MEMORANDUM

October 26, 2010

TO: Honorable Mayor and City Commissioners

VIA: Judith Delmar, City Manager jhd

FROM: Margaret Swanson, Director of Planning and Development

RE: Mayfair Utility Agreement

SYNOPSIS

Approval is requested for a Utility Agreement with Mayfair Development of Lake Wales, LLLP, for the Mayfair Project, a mixed-use development located on US Highway 27 South at Hunt Brothers Rd. The agreement sets forth the requirements for construction of water, wastewater, and reclaimed water facilities in accordance with the approved "Master Utility Plans" and establishes special conditions and reimbursement of impact fees for construction of certain utility facilities in excess of those required to serve the development.

RECOMMENDATION

Staff recommends approval of the Utility Agreement with Mayfair Development of Lake Wales and authorization for Mayor Van Sickle to execute the agreement.

BACKGROUND

The proposed agreement concerns the construction of water, wastewater, and reclaimed water systems for Mayfair. The document was prepared with the participation of the developer and has been approved by their attorney, Martha Anderson Hartley of Greenberg Traurig, Orlando, and by the City Attorney, Albert C. Galloway, Jr. Execution of the agreement by the developer is anticipated prior to the November 3 City Commission meeting.

Located on US Highway 27 South, Mayfair is a 350-acre mixed-use development. The approved master plan shows approximately 1022 dwelling units, a village center, central park, and several commercial out-parcels. The property on which Mayfair will be built was City property (Cooperative Fruit property) purchased by Feltrim Development, NA, Inc. in 2005.

The Utility Agreement sets forth specific requirements for construction of utilities based upon the Master Utility Plans for the project approved by the City's Public Works Director, Tom Moran.

It also specifies the bases and formulas for granting the developer impact fee credits for "oversizing" certain facilities for the benefit of the municipal systems. Credit will be given only for the excess capacity in the facilities (*e.g.* water mains) that is not anticipated to be needed by the Mayfair development, but will serve future City utility customers.

Section 5 – Special Conditions and Reimbursements lists the facilities for which the developer will be reimbursed. The bases for determining the amounts to be reimbursed are set forth. The exact dollar amounts to be reimbursed will be determined by the City based per the requirements of sec. 23-770 of the Lake Wales Code of Ordinances. In compliance with the Code, the percentage of reimbursement must be proportionate to the system-wide benefit of each improvement, and all of the improvements to be credited have been determined to be eligible for impact fee expenditures.

Summary of Impact Fee Credits

| Utility/Project | Reimbursement of Project Cost | |
|---|-------------------------------|-----------------------|
| | Percentage /basis | Maximum dollar amount |
| Water system Directional bore to Longleaf | 50% | \$ 35,000 |
| Reclaimed water system | Cost of increase in pipe size | NA |

The agreement builds upon prior agreements for development of the property, including the "Purchase Agreement" (August 22, 2005) and "Development Agreement" (October 31, 2006).

Preliminary plans have been approved by the City Commission for nine of the fourteen phases proposed, and construction plans for several phases are under review. As residential phases of the development are approved for site development permits, Utility Service Agreements will be brought to the City Commission for approval of capacity reservations in the water and wastewater systems and a schedule for payment of utility impact fees.

OTHER OPTIONS

Revisions to the proposed agreement may be suggested by the City Commission, but will necessitate further negotiations with the developer.

FISCAL IMPACT

The fiscal impact of the agreement is neutral in that the City will be reimbursing the developer for only those utility improvements that benefit the City's utility systems.

ATTACHMENTS

Utility Agreement between City of Lake Wales, Florida, and Mayfair Development of Lake Wales, LLLP for Mayfair Project

UTILITY AGREEMENT

BETWEEN

CITY OF LAKE WALES, FLORIDA

AND

MAYFAIR DEVELOPMENT OF LAKE WALES, LLLP FOR

MAYFAIR PROJECT

This instrument prepared by:

City of Lake Wales 201 W. Central Avenue Lake Wales, FL 33853

UTILITY AGREEMENT

| THIS UTILITY AGREEMENT ("Agreement") is made and entered into this day of |
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| , 2010 by and between Mayfair Development of Lake Wales, LLLF |
| (hereinafter referred to as "DEVELOPER") and its successors and assigns, having an office a |
| 1395 Tuscana Lane, Championsgate, FL 33896 (Garrett Kenny, Project Manager, Feltrir |
| Development, NA, Inc.), and The City of Lake Wales, Florida whose business address is 201 W |
| Central Ave, Lake Wales, Florida 33853, and its successors and assigns (hereinafter referred t |
| as "CITY"). |

RECITALS

- 1. DEVELOPER owns land located within the boundaries of the City, as described herein, which property is more particularly described in Exhibit "A," attached hereto and made a part hereof (the "Property"), and DEVELOPER intends to develop the Property by erecting residential and commercial improvements thereon as indicated in the Development Plan attached hereto as Exhibit "B" (the "Development Plan"), or as such Development Plan may be amended or supplemented from time to time with approval of the City; and,
- 2. DEVELOPER desires the City to make available to the Property central potable water and wastewater systems, and when available, irrigation water, as hereafter defined, utilizing Reclaimed Water, as hereafter defined; and,
- 3. The CITY is willing to provide such services to the Property in accordance with the provisions of this Agreement, that certain Development Agreement by and between DEVELOPER and CITY dated October 31, 2006, and recorded November 6, 2006, in Official Records Book 7042, Page 1388, Public Records of Polk County, Florida ("Development Agreement"), and that certain Amended and Restated Real Estate Purchase and Sale Agreement by and between the City of Lake Wales Community Redevelopment Agency and Feltrim Development NA, Inc. dated August 22, 2005, ("Purchase Agreement") subject to the execution of appropriate utility capacity reservation agreements and payment of impact fees, as required by the City Code and this Agreement; and,
- 4. This Agreement deals only with the relationships between the parties for construction and dedication of underground utility improvements and does not reserve any utility capacity for this project, nor does it resolve any other impact fees, and such fees and necessary utility capacity reservations shall be resolved in a separate agreement in accordance with City Code; and,

RECITALS AND EXHIBITS PART OF AGREEMENT

The above recitations are true and correct, are incorporated herein by reference, and form a material part of this Agreement. All exhibits to this Agreement are hereby deemed a part hereof.

