

Sunbridge Stewardship District

12051 Corporate Boulevard, Orlando, FL 32817; 407-723-5900

<https://www.sunbridgestewardshipdistrict.com/>

The following is the proposed agenda for the meeting of the Board of Supervisors for the Sunbridge Stewardship District, scheduled to be held **Thursday, September 5, 2019 3:30 a.m. at the Narcoossee Community Center, 5354 Rambling Road, St. Cloud, FL 34771**. Questions or comments on the Board Meeting or proposed agenda may be addressed to Carol Harris at HarrisCa@PFM.COM or (407) 723-5900. A quorum (consisting of at least three of the five Board Members) will be confirmed prior to the start of the Board Meeting.

If you would like to attend the Board Meeting by phone, you may do so by dialing:

Dial-In: 1-866-398-2885

Code: 656827

BOARD OF SUPERVISORS' MEETING AGENDA

Administrative Matters

- Roll Call to Confirm Quorum
- Public Comment Period

- 1. Consideration of the Minutes from the August 1, 2019 Board of Supervisors' Meeting,
- 2. Consideration of Resolution 2019-09, Setting the Annual Meeting Schedule
- 3. Consideration of the Utility Services Agreement Between Tavistock East II, LLC And Sunbridge Stewardship District
- 4. Ratification And Amendment Of Water, Wastewater, Reclaimed Water And Non-Potable Irrigation Water Franchise Agreement
- 5. Consideration of the Assignment And Assumption Of Wholesale Water, Wastewater And Reclaimed Water Services Agreement
- 6. Consideration of Resolution 2019-10, Setting the Date, Time and Place for a Public Hearing for the Purpose of Adopting Rates and Fees Regarding Water and Wastewater Utility Services
- 7. Ratification of Payment Authorizations 60-62
- 8. Review of Monthly Financials

Other Business

- A. Staff Reports
 - o District Counsel
 - o Interim Engineer
 - o District Manager **October 3, 2019 3:30 p.m.**
- B. Supervisor Requests and Audience Comments

Adjournment

Sunbridge Stewardship District

**Consideration of the Minutes
From the August 1, 2019
Board of Supervisors' Meeting**

MINUTES OF MEETING

**SUNBRIDGE STEWARDSHIP DISTRICT
CONTINUED BOARD OF SUPERVISORS' MEETING
Thursday, August 1, 2019 at 3:30 p.m.
Narcoossee Community Center, 5354 Rambling Road,
St. Cloud, FL 34771**

Board Members Present:

Richard Levey	Chair
Cristyann Courtney	Assistant Secretary
Heather Isaacs	Assistant Secretary

Also Present:

Lynne Mullins	PFM	
Jennifer Walden	PFM	(via phone)
Lindsay Whelan	Hopping, Green & Sams	(via phone)
J.D. Humpherys	Suburban Land Reserve	(via phone)
Lance Bennett	Poulos & Bennett	(via phone)
Clint Beaty	Tavistock Development	(via phone)

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

The meeting was called to order. The Board Members, staff, and public in attendance are outlined above.

SECOND ORDER OF BUSINESS

Public Comment Period

There were no public comments.

THIRD ORDER OF BUSINESS

**Consideration of the Minutes
a) Board of Supervisors' Meeting
May 2, 2019**

The Board reviewed the minutes for the May 2, 2019 Board of Supervisors' Meeting. Ms. Courtney provided edits.

On MOTION by Ms. Isaacs, seconded by Ms. Courtney, with all in favor, the Board approved the minutes for the May 2, 2019 Board of Supervisors' Meeting, as amended.

b) Board of Supervisors' Continued Meeting, May 24, 2019

The Board reviewed the minutes for the May 24, 2019 Board of Supervisors' Continued Meeting.

On MOTION by Ms. Isaacs, seconded by Ms. Courtney, with all in favor, the Board approved the minutes for the May 24, 2019 Board of Supervisors' Continued Meeting.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2019-07, Adopting the Fiscal Year 2019-2020 Annual Meeting Schedule

District staff recommended keeping the current schedule of the first Thursday of the month at 3:30 p.m. at this location. The actual dates are shown in exhibit A.

On MOTION by Ms. Isaacs, seconded by Ms. Courtney, with all in favor, the Board approved Resolution 2019-07, adopting the Fiscal Year 2019-2020 Annual Meeting Schedule.

FIFTH ORDER OF BUSINESS

Review and Accept the FY 2018 Audit

Ms. Mullins noted that it was considered a clean audit. There were no deficiencies internal controls that would be considered material weaknesses. Ms. Whelan stated that this should have been submitted at the end of June so this motion should be a ratification of the Audit Report.

On MOTION by Ms. Isaacs, seconded by Ms. Courtney, with all in favor, the Board ratified the Fiscal Year 2018 Audit.

SIXTH ORDER OF BUSINESS

Public Hearing on Adopting the District's Fiscal Year 2019-2020 Budget

- a) Public Comments and Testimony**
- b) Board Comments**
- c) Consideration of Resolution 2019-08, Adopting the Fiscal Year 2019-2020 Budget and Appropriating Funds**

Ms. Mullins noted for the record that the budget has been sent to the County at least 60 days prior to the public hearing. The public hearing has been advertised in the newspaper as required by Florida Statute. Ms. Mullins requested a motion to open the public hearing.

On MOTION by Ms. Isaacs, seconded by Ms. Courtney, with all in favor, the Board opened the Public Hearing.

There are no members of the public present at this time. There were no Board comments on the budget.

On MOTION by Ms. Courtney, seconded by Ms. Isaacs, with all in favor, the Board approved Resolution 2019-08, Adopting the Fiscal Year 2019-2020 Budget and Appropriating Funds.

Dr. Levey requested a motion to close the public hearing.

On MOTION by Ms. Isaacs, seconded by Ms. Courtney, with all in favor, the Board closed the Public Hearing.

SEVENTH ORDER OF BUSINESS

Consideration of Fiscal Year 2019-2020 Funding Agreement

Ms. Mullins explained that this agreement is with Tavistock East Services, LLC to fund the O&M Budget that was just approved by the Board.

Ms. Whelan stated that there have not been any changes to the form of this agreement. It is the same agreement that the Board has approved in prior years.

On MOTION by Ms. Isaacs, seconded by Ms. Courtney, with all in favor, the Board approved the Fiscal Year 2019-2020 Funding Agreement.

EIGHTH ORDER OF BUSINESS

**Ratification of Payment
Authorizations 51-59**

Ms. Mullins explained that these have been approved and paid and just need to be ratified by the Board.

On MOTION by Ms. Isaacs, seconded by Ms. Courtney, with all in favor, the Board ratified Payment Authorizations 51-59.

NINTH ORDER OF BUSINESS

Ratification of Funding Request 7-8

The Board reviewed Funding Request 7-8.

On MOTION by Ms. Courtney, seconded by Ms. Isaacs, with all in favor, the Board ratified Funding Request 7-8.

TENTH ORDER OF BUSINESS

Review of Monthly Financials

Ms. Mullins noted that the District is currently running under budget. No action is required by the board at this time.

ELEVENTH ORDER OF BUSINESS

Staff Reports

District Counsel- Ms. Whelan stated that the District had a bond validation mid-June. The District successfully received a final judgement validating the District proposed issuance of bonds. District Counsel is waiting on the receipt of a certificate of no appeal.

Interim Engineer- No Report

District Manager- Ms. Mullins stated that the next meeting is scheduled for September 5, 2019 at 3:30 p.m. at this location.

TWELFTH ORDER OF BUSINESS

**Supervisor Requests & Audience
Comments**

There were no Supervisor requests or audience comments.

THIRTEENTH ORDER OF BUSINESS

Continuation

There was no further business to discuss.

ON MOTION by Ms. Isaacs, second by Ms. Courtney, the August 1, 2019 meeting of the Sunbridge Stewardship District was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

Sunbridge Stewardship District

**Consideration of Resolution 2019-09,
Adopting the Fiscal Year 2019-2020
Meeting Schedule**

RESOLUTION 2019-09

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT ADOPTING THE ANNUAL MEETING SCHEDULE FOR FISCAL YEAR 2019-2020; PROVIDING FOR PUBLICATION; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Sunbridge Stewardship District (hereinafter the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 220, Laws of Florida (the "Act") and Chapter 189, Florida Statutes, being situated entirely within Osceola County, Florida; and

WHEREAS, the District is required by Section 189.015, *Florida Statutes*, to file quarterly, semi-annually, or annually a schedule (including date, time, and location) of its regular meetings with local governing authorities; and

WHEREAS, further, in accordance with the above-referenced statute, the District shall also publish quarterly, semi-annually, or annually the District's regular meeting schedule in a newspaper of general paid circulation in the county in which the District is located; and

WHEREAS, the Board desires to adopt a Fiscal Year 2019-2020 annual meeting schedule attached as **Exhibit A**.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT:

SECTION 1. The Fiscal Year 2019-2020 annual meeting schedule attached hereto and incorporated by reference herein as **Exhibit A** is hereby approved and shall be published in accordance with the requirements of Florida law and also provided to applicable governing authorities.

SECTION 2. This Resolution shall become effective immediately upon

its adoption. **PASSED AND ADOPTED** this 5th day of September, 2019.

Attest:

SUNBRIDGE STEWARDSHIP DISTRICT

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

Exhibit A: Fiscal Year 2019-2020 Annual Meeting Schedule

EXHIBIT "A"

SUNBRIDGE STEWARDSHIP DISTRICT BOARD OF SUPERVISORS MEETING DATES FISCAL YEAR 2019-2020

The Board of Supervisors of the Sunbridge Stewardship District will hold their regular meetings for Fiscal Year 2019-2020 at the **Narcoossee Community Center, 5354 Rambling Road, St. Cloud, FL 34771 at 3:30 p.m.** unless otherwise indicated as follows:

October 3, 2019
November 7, 2019
December 5, 2019
January 2, 2020
February 6, 2020
March 5, 2020
April 2, 2020
May 7, 2020
June 4, 2020
July 2, 2020
August 1, 2020
September 3, 2020

The meetings are open to the public and will be conducted in accordance with the provision of Florida law. The meetings may be continued to a date, time, and place to be specified on the record at the meeting. A copy of the agenda for these meetings may be obtained from 12051 Corporate Blvd., Orlando, Florida 32817 or by calling (407) 723-5900.

There may be occasions when one or more Supervisors or staff will participate by telephone. Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (407) 382-3256 at least 48 hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Office.

A person who decides to appeal any decision made at the meeting with respect to any matter considered at the meeting is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

Hank Fishkind
District Manager

Sunbridge Stewardship District

**Consideration of the
Utility Services
Agreement Between
Tavistock East II, LLC
And
Sunbridge Stewardship
District**

UTILITY SERVICES AGREEMENT

BY AND

BETWEEN

TAVISTOCK EAST II, LLC

AND

SUNBRIDGE STEWARDSHIP DISTRICT

DATED:

UTILITY SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 2019, by and between Tavistock East II, LLC, a Florida limited liability company (“Utility”) and the Sunbridge Stewardship District, a special district created by the Florida Legislature (“District”).

RECITALS

WHEREAS, the District, located in Osceola County, Florida, was created in 2017 by act of the Florida Legislature and contemplates a planned multi-use development that will create a community consisting of commercial, institutional, residential, and public uses; and

WHEREAS, it is the common desire of Utility and District that timely initiatives for the provision of water production, treatment and distribution capacity and wastewater collection, treatment and disposal capacity be commenced so that there is always present within the District sufficient water production, treatment and distribution capacity (“Water Service”) and wastewater collection, treatment and disposal capacity (“Wastewater Service”) to permit new connections for water and wastewater services to occur in conformance with applicable District policies, ordinances, laws and regulations; and

WHEREAS, planned and orderly development within the District will also require the provision of reclaimed water service (hereinafter, "Reclaimed Water Service") and irrigation water service (“Irrigation Water Service”); and

WHEREAS, the Tohopekaliga Water Authority (“TWA”) is authorized by its special act to provide retail water, wastewater, and reclaimed services within its statutorily authorized service area; and

WHEREAS, TWA has the legal authority, is willing and is or will be capable of providing to the District, in accordance with applicable District policies and regulatory statutes, rules, regulations, resolutions, ordinances and laws, adequate wholesale Water, Wastewater and Reclaimed Water Services and TWA has agreed to provide such wholesale services to areas within the District's boundaries pursuant to the terms of a Wholesale Water, Wastewater and Reclaimed Water Services Agreement entered as of October 31, 2017 by and between TWA and certain Utility affiliates and other parties, and as may be amended (the "Wholesale Agreement"); and

WHEREAS, the parties contemplate and expect that the provision of Water, Wastewater, Reclaimed and Irrigation Water Services within the District will require Utility to finance and construct necessary water and wastewater facilities and necessary reclaimed water and irrigation water facilities within the boundaries of the District; and

WHEREAS, some of the facilities to be constructed by Utility ultimately will be conveyed by Utility to the District and ultimately conveyed by District to TWA (hereafter "TWA's Facilities"), other portions of such facilities will be constructed by Utility and conveyed to, owned and operated by the District (hereinafter "District's Facilities), and other portions of the facilities will be retained and owned by Utility (hereinafter "Utility's Facilities"); and

WHEREAS, the District and Utility desire to ensure the construction of District's Facilities and TWA's Facilities, including future expansions, as are necessary to permit District to provide retail Water, Wastewater and Reclaimed Water Services to customers within the District and permit TWA to provide wholesale Water, Wastewater and Reclaimed Water Services to the District for the present and in the future in accordance with the terms and conditions of the Wholesale Agreement; and

