

*Bay Laurel Center
Community Development District*

Special Meeting Agenda

April 27, 2022

AGENDA

*Bay Laurel Community
Development District
Special Meeting Agenda*

Wednesday
April 27, 2022
2:00 PM

Circle Square Commons Cultural Center
8395 SW 80th Street
Ocala, Florida

- I. Roll Call
- II. Public Comment Period
- III. Notice of Meeting
- IV. Financing Matters
 - A. Public Interest Public Hearing
 - i. Presentation of Public Interest Briefing Document for the Purchase of Water Treatment Plant No. 3
 - ii. Consideration of Resolution 2022-03 Finding that it is in the Public Interest to Acquire Certain Potable Water Supply and Treatment Facilities
 - B. Discussion of Interlocal Agreement with the Indigo East CDD Regarding the Issuance of Utility Bonds
 - C. Consideration of Engineer's Report
 - D. Consideration of Financial Feasibility Study
 - E. Consideration of Resolution 2022-04 Bond Delegation Resolution
- V. Consideration of North Water Reclamation Facility Agreement for Construction Services with Guaranteed Max Price
- VI. Other Business
- VII. Supervisor's Requests
- VIII. Adjournment

SECTION III

Miscellaneous Notices



Published in Ocala Star-Banner on April 20, 2022

Location

Marion County, Florida

Notice Text

BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT
NOTICE OF PUBLIC HEARING TO CONSIDER A WATER, WASTEWATER AND REUSE FACILITY ACQUISITION; AND
NOTICE OF SPECIAL GOVERNING BOARD MEETING.

The Bay Laurel Center Community Development District will hold a public hearing on April 27, 2022 at 2:00 p.m. at the Circle Square Commons, Cultural Center, 8395 SW 80th Street, Ocala, Florida 34481 for the purpose of receiving public comments on the District's purchase of water utility assets from On Top of the World Communities. A special Board of Supervisors meeting of the District will also be held at that time where the Board may consider any other business that may properly come before it. A copy of the agenda, lease/option agreement and public interest report may be obtained at the offices of the District Manager, Governmental Management Services, 219 East Livingston Street, Orlando, Florida 32801, during normal business hours.

The public hearing and meeting are open to the public and will be conducted in accordance with the provisions of Florida law. The public hearing and meeting may be continued to a date, time, and place to be specified on the record at the meeting. There may be occasions when Board of Supervisor members or District Staff may participate by speaker telephone.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (407) 841-5524 at least forty-eight (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.

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearing or meeting is advised that person will need a record of 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.

George S. Flint

Governmental Management Services Central Florida, LLC

District Manager

April 20, 2022 #7183320

SECTION IV

SECTION A

SECTION 1

Bay Laurel Center Community Development District

CHAPTER 190.0125, F.S. BRIEFING DOCUMENT FOR THE PURCHASE OF WATER TREATMENT PLANT NO. 3

DATE OF VALUATION: OCTOBER 1, 2021
DATE OF PUBLIC HEARING: APRIL 27, 2022

APRIL 2022



200 South Orange Avenue, Suite 1550
Orlando, FL 32801

Phone: 407.872.2467 | Fax: 888.326.6864
www.willdan.com



April 17, 2022

Board of Supervisors
Bay Laurel Center Community Development District
8470 SW 79th Street Road, Suite 3
Ocala, FL 34481

Subject: Chapter 190.0125, Florida Statutes Hearing – Briefing Document

Dear Board Members:

This document has been prepared to comply with Chapter 190.0125, Florida Statutes which is required when a development district is considering the purchase or sale of a water, wastewater and community reclaimed water utility. Pursuant to your request, Willdan Financial Services has assembled herein the necessary information and data to provide the expert testimony to assist in fulfilling the requirements of the statute. Complementing this Briefing Document is the Appraisal Report for the Purpose of System Integration.

The document has been organized in sections to reflect the numeric order of the statute requirements. All information and data, as of the date of this letter, is believed to be the most current available. Actual events could occur subsequent to the date of this document which could affect parts of the information or data contained herein.

As always, we extend our thanks and appreciation for the opportunity to be of service in this matter, and for the District's and its staff's valuable cooperation and assistance. If you have any questions, please do not hesitate to contact me at 407.255.2928 or thollis@willdan.com.

Respectfully submitted,
WILLDAN FINANCIAL SERVICES

A handwritten signature in blue ink that reads 'Tara Hollis'.

Tara L. Hollis, CPA, CVA, MBA
Principal Consultant

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Appendix B	Photos of the Plant Documenting System Condition
Appendix C	Water and Sewer System and Reuse Water System Sublease/Option To Purchase Agreement

Section 1 - Description of the Water Utility System

1.1. General

In 2011, Bay Laurel Center Community Development District (BLCCDD or the District) issued the Series 2011 Water and Sewer Revenue Bonds to acquire utilities system assets owned by On Top of the World Communities, Inc. (OTOW) and Sidney Colen & Associates, LTD. (SCA), (collectively the Owners) and leased by the District. At the time, the District did not purchase Water Treatment Plant No. 3 (WTP No. 3), and has continued to lease it. The District is now looking to acquire WTP No. 3 from the Owners. This Briefing Document will include a discussion of the items required in Chapter 190.0125, Florida Statutes and included as **Appendix A**.

1.2. Water System Facilities Owned and Operated by the District

Water Supply

The District water system uses treated groundwater from the Upper Floridan Aquifer to supply demands within the service area. There are seven supply wells operating under SWFWMD WUP No. 20 001156.013, which expires on February 23, 2041. The current WUP allows a total system withdrawal of 7,560,900 gallons per day (gpd) on an annual average day flow basis with 10,509,600 gpd on maximum monthly allocation. The existing raw water supply has a total capacity of 13,785 gallons per minute (gpm) with a firm capacity of 11,685 gpm with the largest well out of service.

Water Treatment

The District's water treatment system consists of two water treatment plants which supply water to the utility distribution system, WTP No. 1, which is owned and operated by the District, and WTP No. 3, which is currently leased through the Water and Sewer System and Reuse Water System Sublease/Option to Purchase Agreement (Lease Agreement) with Sidney Colen & Associates, LTD.

WTP No. 1 consists of a 2.0 million-gallon (MG) ground storage tank (GST), a 20,000-gallon hydro-pneumatic tank, five high service pumps (HSP) and a gas chlorination system. WTP No. 1 is supplied from four public supply wells (No. 7, No. 23, No. 29, and No. 30). All wells are located at/near the WTP facility site. The Consulting Engineer Annual Report, prepared by GAI Consultants, Inc. indicates that, overall, this facility is in good operating condition. The building at this plant

also serves as a main hub for the Supervisory Control and Data Acquisition (SCADA) system, along with storage for parts, equipment, record drawings and other operation and maintenance items. The wells continue to operate in good condition. The raw water wells and finished water pipes were recently repainted. The GST was recently inspected, and no deficiencies were found. There are spare motors for each high service pump motor size, totaling three. The fence and the gate were replaced. Other enhancements to the SCADA system continue to occur, providing additional operational and security features for the system.

Water Distribution System

The water distribution system ranges in size from 2-inch to 36-inch pipelines. The majority of the distribution system is 6-inch and 8-inch pipeline. The majority of the water utility system was constructed between the 1980s to present, making this a relatively young system. Based on the age, material and good operational history, the system is anticipated to remain reliable in the foreseeable future.

The overall system is sufficiently looped, with proper fire hydrants, valves, and arrangement, making the system reliable with necessary redundancy/backup options. Fire protection and flows throughout the system appear to be adequate, based on historical flow testing. With additional development currently in progress, the water distribution system continues to expand in size.

1.3. Water Treatment Plant No. 3

Currently, the WTP No. 3 has a FDEP permitted max day capacity of 9.07 MGD. The raw water source is ground water from the upper Floridan aquifer. Ground water is pumped into the plant by three ground water wells. Treatment is provided by sodium hypochlorite disinfection. Treated water is distributed to customers through six high service pumps located at the facility.

The wells are not included in this transaction as they are currently owned by BLCCDD. The transaction will include raw water transmission; generation; electrical; chemical addition; and a 1.1 MW auxiliary power generator set. The plant has approximately 22,000 gpm firm high service pumping capacity (with the largest unit out of service and at the HSP design discharge pressure) which is approximately 32 MGD peak hour capacity (or approximately 12 MGD average daily flow or 19 MGD maximum daily flow). There are two (2) at 2.75 MG each ground storage tank on-site (5.5 MG). There is a 25,000-gallon hydro-tank system. All pumps have reduced voltage starters and have variable speed drivers. The

electrical switchgear is cooled by a Carrier 25-ton AC system, procured, and installed in the 2020/2010 period. The chemical feed system has a new sodium hypochlorite system, pumps, and tanks at a cost of over \$61,000. The switchgear, PLC, and HMR controls were replaced at a cost of approximately \$240,000 in 2021.

1.4. Production

WTP #3 is generally operated to produce and supply slightly less than 50% of the BLCCDD water demand. The most recent water production is shown on **Error! Reference source not found.** The groundwater is of excellent quality. The facility is log 4 certified for water quality. All safety measures are present. The overall facility meets Class 1 Reliability standards (complete back-up systems, communication, instrumentation, auxiliary power, etc.).

Table 1 – WTP #3 Finished Water Productions

Monthly	Total Water Produced	Gallons Per Day
January 2020	36,682,000	1,183,290
February 2020	35,837,000	1,235,759
March 2020	61,547,000	1,985,387
April 2020	57,285,000	1,909,500
May 2020	63,066,000	2,034,387
June 2020	57,874,000	1,929,133
July 2020	49,503,000	1,596,871
August 2020	56,820,000	1,832,903
September 2020	46,522,000	1,550,733
October 2020	51,224,000	1,652,387
November 2020	39,557,000	1,318,567
December 2020	31,128,000	1,004,129
January 2021	29,206,000	942,129
February 2021	24,031,000	858,250
March 2021	52,498,000	1,693,484
April 2021	57,252,000	1,908,400
May 2021	81,555,000	2,630,806
June 2021	49,517,000	1,650,567
July 2021	46,588,000	1,502,839
August 2021	51,378,000	1,657,355
September 2021	47,041,000	1,568,033

Section 2 - Income and Expense Statement

190.0125 (1) The most recent available income and expense statement for the utility.

The income statement provides a listing of a company's revenues, expenses, and net income over a specified period of time (typically a 12-month calendar or fiscal year). This statement is used by accountants and other interested parties to evaluate the financial performance of a business operation.

Due to the contractual arrangements between parties (Owners and BLCCDD), BLCCDD currently accounts for the costs of operating WTP No. 3 on its annual income statement. In addition to the costs of operating and maintaining the plant, the District pays an annual lease payment consistent with the Lease Agreement and remits collections of Allowance for Funds Prudently Invested (AFPI) Charges to the Owners. Water AFPI Charges and Lease Payments paid to Sidney Colen & Associates, LTD. for FY 2016 through FY 2021 are shown in **Table 2** below.