LIST OF EXHIBITS

A – Legal description

C – Subordination of Interest in Property

E – Grant of Easement

B – Master Preliminary Development Plan

D – Master Utility Plans (reduced copies)

F – Certificate of Acceptance of Utility Facilities

SECTION 1 - DEFINITIONS

The following definitions and references are given for the purpose of interpreting the terms as used in this Agreement and shall apply unless the context indicates a different meaning or unless they are contradicted by CITY ordinance or State law:

- 1.1 <u>"CITY Specifications"</u> means the most recent version of the CITY's written specifications for potable water, wastewater and irrigation water design and construction.
- 1.2 <u>Interested Parties"</u> means the parties executing Exhibit "C" attached hereto for the purpose of subordinating their interests in the Property to this Agreement. DEVELOPER warrants that the persons executing Exhibit "C" are all of the persons having a mortgage interest in the Property, other than the DEVELOPER, whether a mortgagee, secured lien holder, tenant or otherwise.
- 1.3 <u>"Irrigation Water"</u> means water used for irrigation of lawns and other landscaping, and may include, in part or in whole, potable water, or other non-potable waters from any source, including without limitation, surface water, wells water and/or Reclaimed Water.
- 1.4 <u>"Lot"</u> means each separate subdivided building site as platted of record or as shown on the Development Plan.
- 1.5 <u>"Master Utility Plans"</u> means, individually or collectively, as the case may be, the Master Utility Plans signed and sealed by Dave Schmitt Engineering (Dave Schmitt, P.E.) on 06-08-2010 and approved by the City of Lake Wales Public Works Department (Tom Moran, P.E.) on 07-07-2010.
- 1.5 "Phase" refers to a part of the Property which is being or is to be developed as a unit.
- 1.6 <u>"Point of Delivery"</u> means the point where the pipes or meters of the CITY are connected with the pipes of the Consumer of the utility services. Unless otherwise indicated, Point of Delivery shall be at a point on the Consumer's Lot line.
- 1.7 <u>"Project"</u> means the types of units, sizes of lots, and other characteristics specific to the Development Plan for this Property.
- 1.8 "Property" means all of the lands legally described in Exhibit "A."
- 1.9 "<u>Reclaimed Water</u>" means wastewater treatment plant effluent treated for use for irrigation or other specified non-potable uses in accordance with applicable laws.
- 1.10 <u>"Queue"</u> means the Utility Capacity Queue established by the City pursuant to City Code to provide an orderly lineup of developments eligible to reserve capacity for potable water and wastewater service.
- 1.11 <u>"Utility Facilities"</u> means all potable water, wastewater, and Irrigation Water improvements other than the sources of water or treatment and disposal facilities. The term "On-site Utility Facilities" includes all Utility Facilities constructed within the

boundaries of the Property, providing a network of water, wastewater and Irrigation Water improvements necessary to serve each Lot within the Project, but specifically excludes all potable and Irrigation Water service lines on the Consumer's side of the meter assembly, if one exists, or from and including the main for Irrigation Water service lines without a meter. With respect to wastewater, the term "On-Site Utility Facilities" specifically excludes all individual Consumer service lines and connections, whether the connection is made at a main line, lateral or "Y." Utility Facilities also excludes all forms of improvements rejected for ownership, operation and maintenance by the CITY, or otherwise designated on the Project's engineering plans as being owned, operated and maintained by persons or entities other than the CITY.

SECTION 2 - EASEMENTS

<u>Specific grants</u> of easement shall be executed at the conclusion of all construction of Utility Facilities. The form for the Grant of Easement is attached hereto as Exhibit "E."

SECTION 3 - GENERAL COVENANTS BETWEEN THE PARTIES

- 3.1 <u>General Agreement to Serve Project.</u> Pursuant to the Development Agreement, the CITY has agreed to deliver potable water and wastewater service to the boundary of the Property in quantities, forces and/or pressure in compliance with the City's adopted level-of-service standards for such services and agreements for reservations of capacity for such services, provided, however, that DEVELOPER shall construct the Utility Facilities in accordance with the Master Utility Plans and this Agreement and shall make such reservations of capacity and pay such impact fees or other costs as are required by City Code and/or this Agreement. Further, the City agrees to provide Irrigation Water to the Property when available.
- Connection to Central Facilities of the City. Upon issuance of a Certificate of 3.2 Acceptance, substantially in the form of that attached hereto as Exhibit "F," for such portions of the Utility Facilities as are required to serve any Phase of the Project, the CITY convenants and agrees that it will authorize DEVELOPER to connect the Utility Facilities installed by DEVELOPER to the central facilities of the CITY and will provide potable water and wastewater for any such Phase in accordance with the terms of this Agreement. CITY agrees to provide, when available, reclaimed water in accordance with applicable provisions of City Code. The CITY shall issue a Certificate of Acceptance for any Utility Facilities only after all of the following requirements have been met: (i) the necessary roads with the Property providing access to such Utility Facilities have been constructed by DEVELOPER; (ii) the City has inspected the Utility Facilities, has determined, in its reasonable discretion, that such improvements satisfy the requirements of the Master Utility Plans and any additional City Specifications in place at the time of a Site Development Permit was issued for that Phase of the Project; (iii) DEVELOPER has paid all connection fees and/or impact fees for the applicable utility service and has paid any other sums required to be paid to the CITY under this Agreement or the Site Development Permit; (iv) DEVELOPER has complied with all other terms of this agreement applicable to the construction and connection of the Utility Facilities; and (v) DEVELOPER has complied with the requirements of all other governmental authorities having jurisdiction over the construction and use of the Utility Facilities to be accepted.