WHEREAS, the District has issued, and Utility has accepted, a franchise (the "Franchise") which, among other things, authorizes and obligates Utility to finance, permit, design, build, operate and maintain potable water and reclaimed water supply and treatment facilities ("Water Treatment Facilities"), potable water distribution facilities ("Water Distribution Facilities"), distribution facilities for reclaimed water and water from other sources to be used for irrigation purposes ("Irrigation Water Facilities"),

wastewater treatment facilities (“Wastewater Treatment Facilities”), and wastewater collection and transmission facilities (“Wastewater Collection Facilities”) and to provide potable water, wastewater and irrigation water services throughout the political boundaries of the District; and

WHEREAS, pursuant to the Franchise, Utility has accepted or soon shall accept responsibility for certain rights and obligations of its affiliates, Tavistock East Services, LLC and Tavistock East Holdings, LLC (collectively, “Affiliates”) and East Central Florida Services Corporation (“ECFS”), under the Wholesale Agreement, as may be amended, which Wholesale Agreement is anticipated to be assigned to District, as such rights and obligations, in part, relate to the construction and conveyance of the Water Treatment Facilities and Wastewater Treatment Facilities to the District (“Conveyance to District”) and subsequently to TWA (“Conveyance to TWA”); and

WHEREAS, pursuant to the terms of this Agreement, District shall accept an assignment of certain other rights and obligations of the Affiliates under the Wholesale Agreement as such rights and obligations, in part, relate to the Conveyance to TWA; and

WHEREAS, District desires to contract through this Agreement for the professional services of Utility in relation to the financing and construction of the Water Treatment Facilities, Wastewater Treatment Facilities, Water Distribution Facilities and Wastewater Collection Facilities until such time as such facilities are conveyed to the District pursuant to the Franchise and the Conveyance to District contemplated in this Agreement, and thereafter, and Utility desires to perform such services in accordance with the terms of the Franchise, the Wholesale Agreement (in pertinent part) and this Agreement, for the compensation provided for herein and in the Compensation Agreement; and

WHEREAS, in reliance upon the Franchise, this Agreement and TWA’s commitment in the Wholesale Agreement to provide timely Wholesale Water, Wastewater and Reclaimed Water Services within District boundaries, Utility will, from time to time during the term of this Agreement, incur debt to finance the construction and/or operation of the facilities hereinbefore identified, and Utility will obligate itself to

pay the principal, premium (if any), and interest on such debt in accordance with the terms of agreements with owners of such debt; and

WHEREAS, the parties acknowledge that Utility plans to issue debt from time to time to finance the construction of such facilities and that nothing in the Franchise or this Agreement shall be deemed to prevent Utility from issuing such debt; and

WHEREAS, the Franchise obligates Utility to complete the Conveyance to TWA and the Conveyance to District at a time, in the manner and for the compensation provided for in the Franchise; and

WHEREAS, the District desires to contract through this Agreement for the professional services of Utility in relation to the management, operation and maintenance of District's Facilities after such facilities are conveyed to District, and for the compensation provided for herein; and

WHEREAS, the Utility understands and acknowledges that the services to be provided by Utility under this Agreement constitute an essential public service that cannot be interrupted or ceased by Utility except as provided in this Agreement or in the event of TWA's inability to provide wholesale services in the manner set forth in the Wholesale Agreement, as may be amended; and

WHEREAS, this Agreement further dictates that Utility shall provide on behalf of District such administrative, customer service and billing activities as described herein and as required for the District to provide retail water and wastewater services, and Utility to provide irrigation water services in the manner contemplated in the Franchise; and

WHEREAS, District hereby engages Utility as an independent contractor to furnish the above-described professional services and Utility hereby accepts such engagement the terms provided herein.

NOW, THEREFORE, in consideration of the premises and mutual obligations herein, the parties hereto do mutually agree as follows:

Section 1. Recitals. The foregoing recitals are true and correct, and form a

material part of this Agreement.

Section 2. Exhibits. Except as otherwise expressly provided herein, all Exhibits identified herein are made a part hereof and are incorporated by reference to the same extent as if fully set forth herein.

Section 3. Definitions. Capitalized terms used but not defined in this Agreement shall have the meaning set forth in the the Wholesale Agreement or Compensation Agreement. In addition, unless otherwise specifically set forth elsewhere in this Agreement, the following words and phrases used in this Agreement shall have the following meanings:

- A. "Annual Report" shall mean the report identified in the Wholesale Agreement which Utility shall assist District in preparing each year.
- B. "Average Daily Flow" shall mean the flow determined by the total flow in gallons for a one year period divided by 365 days (or 366 days in the event of a leap year). The one year period shall be a Fiscal Year as defined herein.
- C. "Compensation Agreement" means the agreement between District and Utility setting forth the amount, terms and process for compensation to Utility by District.
- D. "Construction Costs" means Utility's actual and verifiable costs of construction financing, labor, materials and professional and design services specifically and directly associated with the design, permitting, construction, installation, inspection and testing of the facilities identified herein. The term shall include but not be limited to, any mark-up, rebate, surcharge, or overhead charge, administrative fee, construction management or supervisor fee, financing costs, interest charges, or other charge, and the contract price for the labor, materials, and services due the professional or contractor who actually provided the engineering or design services or installed the facilities.
- E. "Conveyance to District" means the conveyance to District by Utility of District's Facilities and TWA's Facilities upon completion of construction of such facilities by Utility in the time and manner set forth in the Franchise and this Agreement.
- F. "Conveyance to TWA" means the conveyance by District of TWA's Facilities to

TWA after the initial conveyance of such Facilities to the District by Utility. The Conveyance shall include the Potable Water wells, water treatment facilities, Domestic Wastewater treatment facilities, wastewater disposal facilities, storage and/or alternative wet weather disposal capacity, and associated easements and access rights required to comply with DEP reclaimed storage and pumping requirements, Potable Water and Domestic Wastewater storage tanks and similar storage facilities or any ancillary facilities of the foregoing assets.

- G. "DEP" shall mean the Florida Department of Environmental Protection, a department and agency of the State of Florida, or any successor thereto.
- H. "Debt Service Charges" shall mean principal, premium (if any), and interest requirements of any indebtedness issued by Utility to finance construction of the facilities identified in this Agreement, and including, but not limited to, paying agent, registrar and escrow agent fees, credit enhancement fees and other charges.
- I. "District's Facilities" shall mean all water and wastewater distribution and collection facilities, owned, operated and maintained by District, on the District's side of the Metering Facilities, including storage tanks, master lift stations, and appurtenances thereto, as may be used at any time to receive water or reclaimed water from TWA or provide wastewater to TWA, as may be necessary to provide similar retail services to parcels and customers within the boundaries of the District.
- J. "Domestic Wastewater" shall have the meaning found in the Florida Administrative Code (hereafter, the "Code"), as it may be amended from time to time, and shall specifically include, to the extent permitted by law and provided that it will not cause any receiving treatment plant to be designated as other than a domestic treatment plant, wastewater that is not exclusively of domestic origin but that has received pretreatment, as such term is defined in the Code, as it may be amended from time to time, before being discharged into TWA's Facilities.
- K. "Hazardous Waste" shall have the meaning found in the Code, as it may be amended from time to time.

- L. "Industrial Waste" shall mean wastewater that is not exclusively of domestic origin and has not received pre-treatment, as such term is defined in the Code, as it may be amended from time to time.
- M. "Initial 5-Year Projection" shall mean that portion of the Annual Report setting forth the District's projected five-year Wholesale Water, Wastewater and Reclaimed Water Service needs. Utility shall assist District each year in determining the 5-Year Projection to be submitted to TWA pursuant to the terms of the Wholesale Agreement.
- N. "Inspection Report" shall mean a report of the conditions and accuracy of the Metering Facilities to be prepared by TWA each year and submitted to District as required by the Wholesale Agreement.
- O. "Irrigation Water" means water to be used by Utility to provide irrigation service in the District which includes Reclaimed Water and may include water from such other sources as may now or in the future lawfully be used by Utility for irrigation purposes.
- P. "TWA Metering Facilities" shall mean, collectively, those certain water, reclaimed water and wastewater meters, and appurtenant recording and transmitting devices to be installed and owned by TWA which are used to measure the wholesale volume of Potable Water, Domestic Wastewater and Reclaimed Water being delivered to or received from USER.
- Q. "MGD" means "million gallons per day."
- R. "Plan of Construction" means the plan prepared by Utility with cooperation of, and approved by, TWA describing: (1) the proposed number of connections projected for the District, in phases, (2) the required facilities to serve the proposed number of connections, including a master site plan for the water and wastewater treatment plant site, (3) the agreed upon plans, designs and permitting for the facilities, and (4) the anticipated construction schedule and the level (expressed in gallons per day by type of use) of Water, Wastewater and Reclaimed Service that will be required for the District, in phases

- S. "Points of Connection" shall mean those points where District's Facilities connect to TWA's Facilities or TWA's System.
- T. "Potable Water" shall mean water which meets all applicable federal, state and local laws, regulations and standards regarding domestic water quality and which is intended for human consumption, as such term is defined in the Code, as it may be amended from time to time.
- U. "Reclaimed Water" shall mean treated domestic wastewater, which is intended for reuse; as such term is defined in Florida Statute and the Code, as it may be amended from time to time.
- V. "System Expansions" shall mean expansions of TWA's Facilities or TWA's System as are to be carried out by TWA under the provisions of the Wholesale Agreement specifically to serve within the District's boundaries.
- W. "Transfer Payment" shall mean the payment to be made by TWA to Utility or to Utility's Affiliate as identified in this Agreement.
- X. "TWA's Facilities" shall mean those facilities located on TWA's side of the Metering Facilities or located within the property boundary of any site containing TWA Facilities in the case where the Metering Facilities are located within the boundaries of land owned by TWA, together with the Metering Facilities and the appurtenances thereto, that are or come to be owned by TWA pursuant to the Conveyance to TWA.
- Y. "TWA's System" shall mean, collectively, such portions of TWA's water, wastewater and reclaimed water systems located outside of the District as they currently exist and as they may be modified or expanded in the future from time to time, which are used by TWA, in whole or in part and at any time, to provide Wholesale Water, Wastewater and/or Reclaimed Water Service to the District and which, after the Conveyance to TWA, shall include, without limitation, TWA's Facilities.
- Z. "Utility's Facilities" means facilities constructed, owned and operated by Utility as necessary to collect, store and distribute Reclaimed Water and water from other

sources to be identified in order to provide Irrigation Water Service.

- AA. "USER Guaranty Capacity" means that portion of the capacity in TWA Facilities to be reserved to, and provided by TWA, to the District, and ultimately paid for and obtained by the District pursuant to the Conveyance to TWA, as provided in the Wholesale Agreement.

Section 4. Agreement to Provide Service.

- A. To ensure adequate supplies of water, wastewater, reclaimed and irrigation water are available within the District, Utility shall coordinate and cooperate with District in all actions necessary to comply with the conditions and obligations set forth in the Wholesale Agreement relating to planning, permitting, financing, construction and subsequent operation of all facilities necessary to provide such services within the District including, but not limited to notice, reporting, cooperation and compliance requirements required to comply with the Wholesale Agreement **such that TWA has the ability to provide adequate wholesale services required by the Wholesale Agreement.**
- B. District and Utility acknowledge that adequate lead time substantially in advance of anticipated demand is required for suitable planning, financing, engineering, permitting and construction of facilities to meet such demands in a timely fashion, and recognize that District and Utility must have reasonably reliable projections of such demands and any changes therein reasonably far in advance thereof. District, in cooperation with Utility and TWA, shall consult and cooperate with the aim of determining the appropriate times when both existing flow demands and committed capacities are such as to require the initiation of planning, financing, engineering, permitting and construction activities.
- C. Potable Water, Reclaimed Water and Irrigation Water delivered by Utility to customers in the District shall meet applicable standards as to quality and pressure as required by federal, state or local law, ordinance or rule, provided that temporary cessation of delivery of water, or drop in water pressure or the temporary cessation of the collection of wastewater, at any time caused by an Act of God, fires, strikes, droughts, accidents, necessary maintenance work, damage

to machinery or lines, civil or military authority, or by riot or other cause beyond control of Utility shall not constitute a breach of the provisions hereof or impose liability upon Utility.

Section 5. Scope of Services and Operator Responsibilities.

A. General Rights and Responsibilities.

- (1) The scope of services shall include operation, maintenance, management, customer service and analysis activities related to District's Facilities after the Conveyance to District and District's rendition of Retail Water and Wastewater Services in compliance with this Agreement and the terms of the Wholesale Agreement. It is understood that the relationship of Utility to District is that of an independent contractor. Utility's employees shall be employees of Utility and not of District. The services provided under this Agreement are of a professional nature and shall be performed in accordance with reasonable and accepted industry practices for contract operators or as provided for in the Wholesale Agreement. In the event of a conflict between the terms provided in this Agreement and the terms of the Wholesale Agreement, the terms of the Wholesale Agreement shall apply.
- (2) In the performance of duties hereunder, Utility may use and occupy the property, facilities and equipment of District at no cost to Utility. All land, buildings, facilities, easements, licenses, rights-of-way, and equipment presently or hereinafter acquired or owned by the District and constituting part of the District's Facilities shall remain the exclusive property of the District unless specifically provided for otherwise in this Agreement.
- (3) To the extent necessary and appropriate, District expressly grants Utility the license to use all land, buildings, facilities, easements, licenses, rights of way, and equipment constituting the District's Facilities and, if requested, District will provide Utility with additional documentation to effectuate an insurable interest in any such assets such as vehicles and equipment owned by the District and used by Utility in the provision of services hereunder.

- (4) Assets owned by the District and used by Utility will be stored in predetermined locations which shall be locked and secured by Utility.
- (5) Subcontractors: Utility shall have the right to subcontract such work as it deems necessary to fulfill the services identified in this Agreement. Any such work or services subcontracted hereunder shall be specified by written contract and shall be subject to each provision of this Agreement including, but not limited to, background checks, E-Verify and public entity crime disclosures and liability insurance protections, as described later in this Agreement. No additional compensation shall be due from District to Utility in relation to subcontracted work unless such additional compensation is agreed to by District and Utility in writing as an amendment to this Agreement.