Table 2 – AFPI Charges and Lease Payments paid to Sidney Colen & Associates, LTD.

Fiscal Year	Lease Payments	AFPI Charges	Total
2016	\$ 611,299	\$ 839,015	\$ 1,450,314
2017	\$ 650,317	\$ 720,808	\$ 1,371,125
2018	\$ 715,294	\$ 815,774	\$ 1,531,068
2019	\$ 669,840	\$ 953,300	\$ 1,623,140
2020	\$ 669,840	\$ 1,050,487	\$ 1,720,327
2021	\$ 669,840	\$ 1,438,058	\$ 2,107,898

Table 3 presents the historical audited operating results for FY 2017 through FY 2020, as well as the unaudited results from FY 2021, as detailed on **Exhibit 1**. Additionally, **Exhibit 2** presents the projected operating results from FY 2022 through FY 2026 after acquisition of WTP No. 3 and associated debt service for the WTP as well as debt service associated with the construction of the North Water Reclamation Facility.

Table 3 – Historical Operating Results

Description	Fiscal Year ending September 30,				
	2017	2018	2019	2020	2021 ^[1]
Operating Revenues	\$10,401	\$10,845	\$11,798	\$13,489	\$15,558
<u>Operating Expenses</u>					
Administrative and General	\$75	\$94	\$100	\$210	\$261
Cost of Sales and Services	4,181	4,751	4,971	5,343	5,998
Depreciation and Amortization	1,052	1,157	1,276	1,379	1,379
Total Operating Expenses	\$5,307	\$6,001	\$6,347	\$6,932	\$7,638
Operating Income	\$5,094	\$4,844	\$5,451	\$6,557	\$7,920
Non-Operating Revenues/(Expenditures)	\$(1,447)	\$(1,397)	\$(1,350)	\$(1,361)	\$(1,363)
Income before Capital Contributions	\$3,647	\$3,446	\$4,101	\$5,197	\$6,557
Capital Contributions	\$2,240	\$3,417	\$1,616	\$4,428	\$-
Total Revenues Over Expenditures	\$5,887	\$6,863	\$5,716	\$9,624	\$6,557
Notes:					
[1] Information for fiscal years 2017 through 2020 obtained from the audited income statements for System, fiscal year 2021 is based on unaudited information provided by the District.					

Section 3 - Balance Sheet

190.0125(2) The most recent available balance sheet for the utility, listing assets and liabilities and clearly showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon.

The unaudited balance sheet for the District Utilities System as of September 30, 2021, is shown on **Table 4**. Once acquired, the Treatment Plant Assets will be added to this table under the Land and Plant and Equipment - Net of Depreciation categories.

Table 4 – Statement of Net Position for the Period Ended September 30, 2021

Description	Operating Fund	R&R Fund	Totals
ASSETS:			
Cash	\$ 6,610,757	\$ -	\$ 6,610,757
Petty Cash	500	-	500
Accounts Receivable	536,262	-	536,262
Accounts Receivable- Meter Installations	367,665	-	367,665
Accounts Receivable- Other	33,962	-	33,962
Inventory- Meters	133,536	-	133,536
INVESTMENTS:			
Custody Account- Operations	1,258,886	-	1,258,886
Reserve- Series 2011	1,168,851	-	1,168,851
Revenue Fund- Series 2011	403,436	-	403,436
Principal Account- Series 2011	88,244	-	88,244
Interest Account- Series 2011	125,051	-	125,051
Renewal & Replacement- Series 2011	-	4,425,093	4,425,093
Surplus Account	18,521,939	-	18,521,939
Prepaid Expenses	275,323	-	275,323
Customer Deposit	900	-	900
Land Acquisition	632,100	-	632,100
Plant and Equipment - Net of Depreciation	44,250,021	-	44,250,021
Cost of Issuance - Net of Amortization	538,603	-	538,603
OPED- DOR	20,969	-	20,969
TOTAL ASSETS	\$ 74,967,005	\$ 4,425,093	\$ 79,392,098

Description	Operating Fund	R&R Fund	Totals
LIABILITIES:			
Accounts Payable	\$ 60,129	\$ -	\$ 60,129
Accrued Interest Payable	13,136	-	13,136
Accrued Principal Payable	116,089	-	116,089
Customer Deposits- Commercial	139,044	-	139,044
Customer Deposits-Residential	222,328	-	222,328
Due to Developer	300	-	300
Accrued Expenses	45,365	-	45,365
OPEB Liability	236,825	-	236,825
Bonds Payable- Series 2011	31,435,000	-	31,435,000
Deferred Revenue Pulte	42,100	-	42,100
TOTAL LIABILITIES	\$ 32,310,317	\$ -	\$ 32,310,317
NET POSITION:			
Net Invested in Capital Assets	\$ 13,985,724	\$ -	\$ 13,985,724
Restricted	21,437,182	4,425,093	25,862,275
Unrestricted	7,233,783	-	7,233,783
TOTAL NET POSITION	\$ 42,656,689	\$ 4,425,093	\$ 47,081,782

Section 4 - Existing Rate Base

190.0125 (3) A statement of the existing rate base of the utility for regulatory purposes.

The rate base represents the amount of capital invested by the utility in order to provide service. Determination of rate base includes utility plant in-service, less provision for accumulated provision for depreciation, less accumulated deferred income taxes, less contributions in aid of construction, plus an allowance for working capital. The rate base also includes an adjustment to account for the used and useful portion of the invested capital.

Since the Utility is not regulated by the Florida Public Service Commission there is no determined rate base. As the Utility is organized under Chapter 190, Florida Statutes, rates, and charges are established by ordinance.

Section 5 - Physical Condition of the Facilities

190.0125 (4) The physical condition of the utility facilities being purchased, sold or subject to a water and/or wastewater facility privatization contract.

A visual facilities review was conducted by Hartman Consulting, LLC on October 7, 2021. The professional in charge was Mr. Gerald C. Hartman, P.E., BCEE, ASA. He was accompanied by Mr. Bryan Schmalz, the District's Utility Director.

Based on his inspection, in general, the facility is in excellent condition. It has been operated very well. Good renewals have been made. Responsible replacements have been made. Mr. Hartman previously inspected WTP No. 3 in 2009/2010 and 2012/2013. The facilities appear in the like new condition.

The only area showing wear and some corrosion is the chemical feed area. That condition is minor compared to the overall facility.

Photos of the facilities are included as **Appendix B**.

Section 6 - Reasonableness of Purchase Price and Terms

190.0125 (5) The reasonableness of the purchase or sale of water and/or wastewater facility, privatization contract, in both price and terms.

The Lease/Option Agreement between the Owners and the District contain the terms of the Agreement for the Purchase and Sale of the Water and Sewer and Reuse Water System (the "Agreement") which has been executed by representatives from both parties is included in **Appendix C**. Summarized below are the primary terms and conditions:

- BLCCDD will pay Owners a purchase price consisting of **\$35,700,000**, which is due in cash at closing or in such other manner as may be agreed to by the parties, subject to proration and adjustments as provided in the Agreement, to be delivered by wire transfer of federal funds.
- BLCCDD has or will hold all of the necessary public hearings to authorize the purchase and sale of all or part of the System in the event from time to time the Purchase Option is exercised. This Agreement has been duly authorized by action required to be taken by BLCCDD, has been duly executed and delivered by BLCCDD, and constitutes a valid and legally binding obligation of BLCCDD, enforceable in accordance with its terms except as enforceability may be limited by bankruptcy and similar statutory matters.
- The Owners will convey the Real Property interests to BLCCDD by Special Warranty Deed. Additionally, any easement rights of the Owners applicable to WTP No. 3 will be assigned and the improvements of the Plant will be conveyed by each applicable Owner to BLCCDD.
- In the event that the number of Revenue Bonds that have been authorized and validated pursuant to section 15.3, of the Agreement, is insufficient, together with other funds of BLCCDD, to pay to Owners the entire purchase price for an acquisition of Assets, and all costs and related incidents to the purchase of the Assets by BLCCDD, the balance of the purchase price due to Owners (the "**Shortfall**") shall be payable in the form of a promissory note or notes from BLCCDD to Owners, in such denominations and maturities as reasonably requested by the Owners, freely tradable by the Owners, with the same bondholder pledges, security, rights and privileges as provided

for the Revenue Bonds, and with such covenant protections as provided in any District bond resolutions, including, but not limited to, the Rate Covenant provided for in section 15.4 of the agreement.

- The System shall have been in the control of BLCCDD and, therefore, BLCCDD shall bear all risk of loss to it whether by casualty, condemnation or otherwise. To the extent allowed by applicable law from time to time, BLCCDD holds harmless and indemnifies Owner for all loss, costs, liabilities, including attorneys' and paralegals' and similar persons' fees and costs, whether litigation be brought or not, and for appellate and collection matters, arising from, growing out of or related to BLCCDD's use or possession or operation of the System.

In the joint professional opinion of the consultants and attorneys involved, the terms and conditions are typical for this type of transaction and are reasonable given the circumstances and context of the negotiations.

An Appraisal for the Purpose of System Integration study was conducted by the team of Willdan Financial Services, Hartman Consultants, LLC and Albright & Associates of Ocala, Inc. (Willdan Team) on the Water Treatment Plant No. 3 assets in order to formulate an opinion of value for BLCCDD. The valuation methodology consisted of analyzing three valuation approaches together with consideration of important items which can affect the value of a utility. The results of the three approaches are shown below in **Table 5**.

Table 5 – Valuation Approaches Summary: WTP No. 3

Valuation Approach	Value
Replacement Cost New Less Depreciation	\$14,091,000
Income	\$42,720,000
Comparable Sales	\$15,000,000

The cost approach provides a specific valuation for the Assets. The Asset listing provided, along with field observations, provide the basis for producing the cost approach. This approach includes the adjustments to the system and the loss of value from physical, functional and external depreciation, when applicable. This

approach includes the documented value/cost of assets as of October 1, 2021 and is an accurate representation of the complex, special purpose property. The weight for this approach was quantified at 15%.

The income approach values the Assets based on the present value of the available cash flows anticipated to be generated from the ongoing operation of the system. As the assets are leased to BLCCDD, therefore, the projected lease payments and projected AFPI charges collected are included. The variability of obtaining the results being hypothecated is a matter of risk. The weight for this approach was quantified at 75%.

The State of Florida has numerous sales of water and wastewater systems in a variety of contexts. Due to these sales, the Willdan Team has included the sales comparison approach on this exclusive (monopoly) special purpose property at \$15,000,000. Based on our consideration of the sales comparison approach, the weight for this approach was quantified at 10%.

Based on the analyses conducted for this assignment, experience and training, and the facts known to Gerald C. Hartman, P.E., BCEE, ASA, an accredited utilities appraiser, the conclusion regarding the value of the Assets includes the reconciliation with an opinion of value rounded at **\$35,700,000** as of October 1, 2021.

