credits will be limited to 50% of each residential water CIAC until advanced costs are paid in full. District will utilize all such funds solely for expanding District’s water supply system as may be necessary to provide additional capacity for providing the potable water. District shall maintain detailed books and records relating to expansion of the water supply system and will from time to time make those records available to Developer for review and copying. District will perform the water supply system expansion in an efficient and economical manner, consistent with prudent practices. If the cost of performing the water supply system expansion is
less than the financial guarantee provided by Developer pursuant to this Agreement, then on completion of the expansion, District will immediately refund to Developer the surplus funds. Developer shall pay all costs of expanding the system pursuant to this provision. Accordingly, if the total cost thereof exceeds the amount of the deposit, letter of credit, or other financial guarantee provided by Developer pursuant to this provision, then Developer shall pay the deficit to District within forty-five (45) days of receiving District's demand therefor accompanied by an accounting verifying the actual costs of the work.

4.8 Fire Hydrants. In the event District provides potable water to the Property, no water may be used or disbursed by Developer, its employees or agents through fire hydrants or water mains, or by any person, firm, corporation or agency, public or private, until there has first been made adequate provisions for compensating the District for such water.

4.9 Wells. Developer, its successors and assigns, and the owners and occupants of buildings on the Property shall not install or maintain any water wells for any purpose. Under no circumstances at any time will wells be used on the Property for potable water. This provision shall remain in effect even if the City, rather than the District, provides potable water services to the Property. Notwithstanding the foregoing, wells may be used to irrigate portions of the Property intended for public use such as common areas, parkways, right-of-ways, golf courses, parks, and the like.

4.10 Developer's Cost Controls. This provision will apply to both the sewage plant expansion contemplated by Section 4.5 above ("Sewage Work") and to the water supply system expansion contemplated by Section 4.7 above ("Water Work"). District acknowledges Developer has a substantial interest in limiting as much as possible the costs of the Sewage Work and the Water Work. In acknowledgment of that interest, Developer and District agree as follows:

a. Developer shall have the right, but not the obligation, to participate with and to assist District in preparing the plans, specifications, and other details (collectively, "Details") for the Sewage Work and the Water Work.

b. Developer shall have the right, but not the obligation, to participate with and assist District in negotiation and securing estimates, proposals, and contracts (collectively, "Contracts") for the provision of materials and services for the Sewage Work and Water Work. Notwithstanding any other provision of this Agreement, if Developer in its reasonable discretion determines that the amount of any such Contract is unreasonable or excessive, Developer shall have the right to secure proposals from other qualified providers. All such proposals secured by Developer shall be pursuant to competitive bids complying with Chapter 190, Florida Statutes. Further, Developer shall secure such proposals only from providers that District has prequalified for bidding on the Sewage Work or Water Work, as the case may be. District will accept the lowest contract proposed by a qualified provider. For purposes of this Agreement, a provider...
shall be deemed qualified if it has been prequalified by District for bidding, possesses any license or certification required for the supplies or services it provides, has at least six (6) years experience in providing those supplies or services, and is solvent.

c. District will provide Developer the estimates prepared by District’s engineer of the costs of the Sewage Work and the Water Work. Notwithstanding any other provision of this Agreement, Developer will have the right in Developer’s discretion to terminate this Agreement if Developer determines the costs so estimated are excessive. If Developer does elect to so terminate this Agreement, then Developer will reimburse to District the engineering costs then incurred by District in performing this Agreement, and the parties will be relieved of all obligations hereunder.

d. Notwithstanding any other provision of this Agreement, if at any stage during the course of constructing the Sewage Work or the Water Work, the costs exceed by more than ten percent (10%) of the bid amount for that stage of the Work, excluding, however, any such excess costs caused by change orders or changes in plans required or requested by Developer, Developer will have the right to terminate this Agreement by delivering notice of termination to District. If Developer does elect to so terminate this Agreement, then Developer will reimburse to District the engineering and construction costs then actually incurred by District, and the parties will be relieved of all obligations hereunder.

e. Developer shall have the right to require that any provider engaged to perform Sewage Work or Water Work provide payment and performance bonds to secure the performance of the provider’s obligations. The cost of such bonds shall be paid either by Developer or by the provider.

f. Developer will have the right to participate in the selection of the providers for the Sewage Work and Water Work. Notwithstanding the foregoing, the District legally must have the right to make final determination of the providers that will be permitted to submit bids.

g. Developer will have the right to require the contract by which a provider for the Sewage Work or Water Work is engaged to be a fixed sum contract so that the provider bears the risk of cost increases, other than cost increases resulting from change orders.

5. Ownership of System.

5.1 Ownership. Developer agrees with District that Developer will transfer and convey to District all wastewater facilities and, if applicable, the potable water distribution system accepted by the District in connection with providing Utility Services and potable water to the Property, and such facilities and system shall at all times remain in the sole, complete and exclusive ownership of District, its successors and assigns, and any person or entity owning any part of the Property or any residence, building or unit constructed or located thereon, shall not
have any right, title, claim or interest in and to such facilities or any part of them, for any purpose, including the furnishing of wastewater services or potable water to other persons or entities located within or beyond the limits of the Property.