B. Operations Responsibilities.

- (a) Utility shall provide for the operation, maintenance and minor repairs of the District's Facilities used to provide Retail Water Service and Retail Wastewater Service, and Utility's Retail Irrigation Water Service including mains, tanks, motors, valves, hydrants and services; ensure that all appropriate safety measures are observed in the performance of the various kinds of work; monitor the occurrence of water leaks and wastewater infiltration and inflow (consistent with the requirements of the Wholesale Agreement); perform maintenance, repair and replacement activities in such a way to affect a minimum of customers; collect water samples when necessary and fill out operation reports; and maintain accurate and legible records of time and materials used on various jobs. Services not included as routine are excluded items to be identified as Major Capital Expenditures, line extensions or system expansions in a Compensation Agreement to be entered by District and Utility. Services related to excluded items shall be billed in the manner provided in the Compensation Agreement.
- (b) Utility shall use best efforts per industry standards and within the capabilities and operational capabilities of the District's Facilities to

comply with all applicable laws, statutes, regulations, rules, ordinances, permits and codes of the federal government, the state, and the District. Utility shall immediately notify District any time Utility has actual knowledge or a reasonable belief that the District's Facilities are not in compliance with any local, state or federal permit, law, rule or regulation.

- (c) In relation to water loss prevention and infiltration and exfiltration issues, District and Utility acknowledge and agree that the Wholesale Agreement specifically requires that District's Facilities shall be constructed, operated and maintained using construction methods and standards and in a manner that will: (i) minimize and promptly identify any loss of Potable Water or Reclaimed Water and any wastewater system infiltration or exfiltration; (ii) prevent loss of Potable Water in excess of the percentage identified by the rules of the South Florida Water Management District; and (iii) prevent excess sewage system infiltration or exfiltration, based upon accepted engineering standards applicable to the wastewater industry. Utility therefore agrees to institute and conduct a diligent leak detection program and shall conduct an annual system water loss analysis. The determination of the amount of Potable Water or Reclaimed Water loss shall be made by Utility in a report prepared by an independent engineering firm certifying as to the amount of such loss. The report shall be submitted to the District and TWA on each anniversary date of the Wholesale Agreement. Costs associated with these activities, and any other actions or studies as may be required by TWA or the District pursuant to the terms of the Wholesale Agreement, shall be borne by the District.
- (d) Data Maintenance: Utility shall, after review with the District, establish a systematic process for the maintenance and delivery to District of data required to be recorded and maintained by District by law, rule, permit, and/or the Wholesale Agreement.

- (e) Permit Compliance: Utility shall maintain, manage, operate, and repair the District's Facilities up to and within the maximum capabilities of the Facilities so that water supplied to District's customers, and wastewater collected from such customers and transported to TWA's Facilities are of such quality as to comply with this Agreement, the Wholesale Agreement, in pertinent part, and applicable permits, laws, rules and regulations.
- (f) Utility shall review and coordinate with developers, businesses and other third parties in relation to applicable District policies and procedures, permits, approvals, regulations, etc. issued for private developments and other connections to the District's Facilities.
- (g) Utility shall comply with any reporting responsibilities and obligations stipulated in this Agreement and the Wholesale Agreement, and related permits, approvals and rules. As required by law, rules, permit or court order, Utility will prepare Facilities performance and administrative reports on the District's behalf and submit them to the appropriate regulatory agency. Utility shall provide District with a copy of any correspondence, other than routine and regular communications or reports, at least 48 hours prior to submittal to or within 24 hours of receipt from any regulatory agency.
- (h) Utility shall coordinate its activities hereunder with District personnel, including agents and contractors of District, relating to the engineering, permitting, construction, operation, and maintenance of the District's Facilities.

C. Management and Administration Responsibilities.

- (a) Revenue Reporting: Utility reporting of financial operations serves many purposes, including for financial auditing and user rate justifications, but also to establish historical consumption information necessary to forecast future demands and assist in projections of future capital needs. To that extent, Utility shall report retail meter readings, billings, and collections performed under this Agreement for

each billing period (monthly), quarterly and annually in a format to be mutually agreed upon by District and Utility.

- (b) Utility shall, on a daily basis (Monday through Friday excluding holidays), read the TWA master meters to confirm the TWA readings of such meters. Utility shall compare the relative retail consumption records against the TWA master meter readings and report any unexpected differences to the District. Utility shall prepare a monthly report to District summarizing the TWA readings versus retail customer billings of the District.
- (c) Utility acknowledges and agrees that upon completion of the Conveyance to TWA, District shall be entitled to certain guaranteed capacity with no liability to TWA for the payment of TWA's system development charges or other charges. The Wholesale Agreement refers to such guaranteed capacity with no charges due as the "USER Guaranty Capacity." Utility recognizes that District may assign such USER Guaranty Capacity to third parties. Utility shall assist District in assigning available capacity in gallons of the USER Guaranty Capacity and developing such notices as required in the Wholesale Agreement relating to the use of USER Guaranty Capacity. Utility shall make available to District a written semi-annual accounting of unused USER Guaranty Capacity. As the District assigns the USER Guaranty Capacity, the number of gallons for the USER Guaranty Capacity shall be reduced. This procedure to reduce the number of unused gallons from the USER Guaranty Capacity shall continue until there is no remaining USER Guaranty Capacity.
- (d) Utility acknowledges that District and TWA are bound under the terms of the Wholesale Agreement to incorporate in the development of the property within the District a holistic approach to integrated water management with the goal of establishing the Sunbridge community as a leading One Water community. Utility agrees to cooperate with District, upon District's request, in developing a master plan detailing a

strategy and implementation plan for becoming and maintaining the community as a One Water community.

- (e) Utility agrees to develop and maintain an emergency response program (ERP) for emergency work that must proceed immediately to avoid property damage or result in a public health or safety hazard. The ERP shall address emergency situations including, but not limited to, line breaks, equipment failures, sewer or lift station overflows and abnormal weather events. Utility shall provide resources for responding to emergency situations and unanticipated system failures on a 24-hour basis and in accordance with the ERP. Utility shall coordinate with District and with TWA on the District's behalf on all issues related to emergency preparedness. District shall compensate Utility for any such emergency work notwithstanding the lack of a written amendment according to the terms of a Compensation Agreement to be entered by District and Utility.
 - i. Utility shall only be responsible for a hazardous environmental condition created by Utility, its subcontractors, suppliers, or others for whom Utility is responsible. If Utility encounters a hazardous environmental condition or if Utility or others for whom Utility is responsible create a hazardous environmental condition, Utility shall immediately: (I) secure or otherwise isolate such condition; (ii) stop all performance of Services in connection with such condition and in any area affected thereby; and (iii) notify District and immediately thereafter confirm such notice in writing.
 - ii. In any emergency affecting the safety of persons or property, Utility may act without written amendment or change order, at Utility's discretion and with notification to District, to prevent threatened damage, injury or loss of life.

D. Customer Service Responsibilities.

- (a) Meter Reading and Billing: Utility shall conduct customer service activities associated with meter reading and billing. District

requirements relating to such activities shall be set forth in operating policies and procedures to be submitted to Utility by District, after discussion between the parties. Such policies and procedures shall at all times be consistent with applicable regulatory requirements.

- (b) Payment Collection: Utility shall bill and collect payments from the District's customers acting on the District's behalf. Payments shall be directly deposited into an account established by the District. The development of policies and procedures related to payment collections and deposits shall be reviewed and approved by District prior to implementation by Utility. Utility's responsibilities hereunder shall not conflict with applicable operating policies and procedures as may be adopted by the District in the future.
- (c) Utility also shall perform the following customer services:
 - i. provide a 24-hour toll-free number for notification of emergencies;
 - ii. provide a toll-free number for all customers to contact Utility staff regarding customer billings, service connections/disconnections, and other service related activities;
 - iii. provide 24-hour emergency repair service with a maximum response time of three hours or sooner; and
 - iv. provide communications to customers that complies with regulatory requirements regarding water quality notifications as well as notices in the event of a shutdown of service, emergency situations, or any other action related to Retail Water Services, Retail Wastewater Services and Irrigation Water Services provided hereunder.

E. Utility shall promptly communicate any notices regarding the provision of Potable Water, Reclaimed Water, or Domestic Wastewater Service to its customers as may be required by TWA (at TWA's cost and expense) or as may be required by applicable law or by any governmental agency with jurisdiction (at District's costs and expense); provided, however, that District shall have the right to review and approve any notice presented by TWA prior to mailing, which approval shall not be unreasonably withheld, delayed or conditioned.

Section 6. Metering and Metering Facilities.

- A. Pursuant to the Wholesale Agreement, TWA is responsible for acquiring and installing required Metering Facilities on TWA Facilities as well as taking identified steps to ensure meter accuracy.
- B. Utility shall enforce such rights as are provided to District in the Wholesale Agreement so as to ensure such meter accuracy and the accuracy of monthly bills and charges for the wholesale services to be rendered by TWA for the District.

Section 7. District Responsibilities. The District shall have the following responsibilities under this Agreement relating to management and operation of District's Facilities and the provision of Retail Water Service and Retail Wastewater Service:

- A. District shall make every effort to fund capital expenditures as agreed upon by District and Utility as necessary for the efficient operation of District's Facilities. Priority shall be given to safety related expenditures. Utility shall submit a list of recommended capital expenditures on a mutually agreed upon time for the following contract year.
- B. Any loss, damage, or injury directly resulting from District's failure to provide funds for recommended capital improvements, or funds in excess of the Maintenance and Repair Fee, when reasonably requested by Utility shall be the sole responsibility of District.
- C. District shall keep in force all project warranties, guarantees, easements and licenses that have been granted to District and are not transferred to Utility under this Agreement.
- D. In the event Utility is required to pay any sales tax, use, or gross receipt taxes on the value of the services provided by Utility hereunder, District shall reimburse Utility, unless District furnishes a valid and properly executed exemption certificate relieving the District and Utility of the obligation for such taxes.
- E. Costs to Utility to maintain and repair District owned equipment provided by District to Utility for use in rendering Services shall be applied against the Maintenance and Repair Fee or repaired as determined by the District at the District's cost. Utility shall provide insurance and fuel for all Utility owned vehicles.

- F. District shall provide appropriate security fencing as required by law, rule or permit and as required to protect against any losses resulting from the theft, damage, or unauthorized use of property owned by Utility or District and shall accept liability for such losses except to the extent such losses are caused solely by the negligent acts or omissions of Utility. Utility shall immediately notify District upon becoming aware of any breaches, or damage to any locks, fencing or security equipment.
- G. District, at its own cost and expense, shall provide for the replacement of equipment when such equipment fails due to normal wear and tear or when the cost to return the equipment to a safe or productive operating condition exceeds the depreciated value of the equipment. Utility shall, within one hundred and eighty (180) days of the execution of this Agreement, prepare a recommended replacement schedule for equipment used to render Services hereunder and update this schedule as necessary, but no less frequently than once every 5 years.
- H. District shall allow Utility to adjust operating conditions, processes or procedures to take advantage of unit cost savings regarding electric consumption or other anticipated efficiencies, assuming such changes are in compliance with local, state and federal laws, regulations and permits.
- I. District shall provide access to work sites and complete and accurate information necessary for Utility to provide the Services contemplated in this Agreement. Utility shall be entitled to rely upon information provided by District when delivering Services.
- J. District shall pay all ad valorem, property, franchise, occupational and disposal taxes, or other taxes associated with District's Facilities other than taxes imposed upon Utility net income and/or payroll taxes for Utility employees.
- K. District shall provide Utility, within a reasonable time after request and on an "as available" basis, with the temporary use of any piece of District's heavy equipment that is available so that Utility may discharge its obligations under this Agreement in the most cost-effective manner.

- L. District shall be responsible for purchase and payment for all power and Wholesale Water Services, Wholesale Wastewater Services and Wholesale Reclaimed Water Services payable to TWA for services rendered under the Wholesale Agreement.
- M. District shall be responsible for major repairs and/or capital items unless District has agreed to pay Utility for Major Capital Expenditures.
- N. District shall be responsible for maintaining property insurance for District's Facilities.
- O. District shall be responsible for any Bad Debt, write offs, for collecting bad debts and absorbing write off costs.
- P. District shall be responsible for payment of all Federal and Local Taxes related to the District's Facilities.
- Q. District shall be responsible for any and all banking fees such as over drafts, non-sufficient funds, and user fees.
- R. District shall be responsible for onsite telephone services for auto dialers and/or SCADA systems for emergency power or equipment failures only.

Section 8. Changes in Scope of Services Due to Request or Change in Law, Rules, Permits, Policies or Procedures.

- A. Either party may, from time to time, request changes in the scope of the Services of Utility to be performed hereunder. Such changes, including any corresponding increase or decrease in the amount of Utility's compensation, which are mutually agreed upon by and between the District and Utility shall be incorporated in written amendments to this Agreement and the Compensation Agreement.
- B. District shall at all times during the term of this Agreement have the right to request unilateral changes in the scope of Services, including alterations, reductions therein or additions thereto. Upon receipt by Utility of the District's notification of the contemplated change(s), Utility shall in writing: (1) timely provide a detailed estimate for the increase or decrease in cost due to the contemplated change(s) in services, (2) notify District of any corresponding changes in work schedules, (3) advise District if the contemplated change(s) shall affect Utility's ability to perform or provide Services in a manner consistent

with the requirements and performance standards incorporated in this Agreement, and (4) advise District if the contemplated change is within the capabilities of Utility.