- 3.3 <u>Payment for Connections and Utility Service.</u> Except for reimbursement arrangements provided herein, connections to City-owned Utility Facilities shall at all times be at the expense of the DEVELOPER, and shall be in accordance with this Agreement and the applicable City ordinances and specifications. Once DEVELOPER has conveyed to CITY all Utility Facilities constructed by DEVELOPER in accordance with this Agreement and DEVELOPER or others have connected Consumer installations to the City's system, thereafter CITY agrees to continuously provide potable water, wastewater, and when available, Irrigation Water service to the Property in a manner to conform with all requirements of the of CITY at a rate schedule set by the City Commission from time to time.
- 3.4 <u>Reservation of Capacity.</u> Pursuant to Section 5(A) of the Development Agreement, CITY is obligated to DEVELOPER to provide priority placement in the Utility Capacity Queue, and CITY hereby confirms that such priority has been previously established for all Phases of the Project and the Project is exempt from the requirements of City Code for a Utility Capacity Queue Agreement. Prior to the issuance of a site development permit for any phase of the Project that includes residential units, an agreement for reservation of capacity is required as provided in City Code.
- 3.5 Other Builders. The parties recognize and acknowledge that DEVELOPER may engage one or more independent builders to develop the Property, in which case DEVELOPER shall ensure that each builder receives a copy of this Agreement and agrees in writing to comply with this Agreement. DEVELOPER is, and shall remain, fully responsible to CITY for compliance with this Agreement with respect to all portions of the Property which DEVELOPER or its affiliates continue to own except to the extent other builders engaged by DEVELOPER enter into independent agreements with the CITY which exculpate DEVELOPER from liability arising from the activities of those builders. DEVELOPER shall have no continuing liability under this Agreement with respect to the actions of builders or others on portions of the Property that DEVELOPER no longer owns. DEVELOPER acknowledges that any transfer of ownership of any portion of the Property shall be in compliance with the requirements of the Development Agreement recorded in Official Records Book 7042, Page 1388, of the Public Records of Polk County, Florida.

SECTION 4 – WATER AND WASTEWATER UTILITY FACILITY SPECIFIC REQUIREMENTS

- 4.1 <u>DEVELOPER's Obligation to Construct Utility Facilities</u>. DEVELOPER agrees to construct at its own expense (except for reimbursement obligations set forth herein) and to offer to transfer ownership and control to the CITY all of the On-Site Utility Facilities, as well as the additional Utility Facilities described in Section 5 hereof—necessary to provide service to each Lot within the Property through transfer documents prepared and executed in accordance with Section 4.6 below. The CITY is not obligated to accept transfer of ownership except upon satisfaction of the conditions for issuance of a Certificate of Acceptance set forth in Section 3.2 hereof.
- 4.2 <u>Site Development Permit Plans</u>. DEVELOPER shall provide to CITY engineering plans acceptable to CITY, prepared and sealed by a professional engineer registered in the State of Florida, showing the construction plans for all Utility Facilities including meter assemblies and taps (meter provided by City at DEVELOPER's expense), and otherwise in accordance with the

CITY's Specifications and the Master Utility Plans. It is the responsibility of DEVELOPER and its engineer to obtain the most recent version of the CITY Specifications. Failure to adhere to the CITY Specifications without express written approval shall be a material breach of this Agreement. At the time of submitting the plans and specifications for review, DEVELOPER shall pay a fee in accordance with City Code, including without limitation, land development regulations.

- 4.3 Construction of Approved Utility Facilities. DEVELOPER shall cause to be constructed, at DEVELOPER's own cost and expense, the Utility Facilities as shown on the plans approved by the CITY, and otherwise in accordance with the CITY's Specifications. DEVELOPER further represents and warrants that said Utility Facilities furnished by it shall be constructed and installed in a manner satisfactory to and meeting the approval of all other applicable public, governmental or other agencies having supervision, regulation, direction and control of such Utility Facilities and services rendered in connection therewith.
- 4.4. Bond on Utility Facilities; Indemnity. Simultaneous with the conveyance of the Utility Facilities from DEVELOPER to the CITY (as set forth in Section 4.6 below), DEVELOPER shall deliver to the CITY a bond in the amount of 50% of the actual cost of construction of the Utility Facilities being conveyed ("Contract Bond"). The surety for the Contract Bond shall be authorized to write bonds of such character and amount in the State of Florida. The attorney-infact or other officer who signs such Contract Bond shall file with such Contract Bond a certified copy of his power of attorney authorizing him to do so. The Contract Bond may be written either with DEVELOPER's contractor as "principal" and DEVELOPER and CITY as "co-obligees," or, in the alternative, with DEVELOPER as "principal" and the CITY as "co-obligee." The Contract Bond shall be for a term of one (1) year following the date of the issuance of the Certificate of Acceptance by the CITY for the transferred Utility Facilities (the "Warranty Period") and shall protect the CITY during the Warranty Period against losses resulting from any and all defects in materials or improper performance of the work required by DEVELOPER hereunder. Upon demand by the CITY, DEVELOPER shall correct or cause to be corrected all such defects which are discovered within the Warranty Period, failing which the CITY shall make such repairs and/or replacements of defective work and/or materials and DEVELOPER and/or its surety shall be liable to CITY for the costs arising therefrom.
- 4.5. <u>Inspection of Work.</u> During the construction of the Utility Facilities by DEVELOPER, DEVELOPER'S engineer shall inspect the proper installation of the Utility Facilities by the contractor, and when construction is completed, shall supervise the standard tests for pressure, exfiltration, line and grade, and all other reasonable engineering tests useful for determining whether the Utility Facilities or other improvements have been installed in accordance with this Agreement, the approved plans and specifications, good engineering practices, and CITY's written requirements for said testing specific to this Project. The CITY shall have the right, but is not obligated to, review, observe, and test such installations to determine compliance with the plans and specifications, but such review shall not contitute or be deemed to constitute, a review of the safety practices of DEVELOPER or its agents or contractors or supervision of the construction or control of the safety practices or quality of the installation, and such inspections and observations by the CITY shall not be claimed by the Developer as a defense or excuse for any action or claim by the CITY for DEVELOPER's failure to properly install or test the Utility Facilities or comply with approved plans or this Agreement. DEVELOPER's engineer shall coordinate construction or preconstruction meetings with the CITY and its engineer a reasonable

time prior to construction and when necessary during construction and shall closely coordinate all testing dates with the CITY and its engineer.