5.2 Conveyance.

a. Upon completion and approval of the water and sewer systems contemplated hereunder for District ownership, the Developer shall, at no cost to the District, convey to the District, its successors or assigns, all of the right, title and interest of the Developer in and to all of the water and sewer facilities constructed pursuant to this Agreement free and clear of all liens and encumbrances.

b. Developer shall deliver to the District a No Lien Affidavit and Waiver and Release of Lien from all contractors, subcontractors and suppliers of materials or labor in connection with the systems.

c. Developer shall deliver to the District a Warranty on a form provided by and approved by the District warranting all systems to the satisfaction of the District in accordance with the warranties expressly prescribed in this Agreement.

d. Developer shall remain owner of the real property on which such systems are located, but Developer shall grant to the District, its successors and assigns, a perpetual easement and/or right of way on, over, under and across those portions of the Property necessary for the construction, installation, repair, relocation, and/or maintenance of the systems contemplated hereby. Such Grant of Easements shall be in a form provided by and approved by the District and shall be accompanied by either an Opinion of Title in a form acceptable to the District prepared by a member of the Florida Bar in good standing or by a licensed Florida title company indicating that title to the easement property is vested in the Developer and indicating all appropriate subordinating releases and/or satisfaction from subordinate lienors and/or mortgagees having an interest in the easement property have been given.

e. Developer shall convey to the District, its successors and assigns title to the lands where lift and/or pumping stations are located. Such conveyance shall be by Statutory Warranty Deed and shall be accompanied by either an Opinion of Title in a form acceptable to the District prepared by a member of the Florida Bar in good standing or by a licensed Florida title company indicating that title to the property is vested in the Developer and indicating all appropriate subordinating releases and/or satisfaction from subordinate lienors and/or mortgagees having an interest in the easement property have been given.

6. Warranties and Bonds.
6.1 Developer shall warrant that all systems provided hereunder to be owned by the District shall be free from defects in materials and workmanship. The Developer also warrants that it shall be solely responsible for the repair of any damages to said facilities caused by persons in Developer's employment. Said warranties shall remain in full force and effect for a period of one year from the date of final acceptance of the facilities by the District, at the end of which time the warranties shall expire and be of no further force or effect. In the event it becomes necessary to repair and/or replace any of the facilities during the initial one year period, then the warranty as to those items repaired and/or replaced shall continue to remain in effect for an additional period of one year from the date of final acceptance by the District of those repairs and/or replacements.

6.2 Simultaneous with the conveyance of the facilities contemplated hereby, the Developer shall deliver to the District an executed surety bond in a form satisfactory to the District or irrevocable letter of credit acceptable to the District in an amount equal to 25% of the actual cost of construction of the facilities, guaranteeing all work pursuant to this Agreement against any and all defects in material, equipment or construction for a period of one year following the date of final acceptance of the facilities by the District.

Upon demand by the District, the Developer shall correct or cause to be corrected all such defects, which are discovered within the warranty period as set forth above, failing which the District may make such repairs and/or replacements of defective work and/or materials and the Developer and/or its surety shall be liable to the District for all costs arising therefrom (the surety being liable to the extent of the surety bond or letter of credit provided by Developer).

7. Exclusive Provider.

7.1 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 Utility Services and/or potable water to the Property during the period of time District, its successors or assigns, provide Utility Services and potable water to the Property, it being the intention of the parties hereto that under the foregoing provision and also other provisions of this Agreement, District shall have the sole and exclusive right and privilege to provide Utility Services and potable water (if applicable) to the Property and to the occupants of such residence, building or unit constructed thereon. Notwithstanding the foregoing, if at any time the District defaults in its obligation to provide sufficient Utility Services or potable water to the Property, Developer and the successors and assigns of Developer in addition to such other remedies and actions as may be available, shall have the right, after providing notice to District at least sixty (60) days in advance, temporarily to secure the Utility Services and potable water from other sources; provided, however, that Developer shall again obtain such Utility Services or potable water from District after District provides Utility Services and potable water to the Property.

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8.1 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 to the addresses set forth above.


9.1 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, necessary maintenance work, unforeseeable governmental rules or acts or orders or restrictions or regulations or requirements, unforeseeable 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 be excused from such performance for such period as may be reasonably required to overcome the cause of the delay.

10. Indemnification.

10.1 Developer agrees to indemnify and hold District and Packing House By-Products, Inc., its successors and/or assigns, ("Packing House") harmless forever from all damages, liability, cost and expense, including reasonable attorney's fees, related to negligence of the Developer, its officers, agents and employees and from any foreseeable damage to the facilities constructed by the Developer and conveyed to the District caused by negligence of the Developer, its officers, agents and employees. Indemnification shall include costs for physical repair of the District's system.

10.2 Developer agrees to hold District and Packing House harmless forever from and all liability and damages for District's non-performance under this Agreement as a result of any ruling or order by any other governmental or regulatory agency having jurisdiction over the subject matter in the Agreement or from any discontinuance of water and sewer services as a result of the District's inability to provide such services for reasons beyond the control of District.

11. Applicable Law.
11.1 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 any governmental authority.

11.2 The sole venue for any action arising out of this agreement shall be the circuit or county court in and for Lake County, Florida.

12. Assignment.

12.1 Developer may not assign its rights, duties or obligations under this agreement without the express written consent of District which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Developer shall have the right to assign this Agreement without first obtaining District’s consent to the new owner of the Property if Developer at any time conveys all or substantially all of the Property, in bulk, to another person or entity.

13. Default. The occurrence of any of the following during this Agreement shall constitute a default:

13.1 Developer’s failure to pay within fifteen (15) days after receipt of notice or demand from District any sums, fees, charges, costs or expenses which are payable under this Agreement.

13.2 Developer’s failure in the performance or observance of any of the terms and conditions of this Agreement within thirty (30) days after receipt of Districts’ demand or notice; provided, however, if Developer’s failure cannot reasonably be remedied within thirty (30) days, then Developer shall be permitted reasonable additional time to remedy the default for as long as Developer exercises reasonable diligence.