Section 7 - Impact of the Purchase

190.0125 (6) The impacts of the purchase, sale or wastewater facility privatization contract on utility customers both positive and negative.

In reviewing the District's offer and transfer structure, Willdan identified various advantages and disadvantages of selling WTP No. 3 to the District. The advantages of buying the assets may include the following:

- Bay Laurel Center Community Development District is currently in charge of operating the system. Ownership would allow the District to have more control over operating the system more effectively by having the authority to make decisions as to the administration, maintenance, and upgrade of the utility system assets directly.
- Once acquired, the assets would part of a not-for-profit entity with access to tax-free debt and; therefore, have a lower cost of capital benefiting both economic efficiency and rate adjustment needs.
- Tax-free financing for needed capital improvements with the possibility of matching funding, partial grants, and low cost loans.
- The assets are in good to excellent condition, is fairly new, and should require no immediate repairs and upgrade.

Disadvantages of buying the system may include the following:

- Payment/Capitalization of the purchase.
- Promissory Note for Shortfall and need for future rate increases.
- Continued debt reliance for future CIP
- At some point in the future, major capital improvements may be required or major payments to another utility of impact or capacity fees to offset future capacity needs will be necessary.
- The potential future need to sell the Utility if it becomes uneconomic for the District to own and operate.

Section 8 - Additional Investment Required

190.0125 (7)(a) Any additional investment required and the ability and willingness of the purchaser or the private firm under a wastewater facility privatization contract to make that investment, whether the purchaser is the community development district or the entity purchasing the utility from the community development district.

Future investment that would be required involves planning and implementation, constructing the transmission and distribution system. Future developments will require a connection to the system creating a demand for the capacity that may require expansion of the water and wastewater system in coming years. The 5-year Capital Improvement Program details can be obtained in **Exhibit 3**. There will be additional capital needs in addition to those shown herein, which involve metering and other items as they arise.

190.0125 (7)(b) In the case of a wastewater facility privatization contract, the terms and conditions on which the private firm will provide capital investment and financing or a combination thereof for contemplated capital replacements, additions, expansions, and repairs. The Community Development District shall give significant weight to these criteria.

This is not a privatization contract.

Section 9 - Alternatives to the Sale

190.0125 (8) The alternatives to the purchase, sale or water and/or wastewater facility privatization contract, and the potential impact on utility customers if the purchase, sale or water and/or wastewater facility privatization contract is not made.

In reviewing the District's purchase offer, Willdan looked at several items including:

Alternatives:

1. Continue with current model – BLCCDD leasing Water Treatment Plant No. 3 from Sidney Colen and Associates, LTD.
2. BLCCDD could build a new water treatment plant.

Discussion of Alternatives:

1. Current market conditions including debt financing rates are favorable to purchase the water treatment plant assets.
2. Continuing to lease the facilities could lead to potentially higher rates as the costs associated with leasing the facilities increase. In addition, the recommended purchase price which is established through a utility system valuation may increase over time with inflation, customer growth, etc. resulting in additional debt being needed to acquire the system in the future.
3. Duplication of existing utility assets is not a viable option given any reasonable alternative.

Section 10 - Statement of Quality Service

190.0125 (9)(a) The ability of the purchaser or the private firm under a wastewater facility privatization contract to provide and maintain high-quality and cost-effective utility service, whether the purchaser is the Community Development District or the entity purchasing the utility from the Community Development District.

The Trust Indenture associated with the Series 2011 Water and Sewer Revenue Bonds requires the District to employ an independent consulting engineer, on an annual basis, to make an inspection of the District's water, wastewater, and reclaimed water utilities system and to provide a report setting forth (i) the findings as to whether the System has been maintained in good repair, working order and condition and (ii) recommendations as to:

1. The proper maintenance, repair, and operation of the System during the ensuing Fiscal Year (FY) and an estimate of the amount of money necessary for such purposes.
2. The insurance to be carried under the provisions of Sections 11.09 and 11.10 of the Trust Indenture and the amount that should be set aside in the operating fund monthly for the purpose of paying insurance premiums.
3. The amount that should be deposited monthly during the ensuing FY to the credit of the Renewal and Replacement (R&R) reserve fund in order to make the amount therein equal to the R&R reserve requirement prescribed by the consulting engineer for the payment of major non-recurring expenses.

As stated in the Consulting Engineer's Annual Report 2020 – 2021 prepared by GAI Consultants, Inc. (August 2021):

"The District employs a seasoned and competent operations staff. The Utilities System is operated effectively and there are no indications of non-compliance issues. The staff is diligent regarding performing necessary repairs and maintenance as evidenced by the condition of the System.

The District also continues to provide operations staff with the necessary tools to operate more efficiently. This includes continued

improvements to the SCADA system, allowing for enhanced monitoring capabilities. Other tools and equipment are sufficiently provided, with staff able to perform necessary routine maintenance.”

This staff has also been operating and maintaining the leased WTP No. 3 facilities for over a decade to provide water service to the District customers.

190.0125 (9)(b) In the case of a wastewater facility privatization contract, the Community Development District shall give significant weight to the technical expertise and experience of the private firm in carrying out the obligations specified in the wastewater facility privatization contract.

This is not a privatization contract.

Section 11 - Application of Moneys Paid by a Private Firm to the Community Development District

190.0125 (10) All moneys paid by a private firm to a community development district pursuant to a wastewater facility privatization contract shall be used for the purpose of reducing or offsetting property taxes, wastewater service rates, or debt reduction or making infrastructure improvements or capital asset expenditures or other public purpose; provided, however, nothing herein shall preclude the Community Development District's qualification for relief from the repayment of federal grant awards associated with the wastewater system as may be required by federal law or regulation.

This is not a privatization contract and only water treatment plant assets and related land are being acquired. In order to provide for reducing or offsetting of property taxes, utility service rates, or debt reduction or making infrastructure improvements or capital asset expenditures or other public purposes the District has the following intentions:

1. Tax-free financing and grant and low interest loan financing, when available.
2. Continue rate equalization to market conditions.
3. Rate structure and resulting rates that promote water resource conservation.
4. Cost recovery in miscellaneous rates, charges, and fees.

Section 12 - Statement of Public Interest

The Community Development District shall prepare a statement showing that the purchase, sale, or wastewater facility privatization contract is in the public interest, including a summary of the purchaser's or private firm's experience in water, sewer, or wastewater reuse utility operation and a showing of financial ability to provide the service, whether the purchaser or private firm is the Community Development District or the entity purchasing the utility from the Community Development District.

The utility assets, with the exception of WTP No. 3, are currently owned by the District. All utility assets, including WTP No. 3, are currently operated and managed by the District. The District is governed by the Board of Supervisors which is comprised of five elected members. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board of Supervisors exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. The Board has the final responsibility for assessing and levying maintenance taxes, approving budgets, control over facilities and properties, controlling funds, key personnel, and financing improvements.

The District Manager reports to the Board of Supervisors and oversees District staff, including Administrative, Customer Service, and Operations staff. The Operations staff consists of Water Treatment, Wastewater Treatment, and Distribution and Collections groups that oversee the operation, maintenance, and improvements related to the utility systems. The utility systems are in compliance with all regulatory agencies and related requirements due to the continued improvements, operations, and management activities of the District.

Based upon the foregoing, it is the opinion of the consultants, attorneys, and staff that the proposed acquisition of Water Treatment Plant No. 3 by the District is in the public interest and the District has the experience and the financial ability to continue to provide service to the customers.

The District Board of Supervisors shall make the determination of public interest after consideration of the testimony and evidence at the 190.0125 Hearing.

Bay Laurel Center Community Development District, FL

Purchase of Water Treatment Plant No. 3 Chapter 190.0125, F.S. Briefing Document

April 2022

Exhibits

1	Historical Operating Results
2	Projected Operating Results
3	5-Year Capital Improvement Program

Appendices

A	2021 Chapter 190.0125, Florida Statutes – Purchase, Privatization, or Sale of Water, Sewer, or Wastewater Reuse Utility by District
B	Photos of the Plant Documenting System Condition
C	Water and Sewer System and Reuse Water System Sublease/Option To Purchase Agreement



Purchase of Water Treatment Plant No. 3

Chapter 190.0125, F.S. Briefing Document

Exhibit 1	Historical Operating Results FY 2017 - 2021
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BAY LAUREL CENTER CDD
HISTORICAL OPERATING RESULTS - WATER, SEWER & RECLAIMED SYSTEM
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP) [1]

Exhibit 1

Line	Description	Projected for Fiscal Year Ending September 30,				
		2017	2018	2019	2020	2021
Operating Revenues						
1	Charges for Sales and Services	\$ 10,261,327	\$ 10,804,913	\$ 11,779,110	\$ 13,446,270	\$ 15,494,966
2	Miscellaneous Revenue	139,823	40,178	18,743	43,118	62,721
3	Total Operating Revenues	\$ 10,401,150	\$ 10,845,091	\$ 11,797,853	\$ 13,489,388	\$ 15,557,687
Operating Expenses						
4	Administrative and General	\$ 74,664	\$ 93,672	\$ 100,196	\$ 209,945	\$ 260,720
5	Cost Of Sales and Services	4,180,665	4,750,681	4,970,851	5,342,827	5,997,948
6	Depreciation and Amortization	1,051,904	1,156,938	1,275,915	1,379,149	1,379,149
7	Total Operating Expenses	\$ 5,307,233	\$ 6,001,291	\$ 6,346,962	\$ 6,931,921	\$ 7,637,817
8	Operating Income	\$ 5,093,917	\$ 4,843,800	\$ 5,450,891	\$ 6,557,467	\$ 7,919,870
Nonoperating Revenues (Expenses)						
9	Interest Income	\$ 26,604	\$ 50,231	\$ 70,429	\$ 27,141	\$ 2,049
10	Loss On Retirement of Fixed Asset	-	-	433	5,788	-
11	Interest Expense	(1,473,500)	(1,447,700)	(1,421,000)	(1,393,550)	(1,365,350)
12	Total Nonoperating Revenues (Expenses)	\$ (1,446,896)	\$ (1,397,469)	\$ (1,350,138)	\$ (1,360,621)	\$ (1,363,301)
13	Income before Capital Contributions	\$ 3,647,021	\$ 3,446,331	\$ 4,100,753	\$ 5,196,846	\$ 6,556,569
14	Capital Contributions	\$ 2,239,616	\$ 3,416,801	\$ 1,615,699	\$ 4,427,545	\$ -
15	Total Revenues Over Expenditures	\$ 5,886,637	\$ 6,863,132	\$ 5,716,452	\$ 9,624,391	\$ 6,556,569

Notes

- [1] Financial information obtained from the City's Comprehensive Annual Financial Reports for Fiscal Year 2017 through 2020.
[2] Estimate of Fiscal Year 2021 based on information provided by the District.