- 4.6 <u>Transfer of Title.</u> Prior to acceptance of Utility Facilities or rendering of service by the CITY, DEVELOPER shall convey to the CITY, by itemized bill of sale, in a form reasonably satisfactory to CITY's counsel, such facilities as constructed by DEVELOPER, in accordance with the terms hereof, free and clear of all liens or encumbrances except those permitted below in this Section 4.6. DEVELOPER shall execute any and all documents reasonably necessary to ensure that the Utility Facilities are free and clear of all said liens or encumbrances to the satisfaction of CITY's counsel. Approved exceptions to title shall include only:
 - 4.6.1. Restrictions set out in a recorded plat of the Property;
- 4.6.2. Easements for utilities and drainage set out in any recorded plat of the Property or otherwise conveyed or dedicated to the City; provided, however, that none of the restrictions or easements set out in such recorded plat shall prevent, hinder or restrict the CITY's ability to provide utility service or use and enjoy the utility easements granted to the CITY by DEVELOPER as provided herein.
- 4.6.3. Restrictions of record (except liens or mortgages) that do not impair, restrict, or inhibit the CITY's ability to provide utility service to the Property or use and enjoy the utility easements granted to the CITY by DEVELOPER and which are not coupled with a forfeiture or reversionary provision; and
- 4.6.4 All laws, ordinances and governmental regulations, including without limitation, all applicable building, zoning, land use and environmental ordinances, regulations, restrictions, and other requirements.
- 4.7 Documentation Required. DEVELOPER shall cause to be conveyed to the CITY all easements and/or rights-of-way covering areas in which On-Site Utility Facilities are installed, by recordable document in the form shown in Exhibit "F" or otherwise acceptable to the City's counsel. DEVELOPER agrees to provide special warranty deed(s) in a form reasonably acceptable to the CITY to convey to the CITY portions of the Property utilized for water or wastewater pumping stations. DEVELOPER's counsel shall also provide an opinion of title, acceptable to the CITY's counsel, stating that all Utility Facilities to be transferred are owned by DEVELOPER, subject only to the exceptions stated in the opinion and that DEVELOPER and its signatory have the authority to make such transfer. The use of easements granted by DEVELOPER shall not preclude the use by other utilities of the easements, such as for cable television, telephone or gas utilities, so long as such use by others does not interfere in any manner with the use of the easements by CITY. Any easement issued by DEVELOPER within an easement used by CITY shall provide that restriction in writing. All Interested Parties having an interest in the portion of the Property to be so conveyed to the CITY shall be required to release their interest in such portion of the Property or to subordinate their position in such portion of the Property in order to give the CITY assurance that the CITY's rights in such portion of the Property will be recognized in the event of foreclosure or other legal action by such Interested Parties. All On-Site Utility Facilities, except Consumer installations, shall be covered by easements or rights-of-way unless located within platted or dedicated roads or rightsof-way with CITY's express approval.

- 4.8 <u>Cost Records Available for Review</u>. DEVELOPER's cost records for Utility Facilities shall be in sufficient detail that the CITY can determine the cost of each item being contributed. Said cost shall include, but not be limited to, permit and impact fees and costs incurred in connection with inspection, installation, analysis, testing, insurance, legal work or engineering.
- 4.9 Retention of Ownership of Certain On-Site Utility Facilities. Whenever On-Site Utility Facilities serve only one Consumer or several Consumers with a unity of title and, in the reasonable opinion of the CITY, ownership by the CITY of such On-Site Utility Facilities, or any part of them, is not necessary or prudent, then, at the option of the CITY, DEVELOPER shall retain ownership of such Facilities and/or transfer ownership to the single Consumer or to a property association or other entity responsible for managing the Utility Facilities for a small group of Consumers in which event the obligation for maintenance of such On-Site Utility Facilities shall not transfer to the CITY.

SECTION 5 - SPECIAL CONDITONS AND REIMBURSEMENTS

City specifically reserves the right, at its sole discretion, to implement bonded, per unit guaranteed revenue or minimum revenue charges against Developer on a periodic basis to cover the City's monthly costs of holding the unused reserved capacity for Developer without a Customer paying those fixed costs. Failure to pay such minimum revenues shall operate to release the DEVELOPER'S capacity reservation. In general, the Utility Facilities shall be designed and constructed by DEVELOPER in accordance with the Master Utility Plans. However, the following special conditions shall also apply:

- 5.1 On-site and Offsite Water System. As part of Phase 1 of the project, four (4) gate valves and a 12-inch water main shall be tied in to the 10-inch waterline at Owens Road via a directional bore across Route 27 to Longleaf Park on the west side of the highway, all as more particularly described in the Master Utility Plans. The CITY shall reimburse the DEVELOPER 50% of the costs, but not to exceed \$35,000, for its share of the water line through credits against the first potable water impact fees required to be paid to the CITY for development within the Property. Such credits shall be calculated at the rate of 68% of each potable water impact fee, such percent being equivalent to the cost factor for "system improvements" to the water system as determined by the impact fee study prepared by TischlerBise Consultants and adopted by the City in 2005.
- 5.2 On-site and Offsite Wastewater System. The DEVELOPER shall construct a new 12-inch force main parallel to the existing 8-inch force main on Miami St. and connect to the City's 16-inch force main (the so-called "South Side Force Main"). The force main shall be constructed with the site work on any phase which will take the residential unit count above 300. Simultaneous with the force main construction, the master lift station as shown on the Master Utility Plan will be modified to meet the requirements of the Master Utility Plan.
- 5.3 <u>Reclaimed Water System.</u> DEVELOPER shall upsize Reclaimed Water mains as listed below. The DEVELOPER shall be reimbursed for the difference in purchase price between the small and upsized pipes, such price to be determined in accordance with City Code. The DEVELOPER'S cost shall be reimbursed through credits against the first wastewater impact fees required to be paid to the CITY for development within with the Property, at the rate of 13.5% of

each wastewater impact fee, such percent being equivalent to the cost factor for the Reclaimed water system as determined by the impact fee study prepared by TischlerBise Consultants and adopted by the City in 2005. DEVELOPER shall construct and shall stub-out the following:

Phase 5 (Commercial, south of Hunt Brothers' Road) – US 27 at southern boundary of project Estimated 1010 linear feet 8-inch PVC with fittings – Upsized from 4-inch

Phase 7 (Single-family residential)

Estimated 784 linear feet 8-inch PVC with fittings - Upsized from 4-inch Estimated 515 linear feet 12-inch PVC with fittings - Upsized from 6-inch

Phase 8 (Single-family residential)

Estimated 2095 linear feet 12-inch PVC with fittings – Upsized from 8-inch

Phase 9 (Single-family residential)

Estimated 1675 linear feet 12-inch PVC with fittings – Upsized from 8-inch

Phase 11 (Townhouses)

Estimated 1292 linear feet 8-inch PVC with fittings – Upsized from 4-inch Estimated 167 linear feet 12-inch PVS with fittings – Upsized from 8-inch

Phase 12 (Single-family residential)

Estimated 2000 linear feet 8-inch PVC with fittings – Upsized from 4-inch

5.4 <u>Conveyance, Warranty and Assurances.</u> All facilities constructed by DEVELOPER pursuant to this Section 5 shall be subject to the transfer documentation and assurance requirements for Utility Facilities as discussed in Section 4 above, including without limitation bills of sale, deeds, attorney's opinion, warranty and bonds.