13.3 There shall be filed by or against the Developer in any court or other tribunal pursuant to any governmental requirement, a petition in bankruptcy or insolvency proceedings or for reorganization or for the appointment of a receiver or trustee of all or substantially all of Developer’s Property.

In the event of Developer's default under this Agreement, the District's obligations under this Agreement shall, at the option of District, terminate.


14.1 This Agreement shall bind the parties, together with their respective successors, grantees, heirs and assigns.

15.1 This Agreement constitutes the entire agreement between the parties for all matters contained herein and shall supersede all previous agreements or representations either oral or in writing with respect to all matters contained herein.

15.2 This Agreement or a memorandum thereof shall be recorded in the Public Records of Lake County, Florida, to put all parties on record as to the obligations of the Developer and its successors and assigns as contained herein.

15.3 In the event of any dispute and/or litigation arising from this Agreement, the prevailing party shall be awarded reasonable attorney’s fees and costs through and including any appeal.

15.4 Except to the extent this Agreement expressly provides otherwise, District shall exercise its rights to approve, consent, or exercise other discretion reasonably. Without limiting the foregoing, District shall not unreasonably withhold, condition, or delay any consent, approval, or other exercise of discretion under this Agreement, except as this Agreement expressly provides otherwise.

15.5 District warrants and represents that this Agreement does not violate any law, regulation, statute, ordinance, or other governmental requirements (collectively, “Law”) in effect as of the date of this Agreement and applicable to District. District shall employ its best efforts to obtain all governmental approvals and consents that may be required in order for District to perform its obligations and covenants under this Agreement.

15.6 Notwithstanding any other provision of this Agreement, Developer shall have the right in Developer’s sole discretion to elect not to obtain potable water from District, but from the City. If Developer elects not to obtain potable water from the District, then the provisions of this Agreement relating to potable water, including without implied limitation references to the Water Work, will be deemed removed from this Agreement, and the remainder of this Agreement will remain in effect.

[Signatures on following page]
IN WITNESS WHEREOF, Developer and District have executed or 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.

DEVELOPER:

7L HOWEY-IN-THE-HILLS, LLC

By: [Signature]
Print Name: Frederick J. Kenney
As its: Vice President

DISTRICT:
CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT

By: [Signature]
Print name: Bud Bechler
As its: Chairman
EXHIBIT "A"
legal description of Property

7L HOWEY-IN-THE-HILLS LEGAL DESCRIPTION

7L. Howey-in-the-Hills property consists of a South Parcel (160.059 acres)
   And a North Parcel (51.272 acres)

SOUTH LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF "HOWEY-IN-THE-HILLS" (AN UNRECORDED PLAT) LYING IN SECTIONS 35 AND 36, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA; THENCE ALONG THE WEST BOUNDARY OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 35 S00°02'16"W, A DISTANCE OF 1298.95 FEET TO A POINT OF INTERSECTION WITH THE SOUTHERLY RIGHT OF WAY LINE OF PALM AVENUE (STATE ROAD No. 19), SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG SAID RIGHT OF WAY N 51°23'37"E, A DISTANCE OF 1797.48 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF SAID CURVE 308.66 FEET, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 785.58 FEET, A CENTRAL ANGLE OF 22°30'43" AND A CHORD BEARING AND DISTANCE OF N40°08'15"E, 306.68 FEET; THENCE DEPARTING SAID RIGHT OF WAY N53°52'15"E, A DISTANCE OF 248.38 FEET; THENCE N72°56'00"E, A DISTANCE OF 7.90 FEET; THENCE S17°04'39"E, A DISTANCE OF 2998.95 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE OF COUNTY ROAD, (A.K.A. REVELS ROAD), SAID POINT BEING A POINT OF CURVATURE; THENCE ALONG SAID RIGHT OF WAY AND THE ARC OF SAID CURVE 443.81 FEET, CONCAVE NORTHERLY, HAVING A RADIUS OF 610.22 FEET, A CENTRAL ANGLE OF 41°40'17" AND A CHORD BEARING AND DISTANCE OF S69°14'53"W, 434.10 FEET TO A POINT OF TANGENCY; THENCE S89°48'55"W, A DISTANCE OF 1297.88 FEET; THENCE DEPART SAID RIGHT WAY N00°12'15"W, A DISTANCE OF 849.40 FEET; THENCE S89°48'55"W, A DISTANCE OF 360.14 FEET; THENCE S00°07'36"E, A DISTANCE OF 305.15 FEET; THENCE S89°56'08"W, A DISTANCE OF 135.00 FEET; THENCE S00°06'07"E, A DISTANCE OF 275.36 FEET; THENCE S89°48'03"W, A DISTANCE OF 328.16 FEET; THENCE S00°37'45"W 200.21 FEET; THENCE N89°47'38"E, A DISTANCE OF 45.00 FEET; THENCE S00°12'22"W, A DISTANCE OF 168.45 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE OF SAID COUNTY ROAD, SAID POINT BEING A
POINT ON A CURVE; THENCE ALONG SAID RIGHT OF WAY AND THE ARC OF SAID CURVE 189.94 FEET, CONCAVE SOUTHERLY, HAVING A RADIUS OF 3270.02 FEET, A CENTRAL ANGLE OF 3°19'41" AND A CHORD BEARING AND DISTANCE OF S71°20'23"W, 189.91 FEET; THENCE DEPART SAID RIGHT OF WAY LINE S60°21'55"W, A DISTANCE OF 531.96 FEET; THENCE S51°11'38"W, A DISTANCE OF 795.55 FEET; THENCE S55°02'40"W, A DISTANCE OF 309.80 FEET TO THE EASTERLY RIGHT OF WAY LINE OF STATE ROAD No. 19, SAID RIGHT OF WAY BEING COMPRISED IN PART BY PORTIONS OF MARE AVENUE AND PALM AVENUE; THENCE ALONG SAID RIGHT OF WAY N00°09'53"W, A DISTANCE OF 488.11 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF SAID CURVE 2017.34 FEET, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 2241.83 FEET, A CENTRAL ANGLE OF 51°33'30" AND A CHORD BEARING AND DISTANCE OF N25°36'52"E, 1949.96 FEET TO A POINT OF TANGENCY; THENCE N51°23'37"E, A DISTANCE OF 601.65 FEET TO THE POINT OF BEGINNING.