- C. If Utility elects to make a change in this Agreement, Utility shall initiate an amendment to this Agreement, and Utility shall not commence additional work nor decrease work included in the Base Fee as may be related to such change until such written amendment is agreed to and signed by District and Utility.
- D. Should a change in law, rules, permits, policies or procedures dictate an increase or decrease in the scope of Services addressed in this Agreement, subject to confirmation by the District of such change, Utility shall be entitled to an adjustment in the Base Fee, as provided in the Compensation Agreement, in an amount to be negotiated by the parties and agreed to in writing prior to the effective date of such adjustment.
- E. Any change in Facilities operations, personnel qualifications or staffing which causes a change in Utility's cost of operations which is mandated or otherwise required by a change in law, rules, or permit, or an action or forbearance of any governmental body having jurisdiction to order, dictate or require such change shall cause the parties to mutually agree on such changes to the scope of Services and any adjustment to compensation established in the Compensation Agreement as may result therefrom.

Section 9. Grant of Easements to Construct, Use, Operate and Maintain Water, Wastewater, Reclaimed Water and Irrigation Water Retail Facilities.

- A. District shall require each developer seeking Potable Water, Domestic Wastewater, Reclaimed Water or Irrigation Water Service or Services within the District to grant to the District and/or Utility, as appropriate, all necessary consents, permissions, and non-exclusive easements to operate, maintain, inspect and test all of the Potable Water, Domestic Wastewater, Reclaimed Water and Irrigation Water facilities to be installed by the developer, District or Utility pursuant either to this Agreement or any developer agreement for the purpose of connecting to the District's Facilities or Utility's Facilities. Such grants of non-exclusive easements shall be in accordance with District policies and

such non-exclusive easements shall be made by recordable instruments or plat restrictions at the time of platting or at such time as is requested by District, Utility or TWA. The District or Utility, in their absolute discretion will designate the location and size of any such non-exclusive easements. Notwithstanding the foregoing, District and Utility acknowledge and agree that any easements required by, and to be provided to TWA, pursuant to the terms of the Wholesale Agreement shall comply with the terms thereof.

- B. District shall grant and convey or cause to be granted or conveyed to Utility by recordable instruments such deeds or non-exclusive easements for such areas agreed upon by the parties that will be adequate, in accordance with generally accepted engineering standards, for Utility to provide Irrigation Water Services throughout the District.
- C. Utility agrees that in exercising easement rights within the District, Utility shall observe established and generally accepted practices of the water and wastewater industry in Florida and any applicable District policies, rules and regulations, to perform the function to be addressed by the easement, and that the use of such easements shall not unreasonably interfere with the use and development of property within the District.

Section 10. Conveyance to District and Compensation to Utility For Construction of District's Facilities and TWA's Facilities.

- A. District and Utility acknowledge and agree that Utility shall make the Conveyance to District of TWA's Facilities and District's Facilities, as contemplated by the Wholesale Agreement and the Franchise, upon completion of construction by Utility and prior to initial operation. The Conveyance to District shall include:
 - a. Utility's assignment to District of all permits, licenses, other governmental approvals, warranties and service contracts held by Utility in Utility's name; and
 - b. Conveyance by deed or easement all rights of ownership or use of property which may be owned by Utility relating to the provision of Services under

this Agreement.

- B. District and Utility shall cooperate in good faith in order to effectuate a smooth and harmonious transition of the District's Facilities and TWA's Facilities from Utility to the District. Utility shall maintain in reliable operating condition Utility's operating equipment, buildings, materials, supplies, maps, plans and specifications, during the term of this Agreement and shall duly account to the District for those possessions until the Conveyance to the District, and the Conveyance to TWA thereafter, are complete.
- C. District and Utility will take all reasonable and necessary actions to transfer to the District in an orderly fashion all books, records and data in their possession relating to District's Facilities and TWA's Facilities.
- D. District shall pay Utility upon the Conveyance to District the Construction Costs incurred to construct the District's Facilities and TWA's Facilities.

Section 11. Utility Assistance to Comply with Conditions Precedent to TWA Acceptance of the Conveyance to TWA.

- A. Utility and District acknowledge and agree that after completion of the Conveyance to District, the District must convey TWA's Facilities to TWA at the time and in the manner required in the Wholesale Agreement.
- B. Utility agrees to coordinate with District the performance of those activities identified as conditions precedent to TWA's acceptance of the Conveyance to TWA; as such conditions are set forth in the Wholesale Agreement.
- C. Utility shall, at District cost and expense, conduct tests of District's Facilities and TWA's Facilities in accordance with generally accepted engineering standards, to ascertain whether the District's Facilities and TWA's Facilities conform to approved plans and specifications and applicable standards and requirements in the Wholesale Agreement. During the construction of TWA's Facilities, Utility shall notify TWA a minimum of five (5) business days in advance of such tests so that TWA may make the necessary arrangements for witnessing these tests. Utility shall provide a schedule of startup tests to TWA a minimum of thirty (30) calendar days prior to the initial systems startup test. If consistent with generally accepted

engineering standards, at TWA's sole cost and expense, Utility shall perform any additional tests that are reasonably requested by TWA. Utility or its agents shall be responsible for obtaining required approvals from applicable governmental agencies and for obtaining necessary construction and/or operation permits for TWA's Facilities, District's Facilities and Utility's Facilities contemplated herein.

- D. District and Utility shall cooperate in good faith in order to effectuate a smooth and harmonious transition of TWA's Facilities from the District to TWA. Utility shall maintain in reliable operating condition the operating equipment, buildings, materials, supplies, maps, plans and specifications constituting TWA's Facilities during the term of this Agreement and shall duly account to the District for those possessions until the Conveyance to TWA is complete.
- E. District and Utility will take all reasonable and necessary actions to transfer to TWA in an orderly fashion all books, records and data in their possession relating to TWA's Facilities.

Section 12. Updating Projected Development, Expanding Treatment Plants, and Increasing TWA Obligations.

- A. Utility shall coordinate on District's behalf all actions necessary to comply with the terms of the Wholesale Agreement, as may be amended, relating to System Expansions and increases in TWA wholesale service obligations to the District.
- B. Pursuant to the terms of the Wholesale Agreement, as may be amended, provided that the District has constructed or arranged for the construction of the facilities/capacity in accordance with the Long Term Forecast provided in such Agreement, TWA shall be obligated to provide the District adequate Wholesale Water, Wastewater and Reclaimed Water Service as contemplated in the Long Term Forecast, as may be reasonably amended from time to time, with the aim that the orderly and planned development of property within the District, in the time frames set forth in the Long Term Forecast, may continue without material delay, hindrance or interruption from any extended lack of adequate Potable Water, Reclaimed Water or Domestic Wastewater services or collection and disposal, treatment or plant capacities for which TWA is responsible.

Section 13. Allocation and Provision of Capacity. Subject to TWA's compliance with the terms and conditions of the Wholesale Agreement, the District shall at all times have available capacity necessary for use by District's retail customers based on the USER Guaranty Capacity attributable to TWA's Facilities. Utility shall design, permit and construct all components of the TWA Facilities, District's Facilities and Utility's Facilities in a timely manner so as to, at all times, meet the Initial 5-Year Projection, as may be amended, and to otherwise meet all other obligations in the Wholesale Agreement. In addition, Utility shall operate District's Facilities and Utility's Facilities at all times in a manner so as to provide timely and sufficient service to the District's retail customers receiving service from such Facilities.

Section 14. Reclaimed Water and Irrigation Water Service. In addition to the other provisions of this Agreement, the following provisions shall apply to the use of Reclaimed Water to provide Irrigation Water Service by Utility:

- A. The District shall pay TWA's charges for Reclaimed Water pursuant to the terms of the Wholesale Agreement. After making such payment, the District will bill Utility, by the 15th day of each calendar month, the amount of the monthly Reclaimed Water charge the District has paid TWA. Utility shall reimburse the District on a monthly basis for the District's monthly payment to TWA for TWA's charges for Reclaimed Water no later than the 30th day of that calendar month. Upon reimbursement by Utility to District on a monthly basis of TWA's charge for Reclaimed Water, Utility shall use such Reclaimed Water, together with other water sources available to Utility, operating in conjunction with District, for Irrigation Water. Reclaimed Water delivered by TWA to District shall only be used for urban irrigation, surface storage or other lawful purposes within the District, as may be determined by Utility. Utility's use of Reclaimed Water shall comply in all respects with all applicable local, state and federal laws, regulations, ordinances and permits, as from time to time are in effect.
- B. In the event District desires that Utility utilize Reclaimed Water for a purpose that is not specifically authorized by the Code, District or Utility shall first obtain TWA's prior approval of such use. In no event shall Utility ever discharge Reclaimed

Water directly to surface waters of the State of Florida without written authorization from DEP and any other governmental agency whose authorization is required.

- C. Utility shall take all legally mandated precautions, including signs and labeling, to prevent confusion between Reclaimed Water sources and other water sources.
- D. District shall promulgate and enforce such policies and procedures for the proper installation and use of Reclaimed Water by District's customers, including mandatory connection to Utility's Reclaimed Water facilities, as are reasonable and legally enforceable, and District shall take such enforcement steps as may be reasonably required in the event District or Utility become aware of a violation of such policies and procedures.
- E. Utility shall insure that District's Facilities provide a strict physical separation between Potable Water supplies and Reclaimed Water supplies and systems, together with adequate cross-connection controls.
- F. District shall provide, and Utility shall maintain, in a manner approved by appropriate regulatory agencies, a backflow prevention device or devices in District's Facilities between the Reclaimed Water connection and any well so that Reclaimed Water will not be discharged directly into groundwaters of the State of Florida or any other source of supply of Potable Water.

Section 15. Types of Wastes to be Discharged and Certain Regulatory Matters.

- A. Utility, on District's behalf, shall apply and abide by TWA's industrial pretreatment program of TWA Board Resolution No. 2016-007 (as such resolution may be amended or updated) regarding wastewater introduced into TWA's Facilities from within the District and otherwise comply with the provisions of the Wholesale Agreement as they relate to notice of unauthorized waste entering the facilities, TWA testing rights, appropriate inventory detection, remedial procedures and measures and a suitable cross connection control program meeting all applicable state and federal industrial pretreatment

requirements and policies of TWA.

- B. Utility agrees to advise District as to reasonable efforts and reasonable design and construction standards required to preclude unauthorized or accidental dumping of water or wastes of any nature whatsoever by any person; and to enforce such standards as may be adopted by the District. Utility shall take such action as identified in the Wholesale Agreement to insure the District's access to indemnification from TWA in the event of any occurrence which may give rise to such right in the Wholesale Agreement.
- C. Utility agrees to advise District as to TWA's Potable Water conservation standards and assist District in its efforts to comply with such standards, as they may be modified in the future.

Section 16. Payments to Utility for the Rendition of Services.

- A. Fees and Charges. During the term of this Agreement, District shall pay Utility, as compensation for services rendered pursuant to this Agreement, the fees to be set forth in a Compensation Agreement to be entered between District and Utility.
- B. The parties agree that the Compensation Agreement shall provide, at minimum, for the following basic fee categories:
 - i. **Annual Equivalent Residential Connection (ERC) Adjustment:** The adjustment to be made to the Base Fee on an annual basis, which is calculated by multiplying the Per ERC Fee by the change in the number of ERCs compared to the previous year as determined by the number of installed meters.
 - ii. **Annual Customer Service and Billing Fee:** The Annual Customer Service and Billing Fee to be paid by District to Utility for the services performed by Utility during the term of this Agreement.
 - iii. **Base Fees:** The Base Fee to be paid by District to Utility for the basic operations, maintenance, management and accounting services performed by Utility during the term of this Agreement. The Base Fee excludes the Maintenance and Repair Fee.

- iv. **Engineering Fees:** The Engineering Fees to be paid by District to Utility for engineering services performed by Utility during the term of this Agreement, as may be agreed to between District and Utility and for the compensation set forth in the Compensation Agreement.
- v. **Major Capital Expenditures:** Expenditures comprised of new equipment or facility items that extend the useful service life of the Facilities two (2) years or more. Such expenditures shall be invoiced outside the Base Fee and Maintenance and Repair Fee and consist of any expenditures (including those for parts, materials, or subcontractors but excluding labor provided by Utility included in the Base Fee) for (1) the purchase of new equipment or items that cost more than one thousand dollars (\$1,000); or (2) major repairs which extend equipment or facility service life and cost more than one thousand five hundred dollars (\$1,500), and excluding expenditures that are planned and budgeted by the District for which Utility is otherwise compensated pursuant to this Agreement. Any Major Capital Expenditures that are not budgeted by the District must be approved in writing prior to any such expenditure being made by Utility, and shall be required to adhere to District's Procurement policy.
- vi. **Maintenance and Repair Fee:** The Maintenance and Repair Fee to be paid by District to Utility for maintenance and repair services which are not Major Capital Expenditures.
- vii. **Miscellaneous Services Fees.** The fees payable to Utility for the rendition of miscellaneous customer services, such as meter connects, meter turn-ons and turn- offs and other services to be rendered by direction of the District.
- viii. **Per Connection Fee:** The Base Fee shall be allocated to an individual equivalent residential connection (ERC) fee as follows: the equivalent Base Fee for fiscal year 2018-19 shall be converted

into the Per Connection Fee by dividing the Base Fee by the actual number of ERCs served by the District on October 1 of each year commencing in the year 2019.

Section 17. District Rates and Charges.

- A. Utility shall advise and assist District in the establishment of rates and charges for retail services to be provided by District in such manner as will enable District at all times to comply with the terms of the Wholesale Agreement, and obligations of District to TWA thereunder.
- B. Utility shall at all times consistently apply District approved policies and procedures for the billing and collection of District approved rates and charges.

Section 18. Insurance Coverage Requirements.