Purchase of Water Treatment Plant No. 3

Chapter 190.0125, F.S. Briefing Document

Exhibit 2	Projected Operating Results FY 2022 - 2026
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Line	Description	Budgeted 2022	Projected for Fiscal Year Ending September 30,			
			2023	2024	2025	2026
Operating Revenues						
1	Charges for Sales and Services	\$ 15,008,662	\$ 16,214,914	\$ 17,641,950	\$ 19,200,682	\$ 20,903,127
2	Effective Percentage Rate Adjustment-Water		3.00%	3.00%	3.00%	3.00%
3	Effective Percentage Rate Adjustment-Wastewater		4.00%	4.00%	4.00%	4.00%
4	Effective Percentage Rate Adjustment-Reclaimed		0.00%	0.00%	0.00%	0.00%
5	Miscellaneous Revenue	65,000	65,000	65,000	65,000	65,000
6	Total Operating Revenues	\$ 15,073,662	\$ 16,279,914	\$ 17,706,951	\$ 19,265,682	\$ 20,968,127
Operating Expenses						
7	Administrative and General	\$ 398,731	\$ 412,625	\$ 427,003	\$ 441,883	\$ 457,283
8	Cost Of Sales and Services	5,985,601	5,523,378	5,961,749	6,356,846	6,864,313
9	Depreciation and Amortization	-	-	-	-	-
10	Total Operating Expenses	\$ 6,384,332	\$ 5,936,002	\$ 6,388,752	\$ 6,798,729	\$ 7,321,596
11	Operating Income	\$ 8,689,330	\$ 10,343,911	\$ 11,318,198	\$ 12,466,952	\$ 13,646,532
Nonoperating Revenues (Expenses)						
12	Interest Income	\$ 116,465	\$ 111,239	\$ 215,885	\$ 269,614	\$ 297,311
13	Loss On Retirement of Fixed Asset	-	-	-	-	-
14	Total Nonoperating Revenues (Expenses)	\$ 116,465	\$ 111,239	\$ 215,885	\$ 269,614	\$ 297,311
15	Net Available for Debt Service	\$ 8,805,795	\$ 10,455,150	\$ 11,534,083	\$ 12,736,566	\$ 13,943,843
Debt Service						
Existing Debt						
16	Water and Sewer Revenue Bonds, Series 2011	666,913	-	-	-	-
17	Other	-	-	-	-	-
18	Total Existing Debt	\$ 666,913	\$ -	\$ -	\$ -	\$ -
Future Debt						
19	Revenue Bond - Series 2022	\$ 847,276	\$ 4,070,387	\$ 8,750,269	\$ 9,588,489	\$ 9,587,151
20	Total Future Debt	\$ 847,276	\$ 4,070,387	\$ 8,750,269	\$ 9,588,489	\$ 9,587,151
21	Total Debt Service	\$ 1,514,189	\$ 4,070,387	\$ 8,750,269	\$ 9,588,489	\$ 9,587,151

Line	Description	Budgeted 2022	Projected for Fiscal Year Ending September 30,			
			2023	2024	2025	2026
22	Net Available after Debt Service	\$ 7,291,606	\$ 6,384,763	\$ 2,783,814	\$ 3,148,077	\$ 4,356,692
DEBT SERVICE COVERAGE						
<u>Net Revenues Available for Debt</u>						
23	Before Transfer to Renewal & Replacement Fund	\$ 8,805,795	\$ 10,455,150	\$ 11,534,083	\$ 12,736,566	\$ 13,943,843
24	After Transfer to Renewal & Replacement Fund	\$ 8,055,362	\$ 9,644,404	\$ 10,651,986	\$ 11,776,532	\$ 12,898,686
Debt Service						
25	Existing	\$ 666,913	\$ -	\$ -	\$ -	\$ -
26	Future	847,276	4,070,387	8,750,269	9,588,489	9,587,151
27	Total Debt Service	\$ 1,514,189	\$ 4,070,387	\$ 8,750,269	\$ 9,588,489	\$ 9,587,151
<u>Debt Service Coverage - Test 1</u>						
28	Calculated	5.82	2.57	1.32	1.33	1.45
29	Targeted	1.25	1.25	1.25	1.25	1.25
30	Minimum Required	1.10	1.10	1.10	1.10	1.10
<u>Debt Service Coverage - Test 2</u>						
37	Calculated	5.32	2.37	1.22	1.23	1.35
38	Targeted	1.15	1.15	1.15	1.15	1.15
39	Minimum Required	1.00	1.00	1.00	1.00	1.00
40	Capital Contributions/(Use of Reserves)	\$ -	\$ -	\$ -	\$ -	\$ -
41	Net Results from Operations	\$ 7,291,606	\$ 6,384,763	\$ 2,783,814	\$ 3,148,077	\$ 4,356,692
FUND BALANCE CALCULATION						
RESERVE FUND BALANCE						
<u>Operating Fund</u>						
42	Beginning Fund Balance	\$ 18,521,939	\$ 8,247,612	\$ 13,300,629	\$ 14,817,846	\$ 15,304,739
43	Deposit/(Withdrawal) from Operations	7,291,606	6,384,763	2,783,814	3,148,077	4,356,692
44	Capital Projects Funded with Cash	(16,815,500)	(521,000)	(384,500)	(1,701,150)	(690,465)
45	Transfer to Renewal & Replacement Fund	(750,433)	(810,746)	(882,098)	(960,034)	(1,045,156)
46	Ending Fund Balance	\$ 8,247,612	\$ 13,300,629	\$ 14,817,846	\$ 15,304,739	\$ 17,925,810
47	Targeted Fund Balance	\$ 1,574,219	\$ 1,463,672	\$ 1,575,309	\$ 1,676,399	\$ 1,805,325
48	Variance	\$ 6,673,393	\$ 11,836,957	\$ 13,242,537	\$ 13,628,340	\$ 16,120,485
49	Days Cash on Hand	472	818	847	822	894
50	Targeted Days Cash on Hand	90	90	90	90	90
<u>Renewal & Replacement</u>						
51	Beginning Fund Balance	\$ 4,425,093	\$ 3,369,048	\$ 3,168,337	\$ 2,079,370	\$ 2,414,104
52	Deposit/(Withdrawal) from Surplus Fund	750,433	810,746	882,098	960,034	1,045,156
53	Capital Projects Funded with Cash	(1,806,478)	(1,011,457)	(1,971,064)	(625,300)	(670,839)
54	Ending Fund Balance	\$ 3,369,048	\$ 3,168,337	\$ 2,079,370	\$ 2,414,104	\$ 2,788,422

Purchase of Water Treatment Plant No. 3

Chapter 190.0125, F.S. Briefing Document

Exhibit 3

5-Year Capital Improvement Program



Line	Description	Projected for Fiscal Year Ending September 30,					Five-Year Total
		2022	2023	2024	2025	2026	
	Assumed Level of Capital Spending	100%	100%	100%	100%	100%	
8	WTP No. 3 Chemical Building Repairs	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
9	WTP No. 3 PLC Upgrades	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ 40,000
10	WTP No. 3 Purchase	\$ 35,700,000	\$ -	\$ -	\$ -	\$ -	\$ 35,700,000
11	WTP No. 3 Switch Gear Update - PLC & HMI Controls	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	WTP No. 3 Sodium Hypochlorite Pumps	\$ -	\$ -	\$ -	\$ -	\$ 20,500	\$ 20,500
13	WTP No. 3 Sodium Hypochlorite Tanks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	WTP No. 4 Design & Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Integrated Water Resource Master Plan	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000
	Water Distribution						
16	Residential Meter Replacements	\$ 86,625	\$ 95,288	\$ 104,816	\$ 115,298	\$ 126,828	\$ 528,854
17	GIS Program (Software, Equipment, Development)	\$ 26,250	\$ 27,563	\$ 28,941	\$ 30,388	\$ 31,907	\$ 145,048
18	Irrigation Meter Replacements - 155 Units (3 Year Program)	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ 140,000
19	Conservation Programs	\$ 235,500	\$ 255,500	\$ 223,000	\$ 183,000	\$ 225,000	\$ 1,122,000
20	Large Diameter Main Spare Parts	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
21	Backflow Program	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
22	Pipe Locator Replacement	\$ 9,600	\$ -	\$ -	\$ -	\$ -	\$ 9,600
23	Distribution & Collections Warehouse	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000
24	Vac Trailer Replacement	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
25	Backhoe	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Ground Penetrating Radar (GPR) Replacment	\$ 26,000	\$ -	\$ -	\$ -	\$ -	\$ 26,000
	Wastewater Collection						
27	New Portable Generator (Dual Voltage)	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
28	Redundent Control System for High Flow LS's	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
29	Emergency By-pass Pump	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
30	Pigging Program	\$ 30,000	\$ 15,000	\$ 16,500	\$ 18,150	\$ 19,965	\$ 99,615
31	Lift Station Spare Parts	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
32	Lift Station No. 18 Wet Well Rehab	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
33	Lift Station No. 15 Wet Well Rehab	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
34	Lift Station No. 12 Wet Well Rehab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	On Site Emergency Generator Repairs/Replacements	\$ -	\$ -	\$ -	\$ 50,000	\$ 55,000	\$ 105,000
36	Misc. Pump & Motor Repairs/Replacements	\$ 34,729	\$ 36,465	\$ 38,288	\$ 40,203	\$ 42,213	\$ 191,898
37	Misc. Valve Repairs/Replacements	\$ 17,364	\$ 18,232	\$ 19,144	\$ 20,101	\$ 21,106	\$ 95,946
	Wastewater Treatment						
38	Misc. Pump & Motor Repairs/Replacements	\$ 36,383	\$ 40,021	\$ 44,023	\$ 48,425	\$ 53,268	\$ 222,119
39	Misc. Valve Repairs/Replacements	\$ 24,255	\$ 26,681	\$ 29,349	\$ 32,283	\$ 35,512	\$ 148,079
40	Reclaimed Water High Pressure Re-pump Station PLC Upgrade	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
41	FDEP Repermitting	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
42	SWWTP Fence	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
43	Solids Analyzer - CEM Smart 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	NWRF Land Acquisition	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
45	Wastewater Treatment Plant Design / Engineering (1.6 M for Design / 1.0 M for Engineering Services During Construction)	\$ 1,638,750	\$ 821,250	\$ 821,250	\$ -	\$ -	\$ 3,281,250
46	NWWTF Construction Cost (20% Increase Annually)	\$ 14,000,000	\$ 25,000,000	\$ 13,500,000	\$ -	\$ -	\$ 52,500,000
	Vehicles						
47	Vehicle Wraps	\$ 15,000	\$ 15,750	\$ 16,538	\$ 17,364	\$ 18,233	\$ 82,884
48	New Truck No. 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	New Truck No. 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	New Truck No. 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	New Truck No. 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	New Truck No. 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Line	Description	Projected for Fiscal Year Ending September 30,					Five-Year Total
		2022	2023	2024	2025	2026	
	Assumed Level of Capital Spending	100%	100%	100%	100%	100%	
53	New Truck No. 17	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 35,000
54	New Truck No. 18	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000
55	New Truck No. 19	\$ -	\$ 72,100	\$ -	\$ -	\$ -	\$ 72,100
56	New Truck No. 20	\$ -	\$ 72,100	\$ -	\$ -	\$ -	\$ 72,100
57	New Truck No. 21	\$ -	\$ -	\$ 74,300	\$ -	\$ -	\$ 74,300
58	New Truck No. 22	\$ -	\$ -	\$ 74,300	\$ -	\$ -	\$ 74,300
59	New Truck No. 23	\$ -	\$ -	\$ -	\$ 76,600	\$ -	\$ 76,600
60	New Truck No. 24	\$ -	\$ -	\$ -	\$ 76,600	\$ -	\$ 76,600
61	New Truck No. 22	\$ -	\$ -	\$ -	\$ -	\$ 78,900	\$ 78,900
62	New Truck No. 23	\$ -	\$ -	\$ -	\$ -	\$ 78,900	\$ 78,900
63	New Truck No. 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	New Truck No. 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Administration						
65	Operating (Server) System Upgrade - IT (Recommended Every 5 yrs.)	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
66	SCADA Server Upgrades (Recommended Every 5 yrs.)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
67	SCADA Historian Server Upgrades (Recommended Every 5 yrs.)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
68	GIS Server Upgrades (Recommended Every 5 yrs.)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
69	Server - Continental Test Database Billing	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
70	Continental Billing Software - Test Database	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
71	IT Audit	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
72	Lobby Redesign	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	Website	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
74	Rate Study / Misc. Charge Study	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
75	Computer Replacement	\$ 15,000	\$ 16,500	\$ 18,150	\$ 19,965	\$ 21,962	\$ 91,577
76	Laptop/Tablets	\$ 15,000	\$ 15,750	\$ 16,538	\$ 17,364	\$ 18,233	\$ 82,884
77	Miscellaneous System Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	WWTP Adjustment	\$ 71,500,000	\$ -	\$ -	\$ -	\$ -	\$ 71,500,000