CONTAINING 160.059 ACRES MORE OR LESS

TOGETHER WITH

NORTH LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF "GROVE GARDENS" (PLAT BOOK 17, PAGE 2) AND "HOWIE-IN-THE-HILLS" (AN UNRECORDED PLAT) LYING IN SECTIONS 26 AND 35, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 20 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA; THENCE ALONG THE NORTH BOUNDARY OF SAID SECTION N 89°49'22"E, A DISTANCE OF 97.92 FEET TO THE POINT OF BEGINNING; THENCE DEPART SAID SECTION BOUNDARY N 00°00'07"E, A DISTANCE OF 29.70 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF GRANT STREET; THENCE ALONG SAID RIGHT OF WAY N 56°00'00"E, A DISTANCE OF 921.20 FEET; THENCE N 64°54'03"E, A DISTANCE OF 134.15 FEET; THENCE DEPART SAID RIGHT OF WAY LINE S 22°46'58"E, A DISTANCE OF 134.90 FEET; THENCE N67°23'46"E, A DISTANCE OF 249.96 FEET; THENCE S 06°03'40"E, A DISTANCE OF 12.16 FEET; THENCE N 89°52'29"E, A DISTANCE OF 222.15 FEET; THENCE S 17°01'37"E, A DISTANCE OF 79.32 FEET; THENCE N 72°54'16"E, A DISTANCE OF 315.08 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF FLORIDA AVENUE; THENCE ALONG SAID RIGHT OF WAY S 17°04'04"E, A DISTANCE OF 1132.61 FEET; THENCE DEPART SAID RIGHT OF WAY S 72°57'38"W, A DISTANCE OF 149.84 FEET; THENCE S 17°10'01"E, A DISTANCE OF 74.94 FEET; THENCE N 72°58'13"E, A DISTANCE OF 149.82' TO A POINT ON THE WEST RIGHT OF WAY LINE OF FLORIDA AVENUE; THENCE ALONG SAID RIGHT OF WAY central_blankword2.doc
S 17°02'44"E, A DISTANCE OF 300.03 FEET; THENCE DEPART SAID RIGHT OF WAY S 72°56'00"W, A DISTANCE OF 149.83 FEET; THENCE S 17°02'42"E, A DISTANCE OF 164.96 FEET; THENCE N 90°00'00"W, A DISTANCE OF 835.94 FEET TO A POINT ON THE WEST BOUNDARY OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 35; THENCE ALONG SAID SECTION BOUNDARY N 00°19'41"W, A DISTANCE OF 404.92 FEET; THENCE DEPARTING SAID SECTION BOUNDARY S 89°51'12"W, A DISTANCE OF 659.75 FEET; THENCE N 45°09'29"W, A DISTANCE OF 468.37 FEET; THENCE N 00°06'38"W, A DISTANCE OF 331.44 FEET; THENCE S 89°50'24"W, A DISTANCE OF 232.87 FEET TO THE POINT OF BEGINNING.

CONTAINING 51.272 ACRES MORE OR LESS.
EXHIBIT “B”
description of Project

A mixed-use development containing townhomes, single-family detached homes, town center with retail and office uses, all in the following approximate quantities:

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Townhomes</td>
<td>113 units;</td>
</tr>
<tr>
<td>Single-Family</td>
<td>265 lots;</td>
</tr>
<tr>
<td>Retail and commercial</td>
<td>85,000 square feet</td>
</tr>
</tbody>
</table>
AGREEMENT AND COMMITMENT FOR UTILITY SERVICE

PROJECT NAME: MISSION RISE

PROJECT OWNER: RICHARD H. LANGLEY

THIS AGREEMENT is entered into this ___ day of ___ , 2005, between RICHARD H. LANGLEY whose address is P.O.Box120188 Clermont, Fl 34712 ("Developer"), and CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT, whose address is 10400 CR 48 Howey-in-the-Hills, Fl 34737 (the "District").

RECITALS

1. Developer owns or controls lands located in Lake County, Florida, as more particularly described in Exhibit A attached hereto and made a part hereof by reference (the "Property"), and the Developer has developed or intends to develop the Property by constructing or having constructed, the Project described above, the project to include approximately 400 residential structures and no commercial structures.

2. Developer desires that the District provide central wastewater collection and treatment services (the "Utility Services") for the Property and that District provide potable water in the event a potable water supply is not available from or provided by the City of Howey-in-the-Hills ("City").

3. The District is a duly created community development district with the authority and capacity to provide the Utility Services to the Property.

4. The District is willing to commit to provide Utility Services and potable water to the Property in accordance with the conditions and provisions of this Agreement.

5. The Developer, at its sole cost and expense, is willing to design, construct and install the necessary water mains, valves, services, sewage pumping station(s), force main (if applicable), gravity sewer mains, manholes, laterals, connection to District's water and sewer system and other appurtenances at its expense to furnish water supply (if applicable) and sewage disposal service to the Property.