- A. Utility shall maintain:
 - a. Statutory Worker's Compensation for all of Utility's employees at the Project as required by the State of Florida.
 - b. Worker's compensation coverage in accordance with state and federal labor requirements.
 - c. Comprehensive general liability insurance in an amount not less than \$2,000,000 per occurrence, combined single limit, including Blanket Contractual, Excavation, Collapse and Underground Hazards, Broad Form Property Damage, Independent Contractors Liability, Combined Products Liability and Completed Operations, all applicable to bodily injury and property damage.
 - d. Business automotive liability insurance, including Utility owned, hired and not-owned automobiles, bodily injury and property damage in an amount not less than \$1,000,000.
 - e. Excess liability coverage following the form of Employers Liability, Commercial General Liability, and Business Auto

Liability in the amount of \$5,000,000.

- f. Professional liability insurance in the amount of \$2,000,000 in the aggregate.
- B. To the extent permitted by the respective insurers, Utility shall identify District as an Additional Insured on each policy required under this Agreement, and shall provide District with proof of same upon demand.
- C. District shall maintain:
- a. Statutory workers compensation for all of District's employees associated with the District's Facilities and the provision of Retail Water Service and Retail Wastewater Service as may be required by the State of Florida and the federal government.
 - b. Property damage insurance for all property owned by District and operated by Utility under this Agreement. Any property, not properly or fully insured shall be the financial responsibility of District.
 - c. Comprehensive general liability insurance insuring District's negligence and property damage not caused by Utility or District.
- D. To the extent permitted by the respective insurers, District shall identify Utility as an Additional Insured on each policy required under this Agreement, and shall provide Utility with proof of same upon demand.
- E. Both District and UTILITY will provide at least thirty (30) days' notice of the cancellation of any policy required to be maintained under this Agreement. UTILITY may self-insure reasonable deductible amounts under the policies it is required to maintain to the extent permitted by law but only if such action does not invalidate the property insurance of District.

Section 19. Transfer Payment. The District and Utility acknowledge and agree that pursuant to the Wholesale Agreement and the Franchise, TWA shall make certain Transfer Payments to Utility related to TWA's provision of Wholesale Wastewater Service and Wholesale Reclaimed Water Service and Utility's agreement to provide

Irrigation Services within the District directly to retail customers, using Reclaimed Water, in part, to supply necessary water quantities for such purpose. District acknowledges and agrees that TWA shall continue to make the Transfer Payments to Utility or a Utility designated affiliate related to Wholesale Wastewater Service and Wholesale Reclaimed Water Service rendered by TWA subsequent to the effective date of this Agreement and for so long as provided for in the Wholesale Agreement.

Section 20. Duty to Provide Service. The parties recognize and acknowledge that the provisions of this Agreement and franchise constitute an essential public service. In addition, the parties recognize and acknowledge that either TWA or the District may issue revenue bonds from time to time in their discretion to provide a funding source for the facilities specified in this Agreement. In light of these recognitions, acknowledgements, and obligations, and of the public interest in assuring the consistent and uninterrupted provision of the Services to be provided to the District's retail customers hereunder, Utility shall design, permit and construct all facilities and components of the Water System, Wastewater System, Reclaimed Water System, and Irrigation Water System, including the TWA Facilities, in a timely manner so as to, at all times, meet the Initial 5-Year Projection and shall, at the request of the District, cooperate in and facilitate the District's ability to meet subsequent Approved Five Year Projections in the manner and to the extent contemplated in the TWA Wholesale Agreement include, but not limited to, the District's right to design, permit and construct future TWA Facilities pursuant to section 12 of the Wholesale Agreement, as may be amended. In addition, Utility shall operate the Water System, Wastewater System, Reclaimed Water System and Irrigation Water System at all times in a manner that provides timely and sufficient service to all retail customers receiving service from such systems. In the event of any dispute between Utility and DISTRICT over any of the terms of this Agreement, the Franchise, or the Compensation Agreement, Utility shall continue to design, permit and construct all facilities and components of the Water System, Wastewater System, Reclaimed Water System, and Irrigation Water System, including TWA's Facilities, so as to enable DISTRICT to comply with USERS requirements under the TWA Wholesale Agreement; and Utility shall continue to operate the Water System, Wastewater System, Reclaimed Water System and Irrigation Water System at all times in a manner that

provides timely and sufficient service to all retail customers receiving service from such systems until and subject to the resolution of such dispute. In particular, Utility agrees that any dispute over this Agreement, the Franchise or the Compensation Agreement, or any alleged breach by District of such agreements, shall not be considered a justifiable basis for interruption of water, wastewater, or irrigation water service or for any reduction in the quantity, quality or reliability of such service.

Section 21. Representations and Warranties. In addition to other representations and warranties of the parties set forth in this Agreement, the parties hereto represent and warrant each to the other as hereinafter set forth, all of which representations and warranties will survive the expiration or termination of this Agreement.

A. Representations of Utility. Utility represents and warrants to District as follows:

1. Utility has the power and authority to execute, enter into and deliver this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all requisite government or corporate actions and this Agreement constitutes a valid and legally binding obligation of Utility enforceable in accordance with its terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in the violation of or a default (with or without the giving of notice or the passage of time or both) under any contract, agreement or other instrument or obligation by which Utility is bound, except any of the foregoing as to which express written consents or waivers have been obtained and delivered to District. Except as provided herein, no consent, approval, order or authorization of or registration, declaration or filing with any governmental authority is required to be made or received by District in connection with the execution and delivery of this Agreement.
2. There is no pending or threatened governmental or private legal proceeding of which Utility is aware which would adversely affect the interest of District hereunder.

3. Utility is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida, has all requisite power and authority to own its properties and assets and to conduct its businesses as the same are currently being conducted and as the same are contemplated in accordance with this Agreement and is qualified to do business in the State of Florida. District shall deliver to District, at or before execution of this Agreement, all resolutions authorizing, ratifying and approving the execution of this Agreement.

B. Representations of District. District represents and warrants to Utility as follows:

1. District has the power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the adoption of a resolution of the District's Board of Supervisors after proper notice to potentially affected parties, and this Agreement constitutes a valid and legally binding obligation of District enforceable in accordance with its terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with nor result in any violation of or default under (with or without the giving of notice or the passage of time or both) any provisions of any Bond, Bond resolution, trust indenture, contract, lease, agreement or other instrument by which District is bound, except any of the foregoing as to which written consents or waivers have been obtained. Except as otherwise provided for herein, no consent, approval, order or authorization of, or registration, declaration or filings with any governmental authority is required to be made or received by District in connection with the execution and delivery of this Agreement.
2. District is an independent special district duly organized, validly existing and in good standing under the laws of the State of Florida, has all requisite power and authority to own and lease its properties and assets and to conduct its operations as the same are currently being conducted and as the same is

contemplated in accordance with this Agreement. District shall deliver to Utility, at or before the execution of this Agreement, all resolutions or ordinances adopted by the Board of Supervisors authorizing, ratifying and approving the execution of this Agreement.

3. District is authorized by the applicable regulatory statutes, rules, regulations, resolutions, ordinances and any applicable agreements to provide retail water, wastewater and reclaimed water services within the District under the terms and conditions of this Agreement and pursuant to the terms of the Wholesale Agreement.

Section 22. Mutual Cooperation in Obtaining Government Approvals. The parties hereto agree to cooperate and use their best efforts to obtain all requisite government approvals, licenses and permits which may be necessary or desirable for the construction and operation of the wastewater, water, reclaimed water and irrigation water facilities systems herein contemplated. If requested by the other party, each party agrees to promptly execute or join in the execution of any applications, consents, forms or notices that may be reasonably necessary to carry out the purposes of this Agreement. This section shall not be construed to make either party responsible for obtaining, or liable for failing to obtain, any governmental approval, license or permit that the other party is required to obtain under applicable law or under the provisions of this Agreement. The parties agree to take no action that has the effect of reducing, harming, or lessening the governmental approvals, licenses, or permits of each other.

Section 23. Assignment of this Agreement and Wholesale Agreement.

- A. This Agreement is being made for and inures to the direct benefit of District and Utility and their successors and permitted assigns. This Agreement may be assigned by either party, respecting all or any portion of the obligations hereunder, to any entity or entities as either party may desire, after written consent of the non-assigning party; provided that any such assignee shall, by the time such assignment becomes effective, have executed and delivered to the non-assigning party an acknowledgment that it will be bound by all of the terms, conditions and obligations under this Agreement. At such time as a suitable acknowledgement

from an assignee is received by the non-assigning party, the assigning party shall be released from any and all obligations to the other party arising under the terms of this Agreement.

- B. In the event the District sells, leases or transfers District's Facilities to another governmental entity or an inter-governmental or regional authority, or a private entity with financial resources suitable for the ownership and operation of a privately-owned water and wastewater Utility system, District shall, upon such sale, lease or transfer, assign its rights and obligations hereunder to such purchaser, lessee or transferee. Such assignment shall only become effective after the execution and delivery to Utility of an acknowledgement that such purchaser, lessee or transferee will be bound by all of the terms, conditions and obligations of the District contained in this Agreement and, in the case of a privately-owned assignee, that the assignee will seek any requisite regulatory approval of this Agreement as part of the assignee's rates and tariffs. District shall give Utility at least one hundred eighty (180) days advance written notice of its intention to sell, lease or transfer the District's Facilities under this section.
- C. In compliance with the terms of the Wholesale Agreement and the Franchise, the DISTRICT shall execute an assignment document or documents provided for in the Wholesale Agreement, with an effective date of such assignment to be the date of Conveyance to TWA. Pursuant to such assignment, the District shall accept assignment from affiliates of Utility of certain rights and obligations under the Wholesale Agreement including, at minimum, an obligation of the District to convey TWA's Facilities to TWA and to pay TWA for Wholesale Water, Wastewater and Reclaimed Water Services in consideration for TWA providing the District USER Guarantee Capacity Credits entitling the District to capacity from TWA's Facilities.

Section 24. Acquisition of District's Facilities.

- A. District and Utility acknowledge and agree that TWA possesses certain rights pursuant to the terms of the Wholesale Agreement to acquire from District all, but not less than all, of the assets, rights, liabilities, obligations, and responsibilities of District relating to District's Facilities.

- B. In the event of an election by TWA to acquire the District's Facilities pursuant to the terms of the Wholesale Agreement, and unless TWA wishes to be assigned District's rights under this Agreement, Utility acknowledges and agrees that Utility's Services hereunder shall cease and terminate effective upon closing of the TWA acquisition. The District shall ensure that Utility is paid all sums owing as of such closing. In no event shall such acquisition affect Utility's rendition of Reclaimed Water or Irrigation Water Services unless Utility is a party to the acquisition agreement and agrees to terms affecting Utility's ownership of related facilities and the rendition of Irrigation Water Service.
- C. The TWA acquisition shall include the District assigning to TWA all permits, licenses, other governmental approvals, warranties, or service contracts, which may include this Agreement.

Section 25. Notice. Until further written notice by either party to the other, all notices provided for herein shall be in writing and transmitted by messenger, by mail or by telegram, as follows:

District:

Sunbridge Stewardship District

Attn: Hank Fishkind, District Manager

12051 Corporate Boulevard

Orlando, Florida 32817

c/o HarrisCa@pfm.com

(407) 723-5900

Utility:

Clint Beaty

Tavistock East II, LLC

6900 Tavistock Lakes Boulevard, Suite 200

Orlando, Florida 32827

cbeaty@tavistock.com

407-909-9917

Notices shall be effective only upon actual receipt by the party addressed.

Section 26. Utility Commitment to be an Equal Opportunity Employer.

- A. Utility will not discriminate against any employee or applicant for employment because of race, creed, sex, age, color or national origin. Utility will take affirmative actions to ensure that qualified applicants are employed in available positions, and that employees are treated during employment, without regard to their race, creed, sex, age, color or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Utility agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- B. Utility will, in all solicitations or advertisements for employees placed by or on behalf of Utility, state that all qualified applicants will receive consideration for employment without regard to race, creed, age, color, sex, or national origin.
- C. Utility will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding on each subcontractor.
- D. Utility will immediately disclose its participation in any state or federal employee hiring incentive programs, at which time the parties will evaluate any potential adjustment in the Base Fee. Utility agrees that it will not participate in any programs for the hiring of convicted felons or otherwise assign individuals convicted of any felony offense to provide Services hereunder without written consent from the Utility.

Section 27. Utility Commitment to Comply with the Civil Rights Act of 1964. In compliance with Title VI of the Civil Rights Act of 1964, Utility shall not, on the grounds of race, color, or national origin exclude any person from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Section 28. Utility Compliance with E-Verify Requirements. Utility shall comply with the requirements of State of Florida Executive Order 11-12 and shall use the E-Verify System to verify the employment eligibility of: (a) all persons employed during the term hereof by Utility to perform Services under this Agreement; and (b) all persons or subcontractors assigned by Utility to perform such Services.

Section 29. Public Records. Utility understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and, accordingly, Utility agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, Florida Statutes. Utility acknowledges that the designated public records custodian for the DISTRICT is Christi Blyseth (“Public Records Custodian”) as of the initial Effective Date of this Agreement. The District may change its Public Records Custodian after reasonable notice to Utility. Among other requirements and to the extent applicable by law, the Utility shall (1) keep and maintain public records required by the DISTRICT to perform the service; (2) upon request by the Public Records Custodian, provide the DISTRICT with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes; (3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if the Utility does not transfer the records to the Public Records Custodian of the DISTRICT; and (4) upon completion of the contract, transfer to the DISTRICT, at no cost, all public records in Utility’s possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by the Utility, the Utility shall destroy any

duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the DISTRICT in a format that is compatible with Microsoft Word or Adobe PDF formats.

IF THE UTILITY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE UTILITY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (407) 382-3256, CHRISTIB@FISHKIND.COM, OR 12051 CORPORATE BOULEVARD, ORLANDO, FLORIDA 32817.

Section 30. DEFAULT AND OPTIONS TO RESOLVE DISPUTES.