Line	Description	Projected for Fiscal Year Ending September 30,					Five-Year Total
		2022	2023	2024	2025	2026	
	Assumed Level of Capital Spending	100%	100%	100%	100%	100%	
	Water And Wastewater Operating Fund Budget						
79	Total System	\$ 125,546,093	\$ 26,920,400	\$ 16,243,507	\$ 2,326,450	\$ 1,361,304	\$ 172,397,753
80	Total Funded Through Prioritization Process	\$ 125,546,093	\$ 26,920,400	\$ 16,243,507	\$ 2,326,450	\$ 1,361,304	\$ 172,397,753
81	Unfunded Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Funding Sources						
82	Operating Fund	\$ 16,815,500	\$ 521,000	\$ 384,500	\$ 1,701,150	\$ 690,465	\$ 20,112,615
83	Renewal & Replacement Fund	\$ 1,806,478	\$ 1,011,457	\$ 1,971,064	\$ 625,300	\$ 670,839	\$ 6,085,138
84	Grant	\$ 25,324,114	\$ 387,943	\$ 387,943	\$ -	\$ -	\$ 26,100,000
85	Series 2022 Bonds	\$ 81,600,000	\$ 25,000,000	\$ 13,500,000	\$ -	\$ -	\$ 120,100,000
86	Future Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	Total Water And Wastewater Operating Fund Budget	\$ 125,546,093	\$ 26,920,400	\$ 16,243,507	\$ 2,326,450	\$ 1,361,304	\$ 172,397,753

Purchase of Water Treatment Plant No. 3

Chapter 190.0125, F.S. Briefing Document

Appendix A	2021 Chapter 190.0125, F.S. – Purchase, Privatization, or Sale of Water, Sewer, or Wastewater Reuse Utility by District
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Select Year:

The 2021 Florida Statutes

[Title XIII](#)

PLANNING AND DEVELOPMENT

[Chapter 190](#)

COMMUNITY DEVELOPMENT DISTRICTS

[View Entire Chapter](#)

190.0125 Purchase, privatization, or sale of water, sewer, or wastewater reuse utility by district.—No community development district may purchase or sell a water, sewer, or wastewater reuse utility that provides service to the public for compensation, or enter into a wastewater facility privatization contract for a wastewater facility, until the governing body of the community development district has held a public hearing on the purchase, sale, or wastewater facility privatization contract and made a determination that the purchase, sale, or wastewater facility privatization contract is in the public interest. In determining if the purchase, sale, or wastewater facility privatization contract is in the public interest, the community development district shall consider, at a minimum, the following:

- (1) The most recent available income and expense statement for the utility;
- (2) The most recent available balance sheet for the utility, listing assets and liabilities and clearly showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon;
- (3) A statement of the existing rate base of the utility for regulatory purposes;
- (4) The physical condition of the utility facilities being purchased, sold, or subject to a wastewater facility privatization contract;
- (5) The reasonableness of the purchase, sales, or wastewater facility privatization contract price and terms;
- (6) The impacts of the purchase, sale, or wastewater facility privatization contract on utility customers, both positive and negative;
- (7)(a) Any additional investment required and the ability and willingness of the purchaser or the private firm under a wastewater facility privatization contract to make that investment, whether the purchaser is the community development district or the entity purchasing the utility from the community development district;
- (b) In the case of a wastewater facility privatization contract, the terms and conditions on which the private firm will provide capital investment and financing or a combination thereof for contemplated capital replacements, additions, expansions, and repairs. The community development district shall give significant weight to this criteria.
- (8) The alternatives to the purchase, sale, or wastewater facility privatization contract and the potential impact on utility customers if the purchase, sale, or wastewater facility privatization contract is not made;
- (9)(a) The ability of the purchaser or the private firm under a wastewater facility privatization contract to provide and maintain high-quality and cost-effective utility service, whether the purchaser is the community development district or the entity purchasing the utility from the community development district;
- (b) In the case of a wastewater facility privatization contract, the community development district shall give significant weight to the technical expertise and experience of the private firm in carrying out the obligations specified in the wastewater facility privatization contract; and
- (10) All moneys paid by a private firm to a community development district pursuant to a wastewater facility privatization contract shall be used for the purpose of reducing or offsetting property taxes, wastewater service rates, or debt reduction or making infrastructure improvements or capital asset expenditures or other public purpose; provided, however, nothing herein shall preclude the community development district from using all or part of the moneys for the purpose of the community development district's qualification for relief from the repayment of federal grant awards associated with the wastewater system as may be required by federal law or regulation.

The community development district shall prepare a statement showing that the purchase, sale, or wastewater facility privatization contract is in the public interest, including a summary of the purchaser's or private firm's experience in water, sewer, or wastewater reuse utility operation and a showing of financial ability to provide the service, whether the

Appendix A

purchaser or private firm is the community development district or the entity purchasing the utility from the community development district.

History.—s. 3, ch. 84-84; s. 9, ch. 93-51; s. 9, ch. 96-202.

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Purchase of Water Treatment Plant No. 3

Chapter 190.0125, F.S. Briefing Document

Appendix B	Photos of the Plant Documenting System Condition
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Appendix B

- 1 1-IMG_0058
Date Taken: 10/7/2021



- 2 2-IMG_0044
Date Taken: 10/7/2021



Appendix B

- 3 3-IMG_0046
Date Taken: 10/7/2021



- 4 4-IMG_0049
Date Taken: 10/7/2021



5 5-IMG_0050
Date Taken: 10/7/2021



6 6-IMG_0052
Date Taken: 10/7/2021



7 7-IMG_0056
Date Taken: 10/7/2021



8 8-IMG_0067
Date Taken: 10/7/2021



Appendix B

9 9-IMG_0069
Date Taken: 10/7/2021



10 10-IMG_0059
Date Taken: 10/7/2021



11 11-IMG_0060
Date Taken: 10/7/2021



12 12-IMG_0061
Date Taken: 10/7/2021



13 13-IMG_0065
Date Taken: 10/7/2021



14 14-IMG_0066
Date Taken: 10/7/2021



Appendix B

15 15-IMG_0080
Date Taken: 10/7/2021

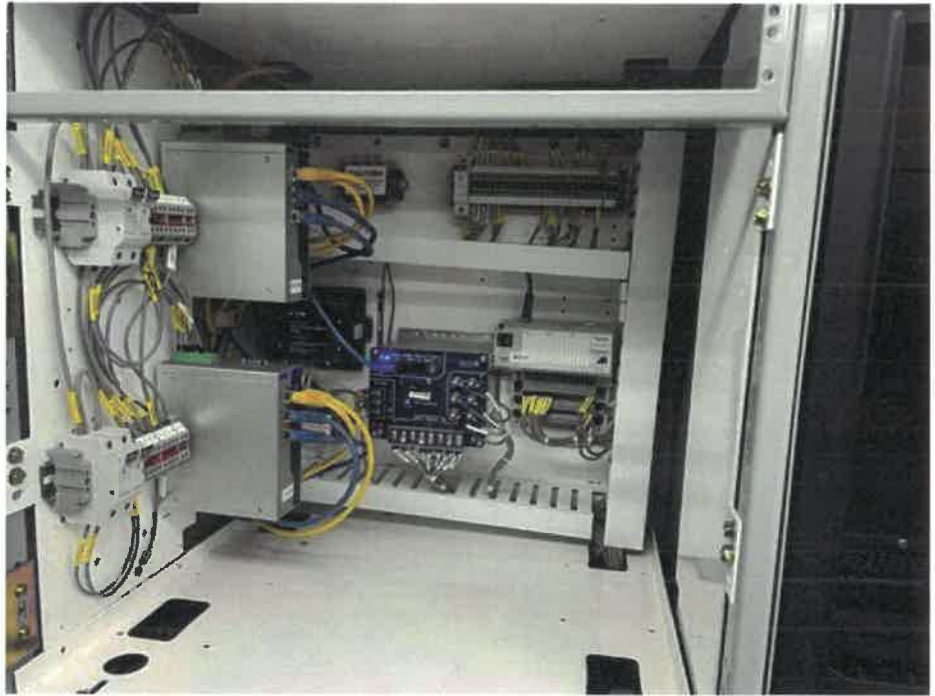


16 16-IMG_0082
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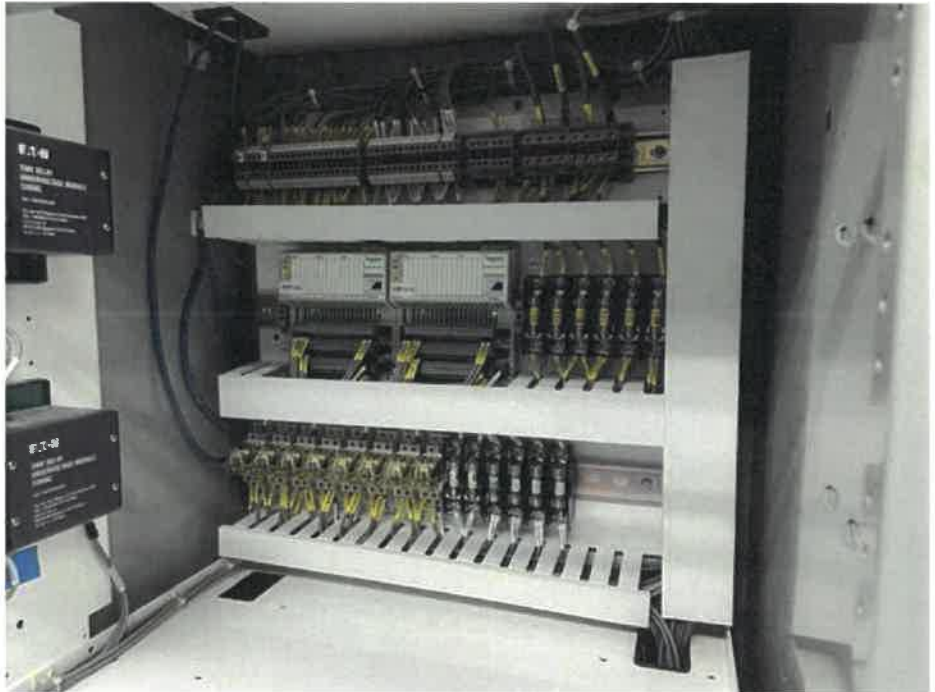