SECTION 6 - CONSUMER INSTALLATIONS

- 6.1 <u>Application for Service.</u> DEVELOPER, or any owner of any parcel of the Property, or any occupant of any residence, building, or unit located thereon, shall not have the right to, and shall not construct, any consumer installation to the facilities of the CITY until formal written application has been made to the CITY by the prospective user of utility service (the "Consumer"), in accordance with the then effective rules and regulations of the CITY, and approval of such connection has been granted by the CITY, which approval shall not be unreasonably withheld, conditioned, or delayed.
- 6.2 <u>Procedure for Connecting Consumer Installations</u>. Although the responsibility for connecting the consumer installation to the lines of the CITY at the Point of Delivery is that of the DEVELOPER or entity other than the CITY, with reference to such connections, the DEVELOPER agrees to follow the CITY Specifications, including as follows:
 - 6.2.1. Only those plumbing supplies receiving the CITY's prior approval shall be used;

- 6.2.2. All Consumer installation connections must be inspected by the CITY before backfilling and covering of any pipes;
- 6.2.3. A 48-hour advanced notice to the CITY is required to schedule an inspection of a consumer installation;
- 6.2.4. If DEVELOPER does not comply with the foregoing inspection provisions, CITY may refuse service to a connection that has not been inspected until DEVELOPER complies with these provisions;
- 6.2.5. The cost of constructing, operating, repairing, or maintaining Consumer installations shall be that of DEVELOPER or persons other than CITY.

SECTION 7 - OTHER APPROVALS; DEFAULT

- 7.1. <u>Default by DEVELOPER</u>. None of the provisions of this Agreement shall be deemed to amend, modify or otherwise change the provisions of any such ordinance or regulation of the CITY or any other governmental agency. If DEVELOPER fails to comply with the terms and conditions of this Agreement, the CITY shall provide written notice to DEVELOPER of such failure. If (a) DEVELOPER's failure is not curable, or (b) DEVELOPER's failure is curable and DEVELOPER does not commence to cure same within thirty (30) days of its receipt of the CITY's written notice, CITY shall have the right to (i) refuse to provide service and the right to terminate utility service to any Lot, building or other improvement within the Property, or in lieu thereof, the CITY may delay the provision of utility service to any lot, building or other improvement upon the Property pending compliance by DEVELOPER of its obligations as provided for in this Agreement, or, (ii) terminate this Agreement, retaining the right to be paid and enforce all sums due to CITY by DEVELOPER pursuant to this Agreement, or (iii) or pursue any other available remedy.
- 7.2 <u>Default by CITY</u>. If the CITY fails to comply with the terms and conditions of this Agreement, DEVELOPER shall provide written notice to the CITY of such failure. If (a) CITY's failure is not curable, or (b) the CITY's failure is curable and the CITY does not commence to cure said failure within thirty (30) days of its receipt of DEVELOPER's written notice, DEVELOPER shall have the right to (i) pursue its equitable remedies against the CITY, or (ii) terminate this Agreement and any deposits previously paid by DEVELOPER to the CITY pursuant to the terms of this Agreement shall be promptly refunded to DEVELOPER.

SECTION 8 - DEVELOPER'S INDEMNIFICATION

DEVELOPER agrees to indemnify the CITY, its elected and appointed officials, and its employees and agents, and to defend and hold the CITY harmless, from any liability, loss or damage the CITY may suffer as a result of any claims, demands, costs, or judgments against the CITY arising from DEVELOPER's activities in the development of the Project, whether such claims or actions be rightfully or wrongfully brought or filed. If a legal action is filed with respect to the subject of indemnity specified in this provision, DEVELOPER agrees that the CITY may employ an attorney of the CITY's own choice to appear and defend the action, on

behalf of the CITY at the expense of DEVELOPER. The CITY shall give reasonable notice to DEVELOPER of any claim by third parties covered by this indemnification, which would require a legal defense by the CITY at DEVELOPER's expense.

SECTION 9 - MISCELLANEOUS

- 9.1 Force Majeure. Neither party shall be liable or responsible to the other by reason of the failure or inability of any party to take any action it is required to take or to comply with the requirements imposed hereby or for any injury to a party by those claiming by or through the other party, which failure, inability or injury is caused directly or indirectly by force majeure as hereinafter defined. The term "force majeure" as employed herein shall mean acts of god, strikes, lock-outs or other industrial disturbance; acts of public enemies, war, blockades, riots, acts of armed forces, militia, or public authority, epidemics; breakdown of or damage to machinery, pumps or pipe lines, landslides, earthquakes, droughts, fires, storms, floods, or washouts; arrests, title disputes, or other litigation; governmental restraints of any nature whether federal, state, county, municipal or otherwise, civil or military; civil disturbances; explosions, failure or inability to obtain necessary materials, supplies, labor or permits or governmental approvals whether resulting from or pursuant to existing or future rules, regulations, orders, laws or proclamations whether federal, state, county, municipal or otherwise, civil or military; or by any other causes, whether or not of the same kind as numerated herein, not within the sole control of a party and which by exercise of due diligence the party is unable to overcome.
- 9.2 Effect of this Agreement on Prior Agreements and Method of Amendment. Except for the Development Agreement and the executory provisions of the Purchase Agreement, this Agreement supersedes all previous agreements or representations, either verbal or written, heretofore in effect between DEVELOPER and the CITY, made with respect to the matters herein contained, and when duly executed constitutes the entire Agreement between DEVELOPER and the CITY with respect to the subject matter hereof. No additions, alterations or variations of the terms of this Agreement shall be valid nor provisions of this Agreement be deemed waived be either party, unless such additions, alterations, variations or waivers are expressed in writing and duly signed by such party.
- 9.3 <u>Applicable Law/Venue</u>. This Agreement shall be governed by the laws of the State of Florida, and the proper venue for any enforcement or interpretative action brought hereunder shall be in Polk County, Florida. Both parties agree to waive any right to jury trial.
- 9.4 <u>Section Headings</u>. Section headings used in this agreement are for convenience only and have no significance in the interpretation of the body of this Agreement, and the parties hereto agree that they shall be disregarded in construing the provisions of this Agreement.
- 9.5 <u>Mutual Draftsmanship</u>. The terms and conditions of this Agreement are the product of mutual draftsmanship by both parties, each being represented by counsel, and any ambiguities in this Agreement or any documentation prepared pursuant to it shall not be construed against any of the parties because of authorship. The parties acknowledge that all the terms of this Agreement were negotiated at arm's length, and that each party, being represented by counsel, is acting to protect its, his, her, or their own interest.