- A. If Utility defaults under this Agreement or the Franchise, then District shall have the right, but not the obligation, to (a) assume some or all of Utility's role and some or all of Utility's rights and responsibilities under this Agreement and the Franchise and under the Wholesale Agreement, or (b) declare a forfeiture of the Franchise in whole or in part, or both. As used in this Section, the term "default" means either (a) TWA claims that District or Utility has materially defaulted under the Wholesale Agreement due to one or more actions or inactions of Utility which, if left unaddressed for a period of sixty (60) days or more and not covered by *force majeure*, would result in District's or Utility's inability to meet quality, quantity or reliability requirements under the Wholesale Agreement and Utility does not dispute the claim or has not taken steps to remedy as provided herein; or (b) Utility's actions or inactions have resulted in the District having materially failed to implement the Wholesale Agreement by significantly failing to design, permit or construct the USER Facilities (also known as District Facilities) or TWA Facilities according to the terms of the Wholesale Agreement such that those facilities will not be available to serve projected development authorized by one or more Development Orders; or (c) Utility has otherwise materially failed to comply with the terms of the Wholesale Agreement, the Franchise or this Agreement.
- B. To exercise its right of assumption or to declare a Franchise forfeiture, the District shall first provide written notice to Utility describing Utility's default, requesting Utility to provide and implement a plan to cure the default, and informing Utility

that the District will exercise its right of assumption or Franchise forfeiture if the default is not cured within the time frame specified below. No later than 60 days after receipt of such notice, Utility shall send a written reply to District describing Utility's plan to remedy the default.

- D. If Utility replies in writing to District providing a plan for Utility to remedy the default, Utility shall have a reasonable period of time to implement the plan and cure the default as a condition precedent to District assuming Utility's role under this Agreement or declaring forfeiture of the Franchise. As used herein, a reasonable timeframe to cure a default means a time period beginning on the date of Utility's submission of the written reply to District and (a) ending 30 days later for a default consisting of a monetary nonpayment or (b) ending 120 days later for any other default. If Utility fails to either provide District a plan to remedy the default or fails to timely implement the plan to satisfactorily cure the default, then the District shall notify Utility in writing that District has declared the Franchise forfeited in all or in part, that Utility has no further rights or duties under that portion of the Franchise so forfeited, and that District or some entity acting on behalf of the District is assuming Utility's Potable Water, Domestic Wastewater, Reclaimed Water or Irrigation Water service rights and obligations. The District's written notice shall also set forth the date and time on which the Utility's Potable Water, Domestic Wastewater, Reclaimed Water or Irrigation Water service ends and on which such service is transferred to the District or to another entity acting on behalf of the District. The District shall provide a copy of this assumption or forfeiture notice to TWA.
- E. Notwithstanding any other provision of this Agreement, upon the effective date of District's assumption of Utility's role under this Agreement or the Franchise, District shall have all of Utility's rights and responsibilities under this Agreement or the Franchise including the right to any Transfer Payments that would otherwise be payable by TWA to Utility. Utility shall also cooperate with District to transfer or assign all applicable governmental authorizations and subcontracts to District as necessary for District to fully implement this Agreement or the Franchise.

- F. District's ability to assume Utility's role under this Agreement or the Franchise shall not be construed to prevent or limit District from seeking any other remedy available to District under this Agreement.
- G. Unless the District has elected to proceed under the provisions governing default contained in sections 30 A through E above, the parties agree to resolve any dispute related to the interpretation or performance of this Agreement in the manner described in sections 30 H through M. Either party may initiate the dispute resolution process by providing written notice to the other party. In addition, the District may elect to initiate this dispute resolution process and, if such process does not resolve the District's issues and claims to the District's satisfaction, the District may then proceed under the provisions governing default contained in sections 30 A – E above.
- H. After transmittal and receipt of a notice specifying the area or areas of disagreement or dispute, the parties agree to meet within thirty (30) days of notice receipt at a place, as mutually agreed upon, to discuss the issues.
- I. If discussions between the parties fail to resolve the dispute within thirty (30) days, the parties shall agree to participate in non-binding mediation and shall appoint a mutually acceptable neutral third-party to act as a mediator. The mediation contemplated by this Section is intended to be an informal and non-adversarial process with the objective of helping the parties reach a mutually acceptable and voluntary agreement. The decision-making shall rest solely with the parties. The mediator shall assist the parties in identifying issues, fostering joint problem-solving and exploring settlement alternatives.
- J. If the parties are unable to reach a mediated settlement within sixty (60) days of the mediator's appointment, either party may terminate the settlement discussions by written notice to the other party. In such event, either party may declare the contract to be in breach and shall be entitled to initiate litigation.
- K. Each party shall pay (1) their own costs, including cost of counsel and witnesses in any mediation, and (2) equal shares of the fees and expenses of the mediator.

- L. In the event of a default under this Agreement by either party, and after expiration of any notice of default and opportunity to cure time periods provided herein, or after expiration of any applicable dispute resolution and mediation process provided herein, each party may seek legal or equitable remedies for such default or pursue one or more actions in court for damages or other relief as may be provided by general law. In addition, in the event that one or more defaults by Utility cause or create an imminent public hazard or interruption of an essential public service, District may seek immediate injunctive or other equitable relief either during or without the default noticing and opportunity to cure provisions provided above.

- M. In the event of litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs and fees incurred at trial and appeal. The amount of such costs and fees shall be determined by the court in which such actions are brought. The parties further agree that any litigation in court shall be expedited, and each party hereby waives any and all rights it would otherwise have to a trial by jury in any such litigation. Any and all suits to recover unpaid amounts due to either party from the other according to the terms of this Agreement including, without limitation, billings, late charges and interest, may be instituted and maintained in any court of competent jurisdiction in Osceola County, Florida.

- N. In the event of any conflict, the default provisions of this Agreement shall supersede and control over the default provisions of the Franchise. Notwithstanding the terms of the Franchise, the District shall not be required to seek a judgment of default in a court of competent jurisdiction as a prerequisite to determining a default by Utility, enforcing the default provisions of this Agreement, or determining a forfeiture of the Franchise; however, the District and Utility agree that Utility may seek damages including actual, punitive, special and consequential damages should a court of competent jurisdiction determine that no material default occurred.

Section 31. Laws of Florida. This Agreement shall be governed by the laws of the State of Florida.

Section 32. Force Majeure. In the event that the performance of this Agreement is prevented or interrupted in consequence of any cause strictly beyond the control of Utility or District including, but not limited to, Acts of God or of the public enemy, war, national emergency, allocation or other governmental restrictions upon the use or availability of labor, materials or natural resources, shortages of energy sources or supplies, failure to obtain electricity or telephone service, shortages of raw materials, rationing, civil insurrection, riot, disorder or demonstration, strike, lock out, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, earthquake, drought or other casualty or disaster or catastrophe, unforeseeable failure or breakdown of pumping transmission, processing or other facilities, governmental rules, acts, orders, restrictions, regulations or requirements, discretionary acts or actions of any government, public, governmental authority, commission, board, agency, agent, official or officer (except for the acts or actions of Utility or District or their respective agents, officers, departments or boards and affecting this Agreement), the enactment of any statute, ordinance, resolution, regulation, rule, ruling or order, decree, judgment or injunction of any court, the failure to obtain any required permit or governmental approval after making its best efforts to obtain same or the inability of TWA to provide wholesale services pursuant to the Wholesale Agreement, for any reason not caused by the negligent act or malfeasance of either District or Utility, such party shall not be liable for such non- performance, but only for the duration of or to the extent of said force majeure and only if said party is not directly or indirectly responsible therefor. Any party claiming to be relieved of any duty pursuant to this Section shall give prompt written notice thereof to the other party.

Section 33. Term. This Agreement shall be effective as of the date set forth above ("Effective Date"). Upon expiration of the initial thirty year term of this Agreement, this Agreement shall automatically be renewed for an additional ten (10) year term unless (i) a default has occurred and this Agreement has been terminated pursuant to section 30, or (ii) as for the Water System and Wastewater System only, TWA exercises its right to purchase said System(s) pursuant to the terms of the Wholesale Agreement. Upon expiration of the ten-year extension, this Agreement shall be automatically renewed for and additional ten-year term and successive ten-year terms thereafter

unless (a) otherwise mutually agreed to in writing, or (b) a default has occurred, as defined in section 30 hereof and Utility has not remedied such default.

Section 34. Severability. If any section, sentence, phrase or word of this Agreement is declared or found to be invalid or unenforceable by a court of competent jurisdiction, then such section, sentence, phrase or word shall be construed to be severable and the remainder of this Agreement shall be and remain in full force and effect.

Section 35. Miscellaneous Provisions.

- A. Whenever the singular is used in this Agreement and when required by the context, the same shall include the plural, and the masculine, feminine and neuter genders shall each include the others.
- B. Whenever approvals of any nature are required by either party to this Agreement, it is agreed that same shall not be unreasonably withheld, delayed or conditioned, unless the Agreement indicates that such approval is solely within the discretion of one of the parties. Such approval shall promptly be communicated to the requesting party not more than thirty (30) days after its request (or, as to those provisions in this Agreement expressly requiring action within a shorter period, then within such period). In the event that the party being called upon for the approval fails to either approve, deny or approve with conditions within said thirty (30) day period (or such shorter period), the request made to the delaying party shall be deemed to be automatically approved, without any further action or notice required by either party, unless the delaying party shall have requested an extension of time for good cause prior to the expiration of the thirty (30) day period (or such shorter period).
- C. It is agreed by and between the parties hereto that all words, terms and conditions contained herein are to be read in concert, each with the other, and that a provision contained under one heading may be considered to be equally applicable under another in the interpretation of this Agreement.
- D. Failure to insist upon the strict compliance of any of the terms, covenants, or

conditions hereof shall not be deemed a waiver of such terms, covenants, or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time, or times, be deemed a waiver or relinquishment of such right or power at any other time or times or of any other right or power.

Section 36. Entire Agreement. This Agreement and the exhibits attached hereto, together with the Franchise, constitute the entire agreement between the parties pertaining to the subject matter hereof and may not be modified orally or otherwise except by written amendment executed and delivered on behalf of each party.

IN WITNESS WHEREOF, the District and Utility have executed this Utility Services Agreement as below indicated.

Sunbridge Stewardship District

By:

Its:

Date:

ATTEST:

WITNESSES:

Tavistock East II, LLC

By:

Its:

Date:

ATTEST:

WITNESSES:

Sunbridge Stewardship District

**Ratification and Amendment Of Water,
Wastewater, Reclaimed Water And Non-
Potable Irrigation Water Franchise
Agreement**

RATIFICATION AND AMENDMENT OF WATER, WASTEWATER, RECLAIMED WATER AND NON-POTABLE
IRRIGATION WATER FRANCHISE AGREEMENT

WHEREAS, the Sunbridge Stewardship District (“District”) has entered a Water, Wastewater, Reclaimed Water and Non-Potable Irrigation Water Franchise Agreement (“Franchise”) with Tavistock East II, LLC, (“Utility”) on April 5, 2018, providing the terms for Utility to provide certain services in relation to future water, wastewater, irrigation and reclaimed water services within the District’s boundaries; and

WHEREAS, although earlier approved by Utility’s board, due to administrative error, Utility’s authorized representative did not actually sign the Franchise until February 15, 2019, more than thirty (30) days after Franchise execution by the District; and

WHEREAS, section 16 of the Franchise indicates that “[t]his Franchise shall not become effective until Utility has approved the terms herein by lawful vote according to its bylaws or other governing provisions of Utility. Utility shall provide District proof of such approval within thirty (30) days of passage by the Board of Supervisors of a resolution authorizing the signing of this franchise by the designated District representative.”

NOW, THEREFORE, the District and Utility hereby ratify, re-state and re-affirm the effectiveness of every term of the Franchise as if the Franchise had been executed by Utility on or before May 4, 2018.

District and Utility further agree that section 16 of the Franchise is amended to add the following sentence at the end of such section:

“District acknowledges and agrees that Utility’s authorized representative executed this Franchise on February 15, 2019. District and Utility agree that such execution shall forever be acknowledged by both District and Utility as sufficient to have rendered this Franchise and all of its terms effective and enforceable as of the date the District executed this Franchise, April 5, 2018.”

All other terms of the Franchise are hereby re-stated and re-affirmed in their entirety.

IN WITNESS WHEREOF, the District and Utility have executed this Ratification and Amendment of the Franchise, as below indicated.

Sunbridge Stewardship District

By:

Its:

Date:

ATTEST:

WITNESSES:

Tavistock East II, LLC

By:

Its:

Date:

ATTEST:

WITNESSES:

Sunbridge Stewardship District

**Consideration of the Assignment And
Assumption Of Wholesale Water,
Wastewater And Reclaimed Water Services
Agreement**

**ASSIGNMENT AND ASSUMPTION OF WHOLESALE WATER, WASTEWATER AND
RECLAIMED WATER SERVICES AGREEMENT**

This Assignment and Assumption Agreement ("Assignment") is made and entered this ___ day of ____, 2019, among Tavistock East Services, LLC, a limited liability company, East Central Florida Services, Inc., a Florida corporation (collectively, "Assignors"), Tavistock East II, LLC, a limited liability company("East II Assignee"), and the Sunbridge Stewardship District ("District Assignee").