6. Both the Developer and the District recognize that the supply of water and the collection and disposal of sewage by the District for the Property are subject to regulation, prohibition, limitation and restriction by local, State and Federal governmental agencies.

7. The Developer recognizes and agrees that the District's obligations for the provision of water and for the collection and disposal of sewage for the Property are at all times...
subject to such governmental regulation, prohibition, limitation and restriction and that these factors are beyond the control and responsibility of the District.

8. At this time the parties wish to set forth their agreement as stated below.

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

1. Recitals. The Recitals set forth above are true and correct.

2. District Obligations.

2.1 District covenants and agrees that it will allow Developer to connect the wastewater collection facilities installed by Developer in connection with development of the Property to the central facilities of District and, if applicable, that the District will provide potable water to the Property in accordance with the terms and intent of this Agreement upon:

   a. the completion of construction of the on-site and off-site central wastewater facilities and potable water distribution system (if applicable) by Developer in accordance with plans and specifications approved by District all at Developer's sole expense except as provided herein,

   b. the inspection and approval of such central wastewater facilities and potable water distribution system during construction by District and the furnishing of a complete set of "as built" plans in a form acceptable to District for all facilities constructed by Developer,

   c. the issuance of the final letter of acceptance by District (which District will promptly issue solely on Developer’s satisfaction of the other requirements prescribed in this Section 2.1), subject to an acceptable warranty and guarantee by either Developer and/or the Developer's contractor running in favor of District, which shall be for a period of not less than one year as described later in this Agreement,

   d. the compliance by the Developer with all of the other terms of this Agreement, including the payment of such fees and charges as set forth herein,

   e. authorization by all necessary governmental entities for the District to provide such services outside its boundaries.

2.2 Such connections to District’s central wastewater and potable water facilities shall at all times be in accordance with rules, regulations and orders of the applicable governmental authorities and of the published rules and specifications of the District. The District agrees that once it provides Utility Service and, if applicable, potable water to the
Property, that thereafter, the District will continuously provide Utility Services and potable water, in accordance with the rules and regulations and rate schedules of the District, as they exist from time to time, such rules to include, but not be limited to, a prohibition on acceptance of any type of hazardous materials or industrial waste and regulations as to usage and quantity of potable water. The current charge per residence for sewer services is $35.00 per month and the current charges for potable water are set forth in established rules of the District. Utility deposits may be required from the owners of completed residences on the Property.

3. **CIAC.**

3.1 In addition to the charges as set forth above, the Developer agrees to pay to the District Contributions-In-Aid-of-Construction (CIAC) as set forth in District rules and policy at the rates set forth below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer connection per residence</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Water connection per residence</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Commercial connections</td>
<td>TBD</td>
</tr>
</tbody>
</table>

4. **Developer Obligations.**

4.1 **Design.** The Developer at its sole cost and expense shall be responsible for designing and preparing the plans and specifications for the Utility Services and potable water supply for the Property and for the connection of such services to Districts' system and for obtaining all necessary and required permits from all regulatory agencies.

4.2 **Construction and Installation.** Developer shall install its main sewer distribution line connection from the Property to District's central treatment plant utilizing a pipe sized to provide services to the Property and, subject to District's obligation below to pay to oversize the pipe, to other properties in the general area to District's specifications, this to include all required connections to District's current system. Said pipe shall not be exclusively used to provide Utility Services to the Property as District may utilize said pipe to provide Utility Services to other properties up to the capacity of the pipe. Developer shall be responsible for the cost of the sewer pipe to serve its development and District shall have the option and right to pay any required additional expense for upsizing the pipe and any pump station(s) as necessary to provide Utility Services to other properties and developments. If District elects to so oversize the pipe, District will so notify Developer within 120 days of the date of this Agreement. After that date, Developer may refuse to oversize the pipe.

4.3 **Inspections.** The Developer, at its sole cost and expense, shall retain the services of a Florida registered professional engineer for the purposes of inspecting and supervising the construction and installation of the Utility Services and potable water system (if applicable) to insure compliance with accepted civil engineering practices and the approved plans and specifications. Prior to Developer's conveying the systems as constructed to the District, the
engineer shall certify in writing that the construction and installation of all systems comply with accepted civil engineering practices and are in substantial conformance with the approved plans and specifications. The District shall have the right but not the obligation to make inspections of all of the construction work performed by or for the Developer under the terms of this Agreement, including both onsite and offsite facilities, and regardless of whether or not the facilities will be subsequently owned by the District. Inspections by the District shall not be construed to constitute any guarantee by the District as to materials or workmanship, nor shall they relieve the Developer of the responsibility of the proper construction of said facilities in accordance with the requirements of this Agreement nor shall the inspections, if undertaken, abrogate any warranties made by the Developer as to the quality and condition of the materials and workmanship. District shall not disrupt or delay the performance of work on the Property nor cause any damage to the Property or improvements thereon. All inspections conducted by District shall be at District’s sole risk and expense. District will indemnify, defend, and hold harmless Developer with respect to any fines, penalties, expenses (including legal fees and court costs incurred at all levels of review), losses, damages, claims, judgments, obligations, and liabilities arising from or relating to Districts’ inspections.

4.4 Accuracy of Information. The Developer shall furnish to the District accurate information with regard to all matters under this Agreement. The Developer shall be responsible for errors or changes in the information furnished by Developer to the District under this Agreement.