Appendix B

17 17-IMG_0070
Date Taken: 10/7/2021



18 18-IMG_0071
Date Taken: 10/7/2021



19 19-IMG_0072
Date Taken: 10/7/2021



20 20-IMG_0073
Date Taken: 10/7/2021



21 21-IMG_0075
Date Taken: 10/7/2021



22 22-IMG_0078
Date Taken: 10/7/2021



23 23-IMG_0079
Date Taken: 10/7/2021



Purchase of Water Treatment Plant No. 3

Chapter 190.0125, F.S. Briefing Document

Appendix C	Water and Sewer System and Reuse Water System Sublease/Option To Purchase Agreement
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Appendix C

WATER AND SEWER SYSTEM AND REUSE WATER SYSTEM

SUBLEASE/OPTION TO PURCHASE AGREEMENT

BY AND BETWEEN

**BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT
("DISTRICT")**

AND

**ON TOP OF THE WORLD COMMUNITIES, INC.,
SIDNEY COLLEN & ASSOCIATES, LTD.**

DATE

As of October 12, 2010

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Bay Laurel Center CDD Sublease/Option

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List of Exhibits and Schedules

- Exhibit A - Property Description
- Exhibit B - Option Terms
- Exhibit C - Sublease Agreement

WATER AND SEWER SYSTEM AND REUSE WATER SYSTEM**SUBLEASE/OPTION TO PURCHASE AGREEMENT**

THIS AMENDED AND RESTATED WATER AND SEWER SYSTEM AND REUSE WATER SYSTEM SUBLEASE/ OPTION TO PURCHASE AGREEMENT ("**Agreement**") is made and entered into as of the 12th day of October, 2010, by and between ON TOP OF THE WORLD COMMUNITIES, INC., a Florida corporation ("**OTOW**") and SIDNEY COLLEN & ASSOCIATES, LTD., a Florida limited partnership ("**SCA**") and BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government, created pursuant to Chapter 190, Florida Statutes (the "**District**") to provide certain public services, including but not limited to Water, Wastewater and Reuse Water Service, within its boundaries. OTOW and SCA are sometimes referred to in this Agreement, jointly and severally, as their interests may appear, as "**Grantors.**" Grantors and the District are collectively referred to herein as the "**Parties.**"

RECITALS

- A. OTOW is the owner of the Real Property, as hereinafter defined;
- B. SCA is the owner of the Equipment, the Easements, the Permits, the Records and the Software, as hereinafter defined, and SCA is also the lessee of the Real Property pursuant to a Master Ground Lease between OTOW and SCA dated October 14, 2008, as amended (the "**Ground Lease**"), under which Ground Lease the Real Property is a component part of the overall real property leased by OTOW to SCA, provided no other real property leased to SCA under the Ground Lease is subject to this Agreement;
- C. The Parties entered into that certain Water and Sewer System and Reuse Water System Lease/Option to Purchase Agreement, dated June 29, 2004 (the "**Prior Lease**");
- D. The District has not exercised its option to purchase the assets described in the Prior Lease and the Prior Lease is in full force and effect;
- E. The Parties desire to clarify and update certain terms and conditions in the Prior Lease by entering into this Agreement which amends and restates the Prior Lease; and
- F. To the extent in conflict, the terms and conditions of this Agreement shall supersede the terms and conditions of the Prior Lease and shall control the conduct of the Parties; and
- G. This Agreement has been determined by the District to be in the best interest of the District, and the District has threatened to acquire the Utility System from Grantors by exercise of the power of eminent domain. Grantors are willing to sublease the Utility System to the District with a purchase option in lieu of the District's instituting an eminent domain proceeding; and the District has agreed to enter into this Agreement with Grantors in lieu of eminent domain proceedings and in settlement of this matter upon the terms and conditions set forth in this Agreement. Grantors would not enter into this Agreement with the District, but for the District's position that it would institute eminent domain proceedings against Grantors if Grantors did not accept this Agreement.

In consideration of the above Recitals and of the benefits to be derived from the mutual observation of the covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by all of the Parties to this Agreement, the Parties agree to the following terms and provisions.

1. **RECITALS.** The foregoing Recitals are true and correct, and are incorporated in this Agreement.
2. **SUBLEASE OF WATER AND WASTEWATER SYSTEM; PURCHASE OPTION; OPERATION OF SYSTEM.** Grantors hereby sublease to the District, and the District hereby subleases from them, the System, as defined below. Grantors further grant to the District a continuing purchase option (the

Bay Laurel Center CDD Sublease/Option

“Purchase Option”) to require Grantors to sell all or parts of the System to District at the price, and on the other terms, described in this Agreement, including, but not limited to, Exhibit B and the following:

2.1 Exercise. The District may exercise its Purchase Option from time to time by written notice to Grantors at any time before the end of the Sublease Term.

2.2 Interest Conveyed. At such time as either the Purchase Option is exercised, the easement rights of Grantors as to the System will be assigned and the improvements of the System will be conveyed by each applicable Grantor. If a Purchase Option is timely exercised, closing shall take place as described in Exhibit B.

2.3 Partial Acquisition. At such time as the Purchase Option is exercised, the exercising Party will designate whether it intends to purchase or sell the entire System, or only a portion thereof (a “Partial Acquisition”). In the event of a Partial Acquisition, unless waived by Grantors, the exercising Party must include with its Exercise Notice an engineering report confirming that both the portion of the System to be acquired, and the portion of the System which is not to be acquired are capable of separate, independent operation. Following a Partial Acquisition, the Purchase Option shall remain in full force and effect with respect to any portion of the System which has not been acquired pursuant to the Partial Acquisition

3. SUBLEASED ASSETS. Grantors sublease and/or grant their consent to sublease to the District all of their right, title and interest in and to the following property and assets (which are sometimes collectively referred to as the “System”).

3.1 Real Property. All water production, storage, treatment, transmission, and distribution facilities, wastewater treatment plants, wells, pumping stations, effluent disposal areas, reuse water treatment, storage, transmission and distribution facilities, and all other water, wastewater and reuse water service facilities of every kind and description whatsoever, and the interests of Grantors in the real property on which such facilities and improvements are located, including without limitation all trade fixtures, leasehold improvements, lift stations, pumps, generators, controls, collection and transmission pipes or facilities, valves, meters, service connections, and all other water, wastewater and reuse water service connections, and all other water, wastewater and reuse water physical facilities and property installations in use in connection with the utility business of Grantors, or later added to the System during the term of this Agreement (collectively the “Real Property”). The Real Property is comprised of (a) water, wastewater and reuse water treatment plant sites and well sites (collectively, the “Plant Sites”), and (b) lift station sites (the “Lift Station Sites”). The current legal description of the Plant Sites is set forth on Exhibit A-1 to this Agreement. The current addresses of the Lift Station Sites are set forth on Exhibit A-2 to this Agreement. The definition of “Real Property” shall be adjusted automatically during the term of this Agreement for any additions or subtractions to the Real Property. The District acknowledges that title to the Plant Sites to be conveyed upon the exercise of the Purchase Option shall be subject to those matters identified on Exhibit A-3 attached hereto (the “Existing Exceptions”). The District acknowledges that title to the Lift Station Sites to be conveyed upon exercise of the Purchase Option shall be “as is.”

3.2 Equipment. All equipment, vehicles, tools, parts, laboratory equipment, office equipment, inventory and other personal property owned by Grantors and utilized exclusively in connection with the Real Property, or later added during the term of this Agreement (collectively, the “Equipment”).

3.3 Easements. All rights, privileges, easements, licenses, permits, prescriptive rights, dedications, rights-of-ways, and rights to use public and private roads, highways, alleys, streets, and other areas acquired or held by Grantors in connection with the ownership, construction, reconstruction, installation, maintenance and operation of the System and the Subleased Assets utilized in connection with their utility business, or later added during the term of this Agreement (collectively, the “Easements”).

3.4 Records. All current customer and supplier lists and records, as-built surveys and sewer and water plans, plats, engineering and other drawings, designs, blueprints, plans and specifications, computer software, accounting and customer records and all other information and business records in the possession of Grantors that relate to the construction, operation and maintenance of the System or later added during the term of this Agreement (collectively, the “Records”). Grantors may make copies of the Records, at their expense, before transferring the originals and copies of the Records to the District.

3.5 Permits and Approvals. Subject to all necessary regulatory approvals, if any, and to all conditions, limitations or restrictions contained therein, all existing permits or other governmental authorizations and approvals of any kind in the possession of Grantors or later added during the term of this Agreement required or necessary to construct, operate and maintain the System in accordance with all governmental requirements (collectively, the "Permits").

3.6 Computer Software. Subject to all applicable licensing agreements and to all applicable copyright laws, computer software which is or was used in the course of the day to day operations of System by Grantors for the System, including but not limited to non-proprietary billing and accounting computer programs or later added during the term of this Agreement (collectively, the "Software").

3.7 Improvements. All improvements, additions and expansions to the System during the term of the Prior Lease, the term of this Agreement and any extended lease term, including, but not limited to, Real Property, Equipment, Easements, Permits, Records and Software shall be considered part of the System, shall immediately become subject to the terms of this Agreement, and shall be surrendered to Grantors upon the expiration or termination of this Agreement. To implement the terms of this provision, all Real Property and Easements received by the District during the term of the Prior Lease, the term of this Agreement and any extended Sublease Term as Contributions-In-Aid-Of-Construction ("CIAC") or otherwise acquired or constructed by the District for use in connection with the System shall be titled in the name of Grantors and held by the District for the benefit of Grantors.