- 9.6 <u>Recording of Agreement</u>. A copy of this Agreement or a CITY-approved memorandum referencing this Agreement shall be recorded by the DEVELOPER at the DEVELOPER's expense, in the Public Records of Polk County, Florida, upon taking effect.
- 9.7 <u>Disclaimer of Third Party Beneficiaries</u>. This Agreement is for the sole benefit of the parties hereto, and no right of action shall accrue upon or by reason hereof, to or for the benefit of any third party. Nothing in this Agreement either express or implied is intended or shall be construed to confer upon or give any person, corporation or governmental entity other than the parties hereto any right, remedy, or claim under or by reason of this Agreement or any provisions or conditions hereof, and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors, and assigns.
- 9.8. <u>Conflict with Laws.</u> In the event of a conflict between provisions in this Agreement and the provisions in any federal or state law, or any CITY ordinance, resolution, rules and regulations or code, the parties shall first attempt to read the provisions in reasonable harmony, and if no agreement can be reached, the provision of federal law, then state law, then CITY ordinance (Code), resolution, rules and regulations shall prevail over the provisions in the Agreement, in that order.
- 9.9 <u>Saving Clause</u>. In the event that any portion of this Agreement shall be deemed by a court of competent jurisdiction to be unlawful or invalid, the parties shall first attempt to renegotiate the Agreement, but failing in agreement on replacement provisions, this Agreement shall terminate, and except as provided by CITY ordinance resolution or rules and regulations, the rights and duties of the parties shall cease, and the CITY shall refund DEVELOPER's remaining, unused fees.
- 9.10 <u>Waiver</u>; <u>Remedies.</u> No failure or delay on the part of either party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any waiver on the part of either party of any right, power, or privilege hereunder operate as a waiver of any other right, power, or privilege hereunder, not will any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege hereunder.
- 9.11 <u>Notices.</u> Any notice to be given under this Agreement shall be in writing and shall be sent by hand delivery, certified mail, return receipt requested, FedEx, Express Mail, UPS, or DHL, to the party being noticed at the following addresses:

AS TO CITY:

Judith H. Delmar, City Manager City of Lake Wales P.O. Box 1320 201 W. Central Ave, Lake Wales, Florida 33859-1320

COPY TO:

Albert C Galloway Jr., City Attorney City of Lake Wales P.O. Box 3339 Lake Wales, Florida 33859-3339

AS TO DEVELOPER:

Garrett Kenny, Project Manager Feltrim Development, NA, Inc. 1395 Tuscana Lane Championsgate, Florida 33896

COPY TO:

Martha Anderson Hartley, Esq. Greenberg Traurig, PA 450 S. Orange Ave., Suite 650 Orlando, Florida 32801 Attn: Martha Anderson Hartley

9.6 <u>Successors and Assigns.</u> This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the CITY and DEVELOPER.

IN WITNESS WHEREOF, DEVELOPER and the CITY have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed.

DEVELOPER

| Signed, sealed and delivered before these witnesses: | DEVELOPER: | | |
|---|---|--|--|
| | MAYFAIR DEVELOPMENT OF LAKE WALES, LLLP, a Florida limited liability | | |
| (Signed) | limited partnership | | |
| (Printed) | By: Feltrim Orlando Lakes, LLC, a Florida limited liability company, its General Partner | | |
| (Signed) | By: Orlando Lakes, L.P., a Delaware limited partnership, its Manager | | |
| (Printed) | By: Orlando Lakes General Partner Limited, an Irish company, its General Partner | | |
| | By: | | |
| | By: Rose McHugh, Director | | |
| STATE OF COUNTY OF CITY OF | | | |
| COUNTY OF | | | |
| day of, 20 | cknowledged freely and voluntarily before me on this of the Rose McHugh, as Director of Orlando Lakes | | |
| Delaware limited partnership, and Manag liability company, and General Partner of limited liability limited partnership, on bel | any, the General Partner of Orlando Lakes, L. P., a ger of Feltrim Orlando Lakes, LLC, a Florida limited Mayfair Development of Lake Wales, LLLP, a Florida half of same. Said person is either personally known to (type of identification) as identification. | | |
| | | | |
| | Notary Public, State of Florida | | |
| | Print Notary Name: | | |
| | My Commission Expires: | | |

CITY OF LAKE WALES

| [SEAL] | |
|--|------------------------------|
| ATTEST:Clara VanBlargan, City Clerk | CITY OF LAKE WALES, FLORIDA, |
| | By: |
| APPROVED AS | Lloyd J. Van Sickle, Mayor |
| TO FORM: | • |
| Albert C. Galloway, Jr., City Attorney | |

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

All of the following described land located in Section 11, Township 30 South, Range 27 East, Polk County, Florida:

The South half of the South half of the Northwest quarter; the Southwest quarter; that portion of the South half of the Northwest quarter of the Southwest quarter of the Southeast quarter lying south and west of Lake Belle; and the Southwest quarter of the Southwest quarter of the Southeast quarter;

Less any portion of the above described property located on the west side of the eastern right-of-way line of State Road No. 25 (U.S. Highway No. 27) as established under that Final Judgment recorded in Official Records Book 1367, Page 465; less First Street and Russell Avenue rights-of-way, less maintained road right-of-way for Ray Martin Road according to Map Book 8, at Pages 39 through 43, of the Public Records of Polk County, Florida, less maintained road right-of-way for Owens Road according to Map Book 5, at Page 287 and 288; and less maintained road right-of-way for Miami Street according to Map Book 8, Page 52 through 55, and right-of-way recorded in Deed Book 143, Page 505, subject to easements of record and/or in use, all references to the Public Records of Polk County, Florida.