4.5 Expansion of District Plant. Developer shall pay in advance amounts required to expand District's sewage plant to accommodate Developer's project, this to include, but not be limited to, all engineering, permitting and construction costs. District will furnish an engineer's estimate of such costs and Developer will either deposit with District or furnish an irrevocable standby letter of credit in form reasonably satisfactory to the District or other financial guarantee satisfactory to the District in an amount of 110% of such estimate that District can draw upon to cover the costs. District will reimburse such costs to Developer through credits granted by District against required sewer CIAC, each residential credit to be calculated by dividing the number of residential units approved for the Property into the cost of such expansion. Credits will be limited to 50% of each residential sewer CIAC until advanced costs are paid in full. District will utilize all such funds solely for expanding District's sewage plant as may be necessary to provide additional capacity for providing the Utility Service. District shall maintain detailed books and records relating to expansion of the sewage plant and will from time to time make those records available to Developer for review and copying. District will perform the sewage plant expansion in an efficient and economical manner, consistent with prudent practices. If the cost of performing the sewage plant expansion is less than the financial guarantee provided by Developer pursuant to this Agreement, then on completion of the expansion, District will immediately refund to Developer the surplus funds. Developer shall pay all costs of expanding the system pursuant to this provision. Accordingly, if the total cost thereof exceeds the amount of the deposit, letter of credit, or other financial guarantee provided by Developer pursuant to this
provision, then Developer shall pay the deficit to District within forty-five (45) days of receiving District’s demand therefor accompanied by an accounting verifying the actual costs of the work.

4.6 Potable Water Connection. As to potable water, if provided by the District, Developer shall install a potable water distribution main line from the Property to connect to District’s potable water system utilizing a pipe sized to provide potable water to the Property and, subject to District’s obligation below to pay to oversize the pipe, to other properties in the general area to District’s specifications, this to include all required connections to District's current system. Said pipe shall not be exclusively used to provide potable water to the Property as District may utilize said pipe to provide potable water to other properties up to the capacity of the pipe. Developer shall be responsible for the cost of the potable water system and pipes to serve its development and District shall have the option and right to pay any required additional expense for upsizing certain main distribution pipe as necessary to provide potable water to other properties and developments. If District elects to so oversize the pipe, District will so notify Developer within 120 days of the date of this Agreement. After that date, Developer may refuse to oversize the pipe.

4.7 Cost of Expansion. If Developer elects to have the District provide potable water to the Property, Developer shall pay in advance amounts required to expand District’s water supply system to accommodate Developer’s project, this to include, but not be limited to, all engineering, permitting and construction costs. District will furnish an engineer’s estimate of such costs and Developer will either deposit with District or furnish an irrevocable standby letter of credit in form reasonably satisfactory to the District or other financial guarantee satisfactory to the District in an amount of 110% of such estimate that District can draw upon to cover the costs. District will reimburse such costs through credits against required water CIAC, each residential credit to be calculated by dividing the number of residential units into the cost of such expansion. Credits will be limited to 50% of each residential water CIAC until advanced costs are paid in full. District will utilize all such funds solely for expanding District’s water supply system as may be necessary to provide additional capacity for providing the potable water. District shall maintain detailed books and records relating to expansion of the water supply system and will from time to time make those records available to Developer for review and copying. District will perform the water supply system expansion in an efficient and economical manner, consistent with prudent practices. If the cost of performing the water supply system expansion is less than the financial guarantee provided by Developer pursuant to this Agreement, then on completion of the expansion, District will immediately refund to Developer the surplus funds. Developer shall pay all costs of expanding the system pursuant to this provision. Accordingly, if the total cost thereof exceeds the amount of the deposit, letter of credit, or other financial guarantee provided by Developer pursuant to this provision, then Developer shall pay the deficit to District within forty-five (45) days of receiving District’s demand therefor accompanied by an accounting verifying the actual costs of the work.

4.8 Fire Hydrants. In the event District provides potable water to the Property, no water may be used or disbursed by Developer, its employees or agents through fire hydrants or
water mains, or by any person, firm, corporation or agency, public or private, until there has first been made adequate provisions for compensating the District for such water.

4.9 Wells. Developer, its successors and assigns, and the owners and occupants of buildings on the Property shall not install or maintain any water wells for any purpose. Under no circumstances at any time will wells be used on the Property for potable water. This provision shall remain in effect even if the City, rather than the District, provides potable water services to the Property. Notwithstanding the foregoing, wells may be used to irrigate portions of the Property intended for public use such as common areas, parkways, right-of-ways, golf courses, parks, and the like.

4.10 Developer's Cost Controls. This provision will apply to both the sewage plant expansion contemplated by Section 4.5 above ("Sewage Work") and to the water supply system expansion contemplated by Section 4.7 above ("Water Work"). District acknowledges Developer has a substantial interest in limiting as much as possible the costs of the Sewage Work and the Water Work. In acknowledgment of that interest, Developer and District agree as follows:

a. Developer shall have the right, but not the obligation, to participate with and to assist District in preparing the plans, specifications, and other details (collectively, "Details") for the Sewage Work and the Water Work.

b. Developer shall have the right, but not the obligation, to participate with and assist District in negotiation and securing estimates, proposals, and contracts (collectively, "Contracts") for the provision of materials and services for the Sewage Work and Water Work. Notwithstanding any other provision of this Agreement, if Developer in its reasonable discretion determines that the amount of any such Contract is unreasonable or excessive, Developer shall have the right to secure proposals from other qualified providers. All such proposals secured by Developer shall be pursuant to competitive bids complying with Chapter 190, Florida Statutes. Further, Developer shall secure such proposals only from providers that District has prequalified for bidding on the Sewage Work or Water Work, as the case may be. District will accept the lowest contract proposed by a qualified provider. For purposes of this Agreement, a provider shall be deemed qualified if it has been prequalified by District for bidding, possesses any license or certification required for the supplies or services it provides, has at least six (6) years experience in providing those supplies or services, and is solvent.