4. FURTHER PURCHASE OPTION TERMS. The Purchase Option between Grantors and the District is further governed by the provisions of the Purchase Option Terms attached to and incorporated in this Agreement as Exhibit B.

5. FURTHER SUBLEASE PROVISIONS. The sublease of the System to the District is further governed by the terms and conditions of the sublease agreement attached to and incorporated in this Agreement as Exhibit C (the "Sublease Agreement").

6. OPERATION OF SYSTEM. For the term of the Agreement, the District shall operate the System and provide water, sewer and reuse service within the District service area, as revised from time to time (the "Community"), pursuant to the terms of the Sublease Agreement.

7. REPRESENTATIONS AND WARRANTIES OF GRANTORS. Grantors, as their interests may appear, each as to itself but not the other, represent and warrant to the District that as of the date of this instrument the following are true and correct:

7.1 Organization, Standing And Power. Grantors are corporations or partnerships, duly organized, validly existing and in good standing under the laws of the State of Florida. Grantors have all requisite power and authority to own, lease and convey their respective properties and interests in the System, or to consent to such sublease and conveyance by the applicable Grantors, and to conduct their businesses as they are currently being conducted.

7.2 Authority for Agreement. Grantors each have the power and authority to execute and deliver this Agreement and to carry out their respective obligations hereunder. This Agreement has been duly authorized by all action required to be taken by Grantors, has been duly executed and delivered by them, and constitutes a valid and legally binding obligation of each of them, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy and similar statutory matters.

7.3 Litigation. To the best knowledge of each respective Grantor, there are no actions, suits, or proceedings at law or in equity, pending against it before any federal, state, municipal or other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect all or any part of the System or that Grantor's right and ability to make and perform this Agreement; nor is that Grantor aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. To the best knowledge of

each respective Grantor, it is not in default with respect to any order or decree of any court or of any administrative or governmental agency or instrumentality affecting the System.

7.4 FIRPTA. All of the Grantors are United States tax payers. None of the Grantors is a "foreign person" within the meaning of the United States tax laws and to which reference is made in Section 1445(b)(2) of the Internal Revenue Code.

7.5 No Governmental Violations. To the best knowledge of each respective Grantor, it is not aware and has not been notified of the existence of any violations of any governmental rules, regulations, permitting conditions or other governmental requirements applicable to the ownership, maintenance or operation of the System.

7.6 Disclosure. To the best of each Grantor's respective knowledge, no representation or warranty made by it in this Agreement contains or will contain any untrue statement of material facts or omits or will omit to state any material fact required to make the statements, on such Grantor's behalf, herein contained not misleading.

7.7 Survival of Covenants. Each respective Grantor acknowledges that its representations and warranties set forth this Agreement are true and correct as of the date of the execution hereof, but they shall not survive the execution of this Agreement; the District understands and agrees that none of the representations of Grantors shall survive the execution of this Agreement, nor are they intended to be relied upon by the District after said execution. The District acknowledges and agrees that, except for the specific representations made by Grantors in this Agreement, Grantors have made no representations, are not willing to make any representations, nor hold out any inducements to the District other than those (if any) set forth expressly in this Agreement; Grantors are not and shall not be liable or bound in any manner by any express or implied warranties, guaranties, statements, representations or information pertaining to the System, except as may be specifically set forth in this Agreement. The provisions of Exhibit B, and other matters related to the Purchase Option shall, however, continue according to their terms.

8. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT. The District represents and warrants to the Grantors:

8.1 Organization, Standing and Power. The District is a local unit of special-purpose government duly chartered and validly existing under the laws of the State of Florida and has all requisite power and authority to enter into this Agreement, to own and lease real and personal property, and to carry out and perform the terms and provisions of this Agreement.

8.2 Authority for Agreement. The District has the authority and power to execute and deliver this Agreement and to carry out its obligations under this Agreement. The District has or will hold all of the necessary public hearings to authorize the purchase and sale of all or part of the System in the event from time to time the Purchase Option is exercised. This Agreement has been duly authorized by action required to be taken by the District, has been duly executed and delivered by the District, and constitutes a valid and legally binding obligation of the District, enforceable in accordance with its terms except as enforceability may be limited by bankruptcy and similar statutory matters.

8.3 No Governmental Violations. To the best of its knowledge, District is not aware and has not been notified of the existence of any violations of any governmental rules, regulations, permitting conditions or other governmental requirements applicable to the ownership, maintenance or operation of the System.

8.4 Disclosure. To the best of the District's knowledge, no representation or warranty made by the District in this Agreement contains or will contain any untrue statement of material facts or omits or will omit to state any material fact required to make the statements herein contained not misleading.

8.5 Litigation. To the best of the District's knowledge, there are no actions, suits, or proceedings at law or in equity, pending or threatened against the District before any federal, state, municipal or

other court, administrative or governmental agency or instrumentality, domestic or foreign, which affect the District's right and ability to make and perform this Agreement; nor is the District aware of any facts which to its knowledge are likely to result in any such action, suit or proceeding. To the best of the District's knowledge, the District is not in default with respect to its obligations under any indenture, resolution, or any order or decree of any court or of any administrative or governmental agency, which may affect the District's ability to perform its obligations under the terms of this Agreement.

8.6 Inspection of the System. The District has acquired an engineers' report describing the condition of the System. The District is leasing and purchasing the System "as is, where is". The District is knowledgeable about the ownership and operation of water and sewer utility systems. By the time of a Closing pursuant to Exhibit B, the District shall have reviewed and considered the nature of the transaction and thoroughly investigated that part(s) of the System to be acquired by the District, including, without limitation, the physical, environmental, zoning, and land use conditions of the System and the use and operation thereof, and all aspects of this transaction; the District shall have determined that the part(s) of the System to be acquired by the District is/are satisfactory to the District in all respects; the District shall rely solely on the District's own independent investigations and inspections, and the District shall not rely on any representation of Grantors other than as expressly set forth in this Agreement.

9. COMMISSIONS. Grantors and the District warrant to the other that the transaction contemplated by this Agreement is a direct, private transaction between Grantors and the District without the use of a broker or commissioned agent.

10. FURTHER ASSURANCES. Each of the Parties hereto agrees that, from time to time, upon the reasonable request of any other Party and at the expense of the requesting Party, without further consideration, it shall execute and deliver to the requesting Party any and all further instruments, affidavits, conveyances, transfers or consents as may be reasonably required to carry out the provisions of this Agreement.

11. NOTICES: PROPER FORM. Any notices required or allowed to be delivered under this Agreement shall be in writing and may either be (1) hand delivered, (2) sent by nationally recognized overnight delivery service (such as Federal Express) which gives a return receipt, (3) mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope; (4) sent via facsimile transmission with a written delivery confirmation; or (5) sent electronically and addressed to a Party at the address set forth opposite the Party's name below, or at such other address of which the other Party shall have been duly notified.

The District: c/o GMS, LLC
13574 Village Park Drive
Suite 265
Orlando, FL 32837
Attn: Mr. George Flint
Phone: 407-841-5524
Fax: 407-839-1526
E-Mail: gflint@govmgtsvc.com

with a copy to: Gerald Colen/Devito & Colen, P.A.
7243 Bryan Dairy Road
Largo, Florida 33777
Phone: 727-545-8114
Fax: 727-545-8227
E-Mail: gcolen@tampabay.rr.com

OTOW: c/o Kenneth D. Colen
8447 S.W. 99th Street
Ocala, Florida 34481
Phone: 352-854-0805
Fax: 352-854-0815
E-Mail: kdcolen266@otowfl.com

Bay Laurel Center CDD Sublease/Option

SCA: c/o Kenneth D. Colen
8447 S.W. 99th Street
Ocala, Florida 34481
Phone: 352-854-0805
Fax: 352-854-0815
E-Mail: kdcolen266@otowfl.com

OTOW, SCA
with a copy to: Charles A. Simmons, Esq.
Greenberg Traurig
Met Life Building
200 Park Avenue
New York, New York 10166
Phone: 212-801-9200
Fax: 212-801-6400
E-Mail: simmons@gtlaw.com

Notices shall be deemed given on receipt or refusal of delivery.

12. **NO INTERFERENCE WITH EMPLOYMENT.** Upon the termination or expiration of the Agreement, if the Purchase Option has not been exercised, the District will not interfere with Grantors' hiring of some or all of the then present operational staff of the System, and expressly authorize Grantors to solicit the hiring of such operational staff of the System within a reasonable period of time prior to the termination or expiration of the Agreement.

13. **DISCLAIMER OF THIRD PARTY BENEFICIARIES.** This Agreement is solely for the benefit of the Parties to it, and no right or cause of action shall accrue upon or by reason of this Agreement, to or for the benefit of any third party not an actual party to this Agreement.

14. **WAIVER TRIAL BY JURY.** IT IS MUTUALLY AGREED BY AND BETWEEN ALL PARTIES TO THIS AGREEMENT THAT THEY SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER ANY OF THEM AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE SUBLEASE AGREEMENT, THE PURCHASE OPTION, THE RELATIONSHIP OF THE PARTIES, AND/OR THE DISTRICT'S USE OF OR OCCUPANCY OF THE SYSTEM. THE DISTRICT FURTHER AGREES THAT IT SHALL NOT INTERPOSE ANY COUNTERCLAIM OR COUNTERCLAIMS (EXCEPT COMPULSORY COUNTERCLAIMS) IN ANY SUMMARY PROCEEDING OR IN ANY ACTION BASED UPON NONPAYMENT OF RENT OR ANY OTHER PAYMENT REQUIRED BY THE DISTRICT UNDER THIS AGREEMENT, INCLUDING THE SUBLEASE AGREEMENT.

15. **TIME OF THE ESSENCE.** Time is hereby declared of the essence in the performance of this Agreement.

16. **NO PARTNERSHIP.** Grantors shall not be deemed, in any way or for any purpose, to have become, by the execution of this Agreement or any of the provisions of this Agreement, or any action taken under this Agreement, partner(s) with one another or with the District, in the District's business or otherwise, or a member of any joint enterprise or venture with the District.

17. **ASSIGNMENT.** The District shall not be entitled to assign its rights hereunder without the prior written consent of Grantors, which consent may be withheld by Grantors in their sole, absolute and unfettered discretion, and whether or not the withholding of such consent is arbitrary. Grantors may individually or collectively assign their rights hereunder with written notice to the District.

Bay Laurel Center CDD Sublease/Option

18. **RADON GAS.** RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

19. **MISCELLANEOUS.**

19.1 **Florida Law.** This Agreement has been negotiated and executed in Florida; it shall be construed and governed in accordance with the laws of the State of Florida, without application of conflicts of laws principles. Venue for any action arising hereunder, whether legal or equitable, by litigation, mediation or arbitration, shall lie only in Marion County, Florida.