WHEREAS, Assignors entered a Wholesale Water, Wastewater and Reclaimed Water Services Agreement dated October 31, 2017 with the Tohopekaliga Water Authority ("TWA"), a copy of which is attached hereto as Appendix A (the "Wholesale Services Agreement")and Assignors and District Assignee contemplate entering an Addendum No. 1 to the Wholesale Services Agreement to which District Assignee will be a party; and

WHEREAS, Assignors are collectively referred to as "USERS" under the terms of that Wholesale Services Agreement and collectively have the rights and obligations of USERS under the Wholesale Services Agreement; and

WHEREAS, section 25 of the Wholesale Services Agreement provides Assignors the authority to assign some or all of their rights and obligations to a "development entity" such as East II Assignee; and

WHEREAS, section 25 of the Wholesale Services Agreement authorizes Assignors to assign some or all of their rights and obligations to a special purpose district such as the District Assignee;

WHEREAS, the Wholesale Services Agreement provides, among other things, that Assignors shall design, permit, construct, finance and operate certain water, reclaimed water and wastewater facilities, parts of which are to be conveyed to TWA, other parts to be conveyed to the District Assignee, and the remaining parts of which are to be retained and owned by Assignors; and

WHEREAS, in contemplation of this Assignment of portions of the Wholesale Services Agreement by Assignors to East II Assignee, East II Assignee has secured a Water, Wastewater, Reclaimed Water and Non-potable Irrigation Water Franchise Agreement (the

"Franchise") from District Assignee authorizing East II Assignee to design, construct and operate and convey parts of the water, reclaimed water and wastewater systems to the entities as described above; and

WHEREAS, East II Assignee was created for the purpose of accepting the assignment of Assignors' rights and obligations under the Wholesale Services Agreement and completing each of the obligations identified therein; and

WHEREAS, Assignee District is an independent special district, created and existing pursuant to Chapter 2017-220, Laws of Florida, Acts of 2017 with the authority to provide water, wastewater and reclaimed water service; and

WHEREAS, section 25 of the Wholesale Services Agreement provides for this Assignment to become effective upon Assignors and Assignees making the representations and warranties indicated below;

NOW, THEREFORE, for and in consideration of the above premises and of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the mutual covenants and undertakings herein set forth, the parties mutually agree as follows:

Section 1. Recitals. The foregoing recitals are true and correct and are incorporated in this Assignment by reference.

Section 2. Terms. Unless specifically defined herein, all terms used in this Assignment shall have the meanings defined or provided in the Wholesale Services Agreement

Section 3. Appendices. Except as otherwise expressly provided herein, all Appendices identified herein are made a part hereof and are incorporated by reference to the same extent as if fully set forth herein.

Section 4. Immediate Assignment to District Assignee of Water and Wastewater Service Prior to Conveyance of TWA Facilities. Upon the effective date of this Assignment, Assignors hereby sell, assign and transfer to the District Assignee only the Potable Water and Domestic Wastewater related provisions of the Wholesale Services Agreement applicable to such service occurring prior to USERS completing construction and Conveyance of TWA's Facilities as described in Addendum 1 to

the Wholesale Services Agreement. Specifically, this assignment includes the following provisions of Addendum 1 to the Wholesale Services Agreement:

- i) Section 3 amending section 8 A and adding a section 8 C of the Wholesale Services Agreement;
- ii) Section 4 amending section 13 A of the Wholesale Services Agreement;
- iii) Section 4 amending section 13 C of the Wholesale Services Agreement; and
- iv) Section 6 amending section 18 A of the Wholesale Services Agreement.

The District Assignee accepts such limited assignment and agrees to assume all of Assignor's rights and obligations related to such limited assignment.

Section 5. Assignment and Assumption of Wholesale Services Agreement to East II Assignee Prior to Conveyance of TWA Facilities and Subsequent Assignment to District Assignee.

A. Assignors hereby sell, assign and transfer to East II Assignee all the right, title and interest of Assignors in, to and under the Wholesale Services Agreement other than those rights and obligations previously assigned to District Assignee pursuant to section 4 hereof. East II Assignee hereby acquires all of the rights and obligations of Assignors in the Wholesale Services Agreement other than those rights and obligations assigned to District Assignee pursuant to Section 4 hereof. East II Assignee assumes the Assignors' obligations under the Wholesale Services Agreement (except for Assignor's obligations assigned to the District Assignee pursuant to section 4 hereof) and covenants and agrees with Assignors to perform and be bound by all of the terms, obligations, covenants and conditions of such portions of the Wholesale Services Agreement from and after the date hereof. East II Assignee hereby indemnifies and agrees to defend and hold harmless Assignors from and against any and all liabilities, obligations, claims, costs and expenses which Assignors may incur or suffer arising from East II Assignee's exercise of its rights and obligations under the Wholesale Services Agreement from and after the date hereof.

B. The assignment and assumption in this section 5 to East II Assignee shall be limited to that time period beginning on the effective date of this Assignment and ending on the

date of the first Conveyance of TWA's Facilities (as defined and described in the Wholesale Services Agreement) to District Assignee pursuant to the terms of the Franchise and that certain Utility Services Agreement between District Assignee and East II Assignee. Upon the first Conveyance of TWA's Facilities from East II Assignee to District Assignee, East II Assignee shall simultaneously assign all of East II Assignee's rights and obligations under the Wholesale Services Agreement to District Assignee and District Assignee shall accept such assignment from East II Assignee. Regardless of whether East II Assignee makes such assignment to District Assignee, East II Assignee's rights and obligations under the Wholesale Services Agreement created by virtue of this Assignment shall terminate when East II makes the first Conveyance of TWA's Facilities to District Assignee.

- C. East II Assignee shall provide written notice to TWA of East II Assignee's completion of the first Conveyance of TWA's Facilities to District Assignee and assignment of East II Assignee's rights and obligation under the Wholesale Agreement to District Assignee. After providing such written notice, East II Assignee and District Assignee shall use reasonable efforts to obtain TWA's acknowledgement of the assignment from East II Assignee to District Assignee.

Section 6. Representations and Warranties of District Assignee. Pursuant to section 25 of the Wholesale Services Agreement, and recognizing TWA's interest in the Wholesale Services Agreement, District Assignee acknowledges the following to TWA:

- (a) District Assignee has taken any and all steps that may be necessary to comply with the substantive and procedural requirements of sections 189.054 and 163.01, Florida Statutes.
- (b) District Assignee has been duly and validly authorized and created under applicable law.
- (c) Upon the assignment of the Potable Water and Domestic Wastewater service and facilities related provisions of the Wholesale Services Agreement to District Assignee, District Assignee will have full power and authority to carry out its obligations under the same.

- (d) This assignment and assumption was authorized and approved by District Assignee.
- (e) This assignment and assumption constitute a valid and legally binding obligation of District Assignee enforceable in accordance with its terms.
- (f) The execution and delivery of this assignment and assumption instrument and the performance and consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in the violation of or default under any contract, agreement or other instrument or obligation by which the District Assignee will be bound.
- (g) No consent, approval, order or authorization or registration, declaration or filing with any governmental authority is or will be required to be made or received by District Assignee in connection with this assignment and assumption.
- (h) By virtue of its creation, District Assignee has the full jurisdiction of a special district pursuant to special law of the Florida Legislature over the "Property" constituting a portion of the "NED" as described in the Wholesale Services Agreement.
- (i) District Assignee acknowledges and agrees that Assignors' obligation as USER under the Wholesale Services Agreement to make timely and full payment of all amounts coming due to TWA under the Wholesale Services Agreement shall at all times be considered to be and be characterized and treated as an obligation of District Assignee to pay for product and service provided to USER by TWA, payable from the revenues of USER'S Facilities (as described in the Wholesale Services Agreement) on a parity with all other obligations to pay for product or service and subordinate only to District Assignee's bond obligations, or applicable bankruptcy and similar laws affecting creditors rights generally.

Section 7. Representations and Warranties of East II Assignee. Pursuant to section 25 of the Wholesale Services Agreement, and in recognition of TWA's interest in the Wholesale Services Agreement, East II Assignee hereby acknowledges to TWA that, pursuant to the terms of this Assignment, Assignee shall be bound by the respective terms, conditions and obligations of Assignor contained in the Wholesale Services Agreement, and

Assignee hereby represents and warrants to TWA as follows: Assignee has been duly and validly authorized and created under applicable law and, upon this Assignment, Assignee will have full power and authority to carry out its obligations hereunder. This Assignment has been duly authorized and approved by East II Assignee, whereupon the respective portions of the Wholesale Services Agreement will constitute the valid and legally binding obligation of Assignee, enforceable in accordance with its terms. The execution and delivery of this Assignment, and the performance and consummation of the transactions contemplated hereby and thereby, do not and will not conflict with or result in the violation of or default under any contract, agreement or other instrument or obligation by which Assignee is bound. Except as provided herein, no consent, approval, order or authorization of or registration, declaration or filing with any governmental authority is or will be required to be made or received by Assignee in connection with this Assignment.

Section 8. Payment of Certain Amounts by Assignee. Assignor Tavistock East Services, LLC has incurred certain costs and expenses in securing the benefits contained in the Wholesale Services Agreement, including the reservation of capacity in TWA's water and wastewater systems, at no charge, in return for Assignor's efforts to design, permit and construct certain water and wastewater treatment and disposal facilities. Those expenses include the payment of professional fees to engineers, accountants, attorneys and other professionals as well as costs to construct certain facilities to date. The efforts of those professionals, under the direction and on behalf of Assignor Tavistock East Services, LLC were essential to the successful execution and performance of Assignor Tavistock East Services, LLC's duties under the Wholesale Services Agreement. In recognition of the benefits to be derived by East II Assignee from its assumption of the Wholesale Services Agreement, East II Assignee hereby agrees to reimburse Assignor Tavistock East Services, LLC for the costs and expenses that were incurred by Assignor Tavistock East Services, LLC in connection with the Wholesale Services Agreement prior to the date of this Agreement (the "Pre-Assignment Expenses"). The amount of the Pre-Assignment Expenses shall be determined by Assignor Tavistock East Services, LLC, and a statement therefor shall be presented to East II Assignee. East II Assignee shall reimburse Assignor for the Pre-Assignment Expenses.

Section 9. Non-Assignment and Retention of Right to Receive Transfer Payment. Notwithstanding any other provision of this Assignment, Assignors do not assign to Assignees any right to receive the Transfer Payment as specified in section 20 of the Wholesale Services Agreement. Assignors specifically retain any and all rights to receive the Transfer Payment from TWA. Assignors and Assignees shall use reasonable efforts to communicate to TWA that the Transfer Payment is not assigned, and that TWA should continue to pay the Transfer Payment to Assignors. If TWA inadvertently makes a Transfer Payment to either Assignee, then such Assignee shall remit such Transfer Payment to Assignors.

Section 10. No Change to Utility Facilities and Service Agreement Among East Central Florida Services, Inc., Tavistock East Services, LLC, and Tavistock East Holdings, LLC dated October 31, 2017. Nothing in this Assignment is intended or shall be interpreted to alter any of the provisions of that certain agreement among Assignors and Tavistock East Holdings, LLC entitled "Utility Facilities and Service Agreement Among East Central Florida Services, Inc., Tavistock East Services, LLC and Tavistock East Holdings, LLC" dated October 31, 2017.

Section 11. Notice to TWA of Assignment.

- A. Not later than 5 business days after the execution of this Assignment by all parties, Tavistock East Services, LLC shall provide written notice to TWA of this Assignment. That written notice shall include a copy of this Assignment agreement. After providing such written notice, Tavistock East Services, LLC shall use reasonable efforts to obtain TWA's written acknowledgment of this Assignment and TWA's written acknowledgment that this Assignment has complied with all the provisions of the Wholesale Services Agreement relating to the assignment of the Wholesale Services Agreement. If TWA requires additional documentation or agreements to acknowledge compliance with the assignment provisions of the Wholesale Services Agreement, the parties shall use reasonable efforts to create such additional documentation and provide the same to TWA.
- B. Not later than 5 business days after the execution of this Assignment by all parties, the District Assignee shall provide written notice to TWA that District Assignee has assumed the provisions of the Wholesale Agreement identified above. The District Assignee's notice to TWA

shall include a statement that the District Assignee has complied with all applicable substantive and procedural requirements of sections 163.01 and 189.054, Florida Statutes (2019). The purpose of this written notice is to satisfy the CDD or special district assignment noticing provisions of section 25 of the Wholesale Services Agreement.

- C. The parties represent to each other a joint desire and goal of having TWA acknowledge this Assignment as a valid assignment of the relevant provisions of the Wholesale Agreement.

Section 12. Miscellaneous.

(a) The invalidity or unenforceability of any one or more provisions of this Assignment shall not affect the validity or enforceability of the remaining portions of this Assignment or the Agreement, or any part or parts thereof.

(b) No amendment to or modification of this Assignment shall be valid or binding upon Assignee or Assignor unless made in writing and signed by the parties hereto.

(c) This Assignment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

(d) This Assignment shall be governed by and construed in accordance with the laws of the State of Florida.

(e) All capitalized terms used in this Assignment and not otherwise defined herein shall have the meanings ascribed thereto in the Wholesale Services Agreement.

(f) If any action at law or in equity, including an action for declaratory judgment, is brought to enforce or interpret the provisions of this Assignment, the prevailing party or parties shall be entitled to recover reasonable attorney's fees and costs (including those from appellate proceedings) from the other non-prevailing party.

(g) This Assignment shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors and assigns. IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment to be executed and delivered in its name

and on its behalf by its duly authorized officer or
representative Signed, sealed and delivered
TAVISTOCK EAST
SERVICES, LLC,

in the presence of: a Florida limited liability company, Assignor

Print Name: _____

By: _____
James L. Zboril, President

Print Name: _____

STATE OF FLORIDA)
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____,
2019, by James L. Zboril, as President of **TAVISTOCK EAST SERVICES, LLC**, a Florida limited liability
company, on behalf of said company. He is personally known to me or has produced
_____ as identification.

(Signature of Notary Public)

(Typed name of Notary Public)

Notary Public, State of Florida

Commission No.: _____

My Commission Expires: _____

Signed, sealed and delivered

in the presence of:

TAVISTOCK EAST II, LLC,

a Florida limited liability company

Print Name: _____

Print Name: _____

By: _____

James L. Zboril, President

STATE OF FLORIDA)

COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by James L. Zboril, as President of **TAVISTOCK EAST II, LLC**, a Florida limited liability company, on behalf of said company. He is personally known to me or has produced _____ as identification.