c. District will provide Developer the estimates prepared by District's engineer of the costs of the Sewage Work and the Water Work. Notwithstanding any other provision of this Agreement, Developer will have the right in Developer's discretion to terminate this Agreement if Developer determines the costs so estimated are excessive. If Developer does elect to so terminate this Agreement, then Developer will reimburse to District the engineering costs then incurred by District in performing this Agreement, and the parties will be relieved of all obligations hereunder.
d. Notwithstanding any other provision of this Agreement, if at any stage during the course of constructing the Sewage Work or the Water Work, the costs exceed by more than ten percent (10%) of the bid amount for that stage of the Work, excluding, however, any such excess costs caused by change orders or changes in plans required or requested by Developer, Developer will have the right to terminate this Agreement by delivering notice of termination to District. If Developer does elect to so terminate this Agreement, then Developer will reimburse to District the engineering and construction costs then actually incurred by District, and the parties will be relieved of all obligations hereunder.

e. Developer shall have the right to require that any provider engaged to perform Sewage Work or Water Work provide payment and performance bonds to secure the performance of the provider's obligations. The cost of such bonds shall be paid either by Developer or by the provider.

f. Developer will have the right to participate in the selection of the providers for the Sewage Work and Water Work. Notwithstanding the foregoing, the District legally must have the right to make final determination of the providers that will be permitted to submit bids.

g. Developer will have the right to require the contract by which a provider for the Sewage Work or Water Work is engaged to be a fixed sum contract so that the provider bears the risk of cost increases, other than cost increases resulting from change orders.

5. Ownership of System.

5.1 Ownership. Developer agrees with District that Developer will transfer and convey to District all wastewater facilities and, if applicable, the potable water distribution system accepted by the District in connection with providing Utility Services and potable water to the Property, and such facilities and system shall at all times remain in the sole, complete and exclusive ownership of District, its successors and assigns, and any person or entity owning any part of the Property or any residence, building or unit constructed or located thereon, shall not have any right, title, claim or interest in and to such facilities or any part of them, for any purpose, including the furnishing of wastewater services or potable water to other persons or entities located within or beyond the limits of the Property.

5.2 Conveyance.

a. Upon completion and approval of the water and sewer systems contemplated hereunder for District ownership, the Developer shall, at no cost to the District, convey to the District, its successors or assigns, all of the right, title and interest of the Developer in and to all of the water and sewer facilities constructed pursuant to this Agreement free and clear of all liens and encumbrances.
b. Developer shall deliver to the District a No Lien Affidavit and Waiver and Release of Lien from all contractors, subcontractors and suppliers of materials or labor in connection with the systems.

c. Developer shall deliver to the District a Warranty on a form provided by and approved by the District warranting all systems to the satisfaction of the District in accordance with the warranties expressly prescribed in this Agreement.

d. Developer shall remain owner of the real property on which such systems are located, but Developer shall grant to the District, its successors and assigns, a perpetual easement and/or right of way on, over, under and across those portions of the Property necessary for the construction, installation, repair, relocation, and/or maintenance of the systems contemplated hereby. Such Grant of Easements shall be in a form provided by and approved by the District and shall be accompanied by either an Opinion of Title in a form acceptable to the District prepared by a member of the Florida Bar in good standing or by a licensed Florida title company indicating that title to the easement property is vested in the Developer and indicating all appropriate subordinating releases and/or satisfaction from subordinate liens and/or mortgagees having an interest in the easement property have been given.

e. Developer shall convey to the District, its successors and assigns title to the lands where lift and/or pumping stations are located. Such conveyance shall be by Statutory Warranty Deed and shall be accompanied by either an Opinion of Title in a form acceptable to the District prepared by a member of the Florida Bar in good standing or by a licensed Florida title company indicating that title to the property is vested in the Developer and indicating all appropriate subordinating releases and/or satisfaction from subordinate liens and/or mortgagees having an interest in the casement property have been given.

6. Warranties and Bonds.

6.1 Developer shall warrant that all systems provided hereunder to be owned by the District shall be free from defects in materials and workmanship. The Developer also warrants that it shall be solely responsible for the repair of any damages to said facilities caused by persons in Developer's employment. Said warranties shall remain in full force and effect for a period of one year from the date of final acceptance of the facilities by the District, at the end of which time the warranties shall expire and be of no further force or effect. In the event it becomes necessary to repair and/or replace any of the facilities during the initial one year period, then the warranty as to those items repaired and/or replaced shall continue to remain in effect for an additional period of one year from the date of final acceptance by the District of those repairs and/or replacements.

6.2 Simultaneous with the conveyance of the facilities contemplated hereby, the Developer shall deliver to the District an executed surety bond in a form satisfactory to the District or irrevocable letter of credit acceptable to the District in an amount equal to 25% of the
actual cost of construction of the facilities, guaranteeing all work pursuant to this Agreement against any and all defects in material, equipment or construction for a period of one year following the date of final acceptance of the facilities by the District.

Upon demand by the District, the Developer shall correct or cause to be corrected all such defects, which are discovered within the warranty period as set forth above, failing which the District may make such repairs and/or replacements of defective work and/or materials and the Developer and/or its surety shall be liable to the District for all costs arising therefrom (the surety being liable to the extent of the surety bond or letter of credit provided by Developer).