AND:

All of the following described land located in Section 14, Township 30 South, Range 27 East, Polk County, Florida:

The Northwest quarter less and except that portion lying on the west side of the eastern right-of-way line of State Road No. 25 (U.S. Highway No. 27) as established under that Final Judgment recorded in Official Records Book 1367, Page 465 and lying West of State Road No. 25 (U.S. Highway 27) right-of-way.

The West half of the West half of the Northwest quarter of the Northeast quarter.

The West half of the Southwest quarter of the Northeast quarter.

The North half of the Northeast quarter of the Southwest quarter less and except that portion lying on the west side of the eastern right-of-way line of State Road No. 25 (U.S. Highway No. 27) as established under that Final Judgment recorded in Official Records Book 1367, Page 465 and lying West of State Road No. 25 (U.S. Highway 27) right-of-way.

The Southwest quarter of the Northeast quarter of the Southwest quarter less and except that portion lying on the west side of the eastern right-of-way line of State Road No. 25 (U.S. Highway No. 27) as established under that Final Judgment recorded in Official Records Book 1367, Page 465 and lying West of State Road No. 25 (U.S. Highway 27) right-of-way and less and except the following parcel of land:

All the part of the SW 1/4 of the NE 1/4 of the SW 1/4 of Section 14, Township 30 South, Range 27 East, Polk County, Florida, more particularly described as follows: Begin at the NE

corner of said SW 1/4 of the NE 1/4 of the SW 1/4 and run South 00°00'13" West, along the East boundary, 665.07 feet to the SE corner thereof, thence South 89°45'10" West, along the South boundary thereof, 116.59 feet to the East boundary of State Road 25 (U.S. Highway 27); thence North 22°10'30" West along said East boundary, 521.32 feet; thence North 59°44'38" East, 362.82 feet to the point of beginning. Subject to County right-of-way along its South boundary.

Less road rights-of-way for Hunt Brothers Road State Road No. S-17B; less maintained road right-of-way for Ray Martin Road according to Map Book 8, at Page 39 through 43, and less maintained road right-of-way for Owens Road according to Map Book 5, at Page 287 and 288, of the Public Records of Polk County, Florida.

And less and except the West 1/2 of the Southwest 1/4 of the Northeast 1/4, lying South of the maintained right of way line of Ray Martin Road and less road right of way for County Road 17B; and the East 85.00 of the Southeast 1/4 of the Northwest 1/4, less road right of way for County Road 17B, all lying in Section 14, Township 30 South, Range 27 East, Polk County, Florida.

END OF EXHIBIT "A"

EXHIBIT "B"

MASTER PRELIMINARY DEVELOPMENT PLAN

[SEE ATTACHED]

EXHIBIT "C"

SUBORDINATION OF INTEREST IN PROPERTY BY INTERESTED PARTIES

| As an inducem | nent for the CITY to ente | er into this Utility Agreement with Mayfair |
|--------------------------|-------------------------------|--|
| Development of L | ake Wales, LLLP (I | Developer), the undersigned (Interested |
| Party) | , does hereby join in th | ne execution of this Utility Agreement for the |
| | | roperty more particularly described in Exhibit |
| | the rights of CITY as provio | - · · · · · |
| 11 attached hereto to | the rights of err r us provid | ica for neteni. |
| WITNESSES: | | Name of Company |
| WIINESSES. | | Name of Company |
| Sign Name | | |
| Sign Name | | |
| Type or Drint Neme | | Dvv |
| Type or Print Name | | By: |
| Cian Nama | | A a. |
| Sign Name | | As: |
| T Duint N | | Type or print title |
| Type or Print Name | | |
| CTATE OF ELODIDA | | |
| STATE OF FLORIDA | | |
| COUNTY OF | | |
| The foregoing instrumer | nt was acknowledged before | me this day of |
| 2010 by | as | for |
| 2010, by | He/she is personally known | for, a, a, Type of |
| Identification Produced: | | OR Froduced Identification Type of |
| _ | · | |
| Signature of Notary: | Printed | d or stamped name of Notary |
| | | |
| | (Aff | ïx Notary Seal) |
| | (| J / |

EXHIBIT "D"

MASTER UTILITY PLANS

(See reduced copies attached.)

EXHIBIT E

GRANT OF EASEMENT

| THIS GRANT OF EASEMENT, made this _ | day of | , 20 | , from Mayfair |
|--|------------------------|---------------|-----------------|
| Development of Lake Wales, LLLP, and its su | accessors and assigna | s, having an | office at 116-B |
| Polo Park East Boulevard, Davenport, Florida | 33897 (hereinafter re | eferred to as | 'Grantor"), and |
| The City of Lake Wales, Florida whose busine | ess address is 201 W | 7. Central Av | e, Lake Wales, |
| Florida 33853, and its successors and assigns (h | ereinafter referred to | as "Grantee" |). |

WITNESSETH

That the said Grantor, for and in consideration of ten and 00/100 dollars (\$10.00), and other good and valuable consideration to it in hand paid or received by the Grantee, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by this instrument does hereby grant, bargain, sell and convey to Grantee, a non-exclusive utility easement ("Easement"), in perpetuity, for all reasonable above ground or underground potable water, reclaimed water, drainage, and wastewater utility uses including, but not limited to, the right of ingress and egress thereto, the construction, installation, operation, maintenance, repair, extension, enlargement, reconnection, alteration and replacement of water, wastewater, drainage and reclaimed water facilities and appurtenances, including, without limitation, the right to reconstruct, improve, extend, add to, change the size of, or remove above ground or underground water, wastewater, drainage and reclaimed utility facilities and appurtenances, including without limitation, mains, lines, services, meter boxes (including valves), fittings, hydrants and appurtenances, and all sewer force mains, gravity lines, manholes, laterals (including valves), service lines, lift stations, and related facilities, as well as the right to extend water, wastewater, drainage or reclaimed water mains, lines and related facilities to serve any person, other legal entity over, in, through and under the following described real property ("Easement Area"):