(Signature of Notary Public)

(Typed name of Notary Public)

Notary Public, State of Florida

Commission No.: _____

My Commission Expires: _____

Signed, sealed and delivered
in the presence of:

East Central Florida Services, Inc.
a Florida corporation

Print Name: _____

By: _____
K Erik Jacobsen
President

Print Name: _____

STATE OF FLORIDA)

COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by K Eric Jacobsen, as President of **EAST CENTRAL FLORIDA SERVICES, INC.**, a Florida corporation, on behalf of said company. He is personally known to me or has produced _____ as identification.

(Signature of Notary Public)

(Typed name of Notary Public)

Notary Public, State of Florida

Commission No.: _____

My Commission Expires: _____

Signed, sealed and delivered
in the presence of:

Sunbridge Stewardship District.

Print Name: _____

By: _____

Print Name: _____

STATE OF FLORIDA)

COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____ as _____ of the Sunbridge Stewardship District, on behalf of said district. He/she is personally known to me or has produced _____ as identification.

(Signature of Notary Public)

(Typed name of Notary Public)

Notary Public, State of Florida

Commission No.: _____

My Commission Expires: _____

Sunbridge Stewardship District

**Consideration of Resolution 2019-10,
Setting the Date, Time and Place for a Public
Hearing for the Purpose of Adopting Rates
and Fees Regarding Water and Wastewater
Utility Services**

RESOLUTION 2019-10

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT TO DESIGNATE THE DATE, TIME AND PLACE OF A PUBLIC HEARING AND AUTHORIZATION TO PUBLISH NOTICE OF SUCH HEARING FOR THE PURPOSE OF ADOPTING RATES AND FEES REGARDING WATER AND WASTEWATER UTILITY SERVICES; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Sunbridge Stewardship District (the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 2017-220, *Laws of Florida*, (the "Act") being situated within Osceola County, Florida; and

WHEREAS, the Board of Supervisors of District (the "Board") is authorized by the Act to adopt rules, orders, rates and fees pursuant to Chapter 120, *Florida Statutes*.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SUNBRIDGE STEWARDSHIP DISTRICT:

SECTION 1. A Public Hearing will be held to adopt rates and fees related to water and wastewater utility services, attached here as **Exhibit A**, on October ____, 2019, at _____ .m., at _____.

SECTION 2. The District Secretary is directed to publish notice of the hearing in accordance with Section 120.54, *Florida Statutes*.

SECTION 3. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 5th day of September, 2019.

ATTEST:

**SUNBRIDGE STEWARDSHIP
DISTRICT**

Secretary/Assistant Secretary

Chairman, Board of Supervisors

Exhibit A: Proposed Rates

EXHIBIT A - Proposed Rates

(These draft rates are subject to final approval at the public hearing authorized by this resolution.
Additional rate categories may be added for consideration at the hearing)

Sunbridge Stewardship District				
Water				Equivalent Factor
Base Facility Charge				
5/8 X 3/4"	Displacement	\$ 18.67		1
3/4"	Displacement	\$ 28.01		1.5
1"	Displacement	\$ 46.68		2.5
1 1/2"	Displacement	\$ 93.35		5
2"	Displacement	\$ 149.36		8
3"	Displacement	\$ 280.05		15
3"	Compound	\$ 298.72		16
3"	Turbine	\$ 326.73		17.5
4"	Displacement	\$ 466.75		25
4"	Compound	\$ 560.10		30
6"	Displacement or Compound	\$ 933.50		50
6"	Turbine	\$ 1,166.88		62.5
8"	Compound	\$ 1,493.60		80
8"	Turbine	\$ 1,680.30		90
10"	Compound	\$ 2,147.05		115
10"	Turbine	\$ 2,707.15		145
12"	Turbine	\$ 4,014.05		215
Gallonage Charge				
Residential				
0 - 4,000		\$ 1.50		
4,001 - 10,000		\$ 2.53		
Over 10,000		\$ 3.18		
Commercial/General Service				
per 1,000 gallons		\$ 2.25		

Wastewater					
Residential					
Base Facility Charge					
All meter sizes		\$ 22.25			
Gallage Charge:					
Per 1,000 gallons		\$ 5.35			
(10,000 gallon cap)					
Base Facility Charge					
5/8 X 3/4"		\$ 22.25			
3/4"		\$ 33.38			
1"		\$ 55.63			
1 1/2"		\$ 111.25			
2"		\$ 178.00			
3"		\$ 333.75			
4"		\$ 356.00			
6"		\$ 389.38			
8"		\$ 556.25			
10"		\$ 667.50			
12"		\$ 1,112.50			
Gallage Charge:					
Per 1,000 gallons		\$ 6.42			

Miscellaneous Charges	
Water/Wastewater/Irrigation	
	Charges:
Late Fees	\$ 10.00
Backflow Testing Fees	\$ 65.00
Initial Connection Fees	\$ 50.00
Disconnect/Reconnect Fees	\$ 135.00
After Hours - Reconnect Fees	\$ 168.75
Backflow Repairs/Replacement	\$ 85.00
Credit Card Fees	\$ 5.00
Meter Bench Test	\$ 125.00
2nd Premise Visits	\$ 50.00
After Hours / Emergency Call	\$ 125.00

Inspection Fees	Set amount	(Time& Material + 15% markup)		
Plan Review Fees	Set amount	(Time& Material + 15% markup)		
System Development Charge - Water	\$ 3,450.00			
System Development Charge - Wastewater	\$ 2,415.00			
Meter Installation - Potable	\$ 425.00			
Meter Installation - Irrigation	\$ 425.00			
Backflow Installation	\$ 85.00			
Wastewater Installation/Locates	\$ 125.00			

Sunbridge Stewardship District

Ratification of Payment Authorizations 60-62

**Sunbridge Stewardship District
Payment Authorizations
Nos. 60-62**

<u>PA #</u>	<u>Date</u>	<u>Vendors</u>	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>
		Hopping Green & Sams			
		General Counsel Thru 06/30/2019 (GF)	2,090.00		
		Bond Validation Thru 06/30/2019 (CP)	18,128.64		
60	7/26/2019	Osceola News-Gazette			
		Legal Advertising			
		07/13/2019 & 07/20/2019	123.64		
		PFM Group Consulting			
		DM Fee: July 2019	\$ 3,750.00		
		Website Fee: July 2019	\$ 100.00		
			\$6,063.64	\$18,128.64	\$24,192.28
		Poulos & Bennett			
		Engineer Services Thru 06/30/2019	18323.25		
		PFM			
61	8/2/2019	May Copies	60.90		
		March Postage	1.50		
		April Postage	4.00		
		May Postage	.50		
			\$66.90	\$18,323.25	\$18,390.15
62	8/9/2019	PFM			
		June Reimbursibles	42.32		
			\$42.23	\$0.00	\$42.23
Total			\$6,172.77	\$36,451.89	\$42,624.66

SUNBRIDGE STEWARDSHIP DISTRICT

Payment Authorization No. 060

7/26/2019

Item No.	Vendor	Invoice Number	General Fund	Capital Projects
1	Hopping Green & Sams General Counsel Through 06/30/2019 Bond Validation Through 06/30/2019	108745	\$ 2,090.00	
		108746		\$ 18,128.64
2	Osceola News-Gazette Legal Advertising on 07/13/2019 & 07/20/2019	103601	\$ 123.64	
3	PFM Group Consulting DM Fee: July 2019 Website Fee: July 2019	DM-07-2019-0061	\$ 3,750.00	
		DM-07-2019-0062	\$ 100.00	
			\$ 6,063.64	\$ 18,128.64
TOTAL			\$ 24,192.28	



Board Member

Please Return To:
Sunbridge Stewardship District
c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

RECEIVED JUL 27 2019

SUNBRIDGE STEWARDSHIP DISTRICT

Payment Authorization No. 061

8/2/2019

Item No.	Vendor	Invoice Number	General Fund	Capital Projects
1	PFM Group Consulting			
	May Copies	OE-EXP-00057	\$ 60.90	
	March Postage	OE-EXP-00058	\$ 1.50	
	April Postage	OE-EXP-00059	\$ 4.00	
	May Postage	OE-EXP-00060	\$ 0.50	
2	Poulos & Bennett			
	Engineer Services Through 06/30/2019	18-203(8)		\$ 18,323.25

\$ 66.90 \$ 18,323.25

TOTAL \$ 18,390.15



Board Member

Please Return To:
Sunbridge Stewardship District
c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

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SUNBRIDGE STEWARDSHIP DISTRICT

Payment Authorization No. 062

8/9/2019

Item No.	Vendor	Invoice Number	General Fund
1	PFM Group Consulting June Reimbursables	OE-EXP-00261	\$ 42.32
		TOTAL	\$ 42.32



Board Member

Please Return To:
Sunbridge Stewardship District
c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

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Sunbridge Stewardship District

Review of Monthly Financials

Sunbridge Stewardship District
Statement of Activities
As of 7/31/2019

	General Fund	Capital Projects Fund	Total
<u>Revenues</u>			
Developer Contributions	\$39,096.60		\$39,096.60
Developer Contributions		\$60,903.40	60,903.40
Total Revenues	\$39,096.60	\$60,903.40	\$100,000.00
<u>Expenses</u>			
D&O Insurance	\$2,250.00		\$2,250.00
Management	37,500.00		37,500.00
District Counsel	17,902.03		17,902.03
Audit	3,000.00		3,000.00
Travel and Per Diem	58.03		58.03
Telephone	108.13		108.13
Postage & Shipping	7.26		7.26
Copies	219.60		219.60
Legal Advertising	986.17		986.17
Web Site Maintenance	1,000.00		1,000.00
Dues, Licenses, and Fees	175.00		175.00
General Insurance	2,750.00		2,750.00
Engineering		\$43,593.20	43,593.20
District Counsel		58,607.72	58,607.72
Total Expenses	\$65,956.22	\$102,200.92	\$168,157.14
<u>Other Revenues (Expenses) & Gains (Losses)</u>			
Total Other Revenues (Expenses) & Gains (Losses)	\$0.00	\$0.00	\$0.00
Change In Net Assets	(\$26,859.62)	(\$41,297.52)	(\$68,157.14)
Net Assets At Beginning Of Year	\$18,905.33	\$0.00	\$18,905.33
Net Assets At End Of Year	(\$7,954.29)	(\$41,297.52)	(\$49,251.81)

Sunbridge Stewardship District
Statement of Financial Position
As of 7/31/2019

	General Fund	Capital Projects Fund	Total
<u>Assets</u>			
<u>Current Assets</u>			
General Checking Account	\$1,669.26		\$1,669.26
Total Current Assets	\$1,669.26	\$0.00	\$1,669.26
Total Assets	\$1,669.26	\$0.00	\$1,669.26
<u>Liabilities and Net Assets</u>			
<u>Current Liabilities</u>			
Accounts Payable	\$9,623.55		\$9,623.55
Accounts Payable		\$41,297.52	41,297.52
Total Current Liabilities	\$9,623.55	\$41,297.52	\$50,921.07
Total Liabilities	\$9,623.55	\$41,297.52	\$50,921.07
<u>Net Assets</u>			
Net Assets - General Government	\$18,905.33		\$18,905.33
Current Year Net Assets - General Government	(26,859.62)		(26,859.62)
			\$0.00
Current Year Net Assets, Unrestricted		(41,297.52)	(41,297.52)
Total Net Assets	(\$7,954.29)	(\$41,297.52)	(\$49,251.81)
Total Liabilities and Net Assets	\$1,669.26	\$0.00	\$1,669.26

Sunbridge Stewardship District
 Budget to Actual
 For the Month Ending 7/31/2019

	Year To Date			FY 2019 Adopted Budget
	Actual	Budget	Variance	
<u>Revenues</u>				
Developer Contributions	\$ 39,096.60	\$ 148,500.00	\$ (109,403.40)	\$ 178,200.00
Net Revenues	\$ 39,096.60	\$ 148,500.00	\$ (109,403.40)	\$ 178,200.00
<u>General & Administrative Expenses</u>				
D&O Insurance	\$ 2,250.00	\$ -	\$ 2,250.00	\$ -
Trustee Services	-	5,000.00	(5,000.00)	6,000.00
Management	37,500.00	37,500.00	-	45,000.00
Engineering	-	10,000.00	(10,000.00)	12,000.00
Dissemination Agent	-	4,166.70	(4,166.70)	5,000.00
District Counsel	17,902.03	20,833.30	(2,931.27)	25,000.00
Audit	3,000.00	5,000.00	(2,000.00)	6,000.00
Travel and Per Diem	58.03	416.70	(358.67)	500.00
Telephone	108.13	166.70	(58.57)	200.00
Postage & Shipping	7.26	250.00	(242.74)	300.00
Copies	219.60	416.70	(197.10)	500.00
Legal Advertising	986.17	6,666.70	(5,680.53)	8,000.00
Bank Fees	-	208.30	(208.30)	250.00
Web Site Maintenance	1,000.00	1,000.00	-	1,200.00
Dues, Licenses, and Fees	175.00	208.30	(33.30)	250.00
General Insurance	2,750.00	5,000.00	(2,250.00)	6,000.00
Landscaping Maintenance & Material	-	45,833.30	(45,833.30)	55,000.00
Contingency	-	5,833.30	(5,833.30)	7,000.00
Total General & Administrative Expenses	\$ 65,956.22	\$ 148,500.00	\$ (82,543.78)	\$ 178,200.00
Total Expenses	\$ 65,956.22	\$ 148,500.00	\$ (82,543.78)	\$ 178,200.00
Net Income (Loss)	\$ (26,859.62)	\$ -	\$ (26,859.62)	\$ -