7. Exclusive Provider.

7.1 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 Utility Services and/or potable water to the Property during the period of time District, its successors or assigns, provide Utility Services and potable water to the Property, it being the intention of the parties hereto that under the foregoing provision and also other provisions of this Agreement, District shall have the sole and exclusive right and privilege to provide Utility Services and potable water (if applicable) to the Property and to the occupants of such residence, building or unit constructed thereon. Notwithstanding the foregoing, if at any time the District defaults in its obligation to provide sufficient Utility Services or potable water to the Property, Developer and the successors and assigns of Developer in addition to such other remedies and actions as may be available, shall have the right, after providing notice to District at least sixty (60) days in advance, temporarily to secure the Utility Services and potable water from other sources; provided, however, that Developer shall again obtain such Utility Services or potable water from District after District provides Utility Services and potable water to the Property.


8.1 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 to the addresses set forth above.


9.1 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, necessary maintenance work,
10. Indemnification.

10.1 Developer agrees to indemnify and hold District and Packing House By-Products, Inc., its successors and/or assigns, ("Packing House") harmless forever from all damages, liability, cost and expense, including reasonable attorney's fees, related to negligence of the Developer, its officers, agents and employees and from any foreseeable damage to the facilities constructed by the Developer and conveyed to the District caused by negligence of the Developer, its officers, agents and employees. Indemnification shall include costs for physical repair of the District's system.

10.2 Developer agrees to hold District and Packing House harmless forever from and all liability and damages for District's non-performance under this Agreement as a result of any ruling or order by any other governmental or regulatory agency having jurisdiction over the subject matter in the Agreement or from any discontinuance of water and sewer services as a result of the District’s inability to provide such services for reasons beyond the control of District.

11. Applicable Law.

11.1 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 any governmental authority.

11.2 The sole venue for any action arising out of this agreement shall be the circuit or county court in and for Lake County, Florida.

12. Assignment.

12.1 Developer may not assign its rights, duties or obligations under this agreement without the express written consent of District which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Developer shall have the right to assign this Agreement without first obtaining District’s consent to the new owner of the Property if Developer at any time conveys all or substantially all of the Property, in bulk, to another person or entity.

13. Default. The occurrence of any of the following during this Agreement shall constitute a default:
13.1 Developer's failure to pay within fifteen (15) days after receipt of notice or demand from District any sums, fees, charges, costs or expenses which are payable under this Agreement.

13.2 Developer's failure in the performance or observance of any of the terms and conditions of this Agreement within thirty (30) days after receipt of District's demand or notice; provided, however, if Developer's failure cannot reasonably be remedied within thirty (30) days, then Developer shall be permitted reasonable additional time to remedy the default for as long as Developer exercises reasonable diligence.

13.3 There shall be filed by or against the Developer in any court or other tribunal pursuant to any governmental requirement, a petition in bankruptcy or insolvency proceedings or for reorganization or for the appointment of a receiver or trustee of all or substantially all of Developer's Property.

In the event of Developer's default under this Agreement, the District's obligations under this Agreement shall, at the option of District, terminate.


14.1 This Agreement shall bind the parties, together with their respective successors, grantees, heirs and assigns.


15.1 This Agreement constitutes the entire agreement between the parties for all matters contained herein and shall supersede all previous agreements or representations either oral or in writing with respect to all matters contained herein.

15.2 This Agreement or a memorandum thereof shall be recorded in the Public Records of Lake County, Florida, to put all parties on record as to the obligations of the Developer and its successors and assigns as contained herein.

15.3 In the event of any dispute and/or litigation arising from this Agreement, the prevailing party shall be awarded reasonable attorney's fees and costs through and including any appeal.

15.4 Except to the extent this Agreement expressly provides otherwise, District shall exercise its rights to approve, consent, or exercise other discretion reasonably. Without limiting the foregoing, District shall not unreasonably withhold, condition, or delay any consent, approval, or other exercise of discretion under this Agreement, except as this Agreement expressly provides otherwise.
15.5 District warrants and represents that this Agreement does not violate any law, regulation, statute, ordinance, or other governmental requirements (collectively, “Law”) in effect as of the date of this Agreement and applicable to District. District shall employ its best efforts to obtain all governmental approvals and consents that may be required in order for District to perform its obligations and covenants under this Agreement.

15.6 Notwithstanding any other provision of this Agreement, Developer shall have the right in Developer’s sole discretion to elect not to obtain potable water from District, but from the City. If Developer elects not to obtain potable water from the District, then the provision of this Agreement relating to potable water, including without implied limitation references to the Water Work, will be deemed removed from this Agreement, and the remainder of this Agreement will remain in effect.

IN WITNESS WHEREOF, Developer and District have executed or 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.

DEVELOPER:
MISSION RISE

By: [Signature]
Richard H. Langley

DISTRICT:
CENTRAL LAKE COMMUNITY DEVELOPMENT DISTRICT

By: [Signature]
Print name: B. O. Becher

As its: Chairman
## EXHIBIT B

[Developments and Reserved Capacity]

<table>
<thead>
<tr>
<th>Developer</th>
<th>Residential Units</th>
<th>GPD/Unit</th>
<th>Commercial Sq. Ft.</th>
<th>Gal./Sq. Ft.</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eagles Landing &amp; Howey-in-the-Hills, Ltd.</td>
<td>750</td>
<td>250</td>
<td>300,000</td>
<td>0.5</td>
<td>337,500</td>
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<tr>
<td>7L Howey in the Hills</td>
<td>378</td>
<td>250</td>
<td>85,000</td>
<td>0.5</td>
<td>137,000</td>
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<tr>
<td>Mission Rise</td>
<td>400</td>
<td>250</td>
<td>0</td>
<td>0.5</td>
<td>100,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>574,500</strong></td>
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