See Legal Description Attached as Exhibit "A"

All water, wastewater, and reclaimed water mains and lines shall be installed underground within the Easement Area. In areas where Grantee does not use the surface of the Easement Area, the Grantor retains, reserves, and shall continue to enjoy the use of the Easement Area. Such Grantor uses shall include any and all purposes not prohibited herein, or uses which do not interfere with Grantee's present or reasonable future use of the subject Easement. Such rights shall include Grantor's right to grant easements for the furnishing of utility services other than potable or reclaimed water service or wastewater service, or to grant rights of way to government. Provided, however, that every such grant of easements or rights of way to others shall be on the express condition that the grantee therein shall not impair or interfere with the use, occupation and enjoyment of the Easement Area by Grantee herein, nor require the Grantee herein to move, replace, adjust, alter or modify any of its facilities, and that the grantee therein shall be liable to the Grantee herein for any injury or damage by the grantee therein to any facilities of Grantee herein by that grantee's activities in the Easement Area. Should Grantor, or its successors or assigns change the grade above Grantee's installed facilities, or perform any construction on the surface of the Easement Area which is permitted hereunder, which change in grade and or construction interferes with or requires the lowering, relocation and/or protection of Grantee's installed facilities (such protection to include but not be limited to the construction of a

vault to protect the pipes), such lowering, relocation and/or protection shall be performed at the sole cost and expense of Grantor, its successors or assigns. Also provided that Grantor shall maintain the surface of the Easement Area such that it does not cause or create any public nuisances or dangerous conditions, nor violate any laws or covenants.

No structure or improvement to the Easement Area by Grantor other than standard sidewalks, driveways or streets, shall be located within the subject Easement Area, including without limitation, boundary walls, fences, buildings, or any other form of structure not specifically allowed herein. Also prohibited are cement or asphalt parking areas (other than standard-sized driveways or streets), sidewalks wider than six (6) feet, any form of cement slab other than the standard sized streets, driveways or sidewalks allowed herein. Also prohibited are trees and bushes, or any vegetation other than grass unless approved by the Director of Public Works.

Provided further that, if at any time in the future any portion of any cement or asphalt driveways, streets or sidewalks allowed herein, or areas sodded with cultivated grasses, shall be destroyed or damaged by Grantee as a result of Grantee's activities within the foregoing described Easement Area, Grantee's sole obligation under this Easement is to restore the surface of the Easement Area according to standard industry practices for such repairs, except that such obligation shall be limited to the replacement of dirt to previous grade, cultivated sod replacement, and repair or replacement of the standard sidewalks, streets or driveways that are allowed herein. Grantee shall have no obligation to repair or replace sidewalks, streets or driveways constructed of, or containing materials other than asphalt or cement. Grantee shall also have no obligation to replace or repair any form of ornamentation in allowed sidewalks, streets or driveways. Except for grassed areas containing common cultivated sod, Grantee's sole obligation for replacement of grass shall be to spread common grass seed.

Grantor warrants that it owns the aforesaid described real property free and clear of any liens, encumbrances, or covenants which would impair the Grantee's ownership, use or enjoyment of the Easement granted herein; that Grantor has the authority to grant this Easement, and hereby binds itself, its successors and assigns, to warrant and forever defend the above described Easement and the rights herein conferred against any person or legal entity whomsoever.

| IN WITNESS WHEREOF , the said Grantor has caused these presents to be signed in |
|--|
| its name by its duly authorized and proper officers, under authority duly vested in them by said |
| corporation, and its corporate seal to be affixed, attested by its secretary, the day and year above |
| written. |

| DATED this | day of | . 20 |
|-------------------|--------|------|
| Direction unis | day or | , 20 |

GRANTOR

| Signed, sealed and delivered before these witnesses: | MAYFAIR DEVELOPMENT OF LAKE WALES, LLLP, |
|--|--|
| (Signed) | |
| (Printed) | By:name typed here: |
| (Signed) | Its: |
| (Printed) | |
| STATE OF COUNTY OF | |
| | freely and voluntarily for the purposes therein, as the for, known to me to be the person g, this day of, 20 |
| He is personally known to me didentification) as identification. | or has produced (type of |
| WITNESS my hand and official sea of 20 | al in the County and State last aforesaid this day |
| | Notary Public |
| | My Commission Expires: |

CITY OF LAKE WALES

| [SEAL] | |
|--|------------------------------|
| ATTEST:Clara VanBlargan, City Clerk | CITY OF LAKE WALES, FLORIDA, |
| | By: |
| APPROVED AS | Lloyd J. Van Sickle, Mayor |
| TO FORM: | |
| Albert C. Galloway, Jr., City Attorney | |

EXHIBIT "F" (To be printed on City letterhead) CERTIFICATE OF ACCEPTANCE OF UTILITY FACILITIES

| specific description): | of Utility Facilities accepted (by stat | |
|---|--|---------------------------------------|
| | ualifications to acceptance: | |
| 3. Inspected by: | | |
| Engineer: print name: | Date: | |
| Public Works: Print name: | Date: | |
| 4. Record drawings, Bac-Ts, DI accepted by: | EP main clearance, and itemized list | ts of materials used etc reviewed and |
| Engineer: print name: | Date: | |
| Public Works: Print name: | Date: | |
| 5. Turnover warranty deed | ls, easements, bill of sale, bonds, etc, | , reviewed and approved by: |
| Engineer: print name: | Date: | |
| Public Works: Print name: | Date: | |
| City Attorney:Print name: | Date: | |
| 6. Account payments current: | | |
| Notes, caveats, exceptions or qualifica | ations to acceptance: | |
| Finance: Print name: | Date: | |
| 7. Final Acceptance Approved | by City Manager: | |
| | Date: | |
| 8 - Warranty valid until | | |