19.2 **Attorneys' Fees.** In the event of any litigation, mediation or arbitration between the Parties under this Agreement, each Party shall bear its own attorneys' fees and costs. Wherever provision is made in this Agreement for "attorneys' fees," such term shall be deemed to include accountants', experts', attorneys' fees and court costs, whether or not litigation is commenced, including those for appellate proceedings and for paralegals and similar persons, and for collection.

19.3 **Participation.** Each Party has participated fully in the negotiation and preparation of this Agreement with full benefit of counsel. Accordingly, this Agreement shall not be more strictly construed against either Party.

19.4 **Gender and Number.** Whenever used in this Agreement, the singular shall include the plural, the plural shall include the singular, any gender shall include every other and all genders.

19.5 **Captions.** The captions in this Agreement are for convenience and reference only and shall not be deemed to alter any provision of this Agreement.

19.6 **Time.** Any reference in this Agreement to time periods less than six (6) days shall, in the computation thereof, exclude Saturdays, Sundays, and legal holidays; any time period provided for in this Agreement which shall end on a Saturday, Sunday or legal holiday shall extend to 5:00 p.m. on the next full business day.

19.7 **Exhibits.** All references in this Agreement to exhibits, schedules, paragraphs, subparagraphs and sections refer to the respective subdivisions of this Agreement, unless the reference expressly identifies another document. All exhibits, schedules and riders to this Agreement, and their exhibits, schedules and riders, are incorporated in this Agreement.

19.8 **Successors.** All of the terms of this Agreement shall be binding upon and shall inure to the benefit of the Parties to this Agreement and their respective successors and assigns and legal representatives.

19.9 **Handwritten Provisions.** Typewritten or handwritten provisions which are signed by all Parties and dated as of the date they are inserted in or attached to this Agreement as addenda or riders shall control all printed or pre-typed provisions of this Agreement with which they may be in conflict.

19.10 **Cumulative Remedies.** All the rights and remedies of Grantors under this Agreement or pursuant to present or future law shall be deemed to be separate, distinct, and cumulative. No one or more of them, whether exercised or not, nor any mention of or reference to any one or more of them in this Agreement, shall be deemed to be in exclusion of, or a waiver of, any of the others, or of any of the rights or remedies which Grantors may have under this Agreement, at law, and/or in equity. Grantors shall have, to the fullest extent permitted by law, the right to enforce any rights or remedies separately and to pursue any lawful action or proceedings to exercise or enforce any right or remedy without thereby waiving or being barred or estopped from exercising and enforcing any other rights and remedies by appropriate action or proceedings.

Bay Laurel Center CDD Sublease/Option

19.11 Waiver. No waiver by Grantors of any breach by the District of any term or condition of this Agreement, and no failure by Grantors to exercise any right or remedy in respect of any such breach, shall constitute a waiver or relinquishment for the future, or bar any right or remedy of Grantors in respect of, any other breach of such term or condition or any breach of any other term or condition of this Agreement. No payment by the District or receipt of payment by Grantors of an amount less than the full amount then due Grantors under this Agreement shall be construed as anything other than a partial payment of such sum then due and owing. No endorsement or statement on any check or letter or any form of payment or accompanying document shall be deemed to be an accord and satisfaction or other form of settlement; any Grantor may accept any such payment without prejudice to its rights to recover the balance of sums due and owing under this Agreement or to pursue any other remedy permitted under this Agreement.

19.12 Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to be one agreement.

[Remainder of Page Intentionally Left Blank]

Bay Laurel Center CDD Sublease/Option

IN WITNESS WHEREOF the Parties, intending to be bound hereby, have executed this Agreement on the dates indicated below.

Signed, sealed and delivered in the presence of:

(x) [Signature] Name: [Name]
(x) [Signature] Name: [Name]

Signed, sealed and delivered in the presence of:

(x) [Signature] Name: [Name]
(x) [Signature] Name: [Name]

(x) [Signature] Name: [Name]
(x) [Signature] Name: [Name]

OTOW:

ON TOP OF THE WORLD COMMUNITIES, INC., a Florida corporation

By: [Signature] Kenneth D. Colen, President

[CORPORATE SEAL]

SCA:

SIDNEY COLLEN & ASSOCIATES, LTD., a Florida limited partnership

By: SCA Investments, Inc., a Florida corporation, general partner

By: [Signature] Kenneth D. Colen, President

[CORPORATE SEAL]

DISTRICT:

BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT

By: [Signature] Philip Frenkel Vice Chairman

[CORPORATE SEAL]

Appendix C

Bay Laurel Center CDD Sublease/Option

STATE OF FLORIDA

COUNTY OF MARION

The foregoing instrument was acknowledged before me this 12th day of Oct., 2010, by Kenneth D. Colen, as President of ON TOP OF THE WORLD COMMUNITIES, INC., a Florida corporation, on behalf of said corporation. He is personally known to me or.

NOTARY PUBLIC

George S. Flint
Name: George S. Flint
State of Florida
My Commission Expires: 10/16/2013



GEORGE S. FLINT
NOTARY PUBLIC
STATE OF FLORIDA
Comm# DD0929572
Expires 10/16/2013 (Seal)

STATE OF FLORIDA

COUNTY OF MARION

The foregoing instrument was acknowledged before me this 12th day of Oct., 2010 by Kenneth D. Colen, as president of SCA INVESTMENTS, INC., a Florida corporation, as general partner of SIDNEY COLEN & ASSOCIATES, a Florida limited partnership, on behalf of the limited partnership. He is personally known to me.

NOTARY PUBLIC

George S. Flint
Name: George S. Flint
State of Florida
My Commission Expires: 10/16/2013



GEORGE S. FLINT
NOTARY PUBLIC
STATE OF FLORIDA
Comm# DD0929572
Expires 10/16/2013 (Seal)

STATE OF FLORIDA

COUNTY OF MARION

The foregoing instrument was acknowledged before me this 12th day of Oct., 2010 by _____, as Vice Chairman of BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT, on behalf of said district. He is personally known to me.

NOTARY PUBLIC

George S. Flint
Name: George S. Flint
State of Florida
My Commission Expires: 10/16/2013



GEORGE S. FLINT
NOTARY PUBLIC
STATE OF FLORIDA
Comm# DD0929572
Expires 10/16/2013 (Seal)

EXHIBIT A-1

LEGAL DESCRIPTION OF PLANT SITES

LEGAL DESCRIPTION (PARCEL 1-WATER TREATMENT PLANT No. 1):

PORTIONS OF LOTS 1 AND 2, BLOCK 1, OF CIRCLE SQUARE WOODS ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK "P", PAGES 30 THROUGH 103, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, LYING IN SECTION 23, TOWNSHIP 16 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT SOUTHEAST CORNER OF SAID SECTION 23, ALSO BEING THE SOUTHEAST CORNER OF SAID LOT 2; THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 23 AND ALONG THE SOUTH LINE OF SAID LOT 2, NORTH 89°56'37" WEST 50.01 FEET; THENCE DEPARTING SAID SOUTH LINE, NORTH 01°06'26" EAST 767.59 FEET, ALONG A LINE 50.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID LOTS 1 AND 2, TO THE POINT OF BEGINNING; THENCE DEPARTING SAID PARALLEL LINE, NORTH 88°53'35" WEST 246.80 FEET; THENCE SOUTH 01°06'25" WEST 80.31 FEET; THENCE NORTH 88°53'35" WEST 40.00 FEET; THENCE NORTH 01°06'25" EAST 80.31 FEET; THENCE NORTH 88°53'35" WEST 354.15 FEET TO THE WESTERLY LINE OF SAID LOT 2; THENCE NORTH 24°58'59" WEST 195.58 FEET, ALONG SAID WESTERLY LINE, TO A POINT ON A 1986.02 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE NORTHWEST WHOSE RADIUS POINT BEARS NORTH 31°18'49" WEST, SAID CURVE COINCIDENT WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF S.W. 98TH STREET (AN 80.00 FOOT WIDE PRIVATE RIGHT-OF-WAY), ALSO KNOWN AS STILL HOUSE HOLLOW ROAD PER SAID PLAT OF CIRCLE SQUARE WOODS AND THE NORTHERLY LINE OF SAID LOTS 1 AND 2; THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY, ALONG SAID NORTHERLY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°07'10" AN ARC DISTANCE OF 385.43 FEET TO A POINT OF NON-TANGENCY; THENCE SOUTH 65°27'52" EAST 461.70 FEET TO THE AFORESAID LINE 50.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID LOTS 1 AND 2; THENCE SOUTH 01°06'26" WEST 228.89 FEET, ALONG SAID PARALLEL LINE, TO THE POINT OF BEGINNING.

SAID LANDS SITUATE, LYING, AND BEING IN MARION COUNTY, FLORIDA.

LEGAL DESCRIPTION (PARCEL 2-WATER TREATMENT PLANT NO. 2):

A PARCEL OF LAND IN SECTION 24, TOWNSHIP 16 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA, BEING A PORTION OF PARCEL "Y" OF "CIRCLE SQUARE WOODS" SUBDIVISION AS RECORDED IN PLAT BOOK "P", PAGES 30 THROUGH 103 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHWEST ¼ OF SECTION 24-16-20; THENCE RUN S 89°08'52" W, ALONG THE SOUTH LINE OF SAID SECTION TO THE SOUTHWEST CORNER OF SAID SECTION 24, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF TRACT 9 OF "CIRCLE SQUARE WOODS" SUBDIVISION; THENCE NORTH, 2761.09 FEET; THENCE S 89°17'43"E, 2905.33 FEET TO THE

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Bay Laurel Center CDD Sublease/Option
Exhibit A

POINT OF BEGINNING; THENCE CONTINUE S 89°17'43"E, 287.11 FEET; THENCE S 41°38'27" W, 152.23 FEET; THENCE N 89°17'43"W, 187.37 FEET; THENCE N 00°42'17" E, 115.00 FEET TO CLOSE ON THE POINT OF BEGINNING.

SUBJECT TO AN EASEMENT IN COMMON WITH OTHERS FOR INGRESS, EGRESS, AND UTILITIES OVER AND ACROSS THE NORTHERLY 12.00 FEET THEREOF.

SUBJECT TO AN EASEMENT IN COMMON WITH OTHERS FOR INGRESS, EGRESS, AND UTILITIES AND PARKING OVER AND ACROSS THE SOUTHERLY 20.00 FEET OF THE NORTHERLY 32.00 FEET THEREOF.

SUBJECT TO AN EASEMENT IN COMMON WITH OTHERS FOR INGRESS, EGRESS, AND UTILITIES OVER AND ACROSS THE SOUTHEASTERLY 22.00 FEET THEREOF.

SUBJECT TO AN EASEMENT IN COMMON WITH OTHERS FOR INGRESS, EGRESS, UTILITIES AND PARKING OVER AND ACROSS THE NORTHWESTERLY 20.00 FEET OF THE SOUTHEASTERLY 42.00 FEET THEREOF.

SUBJECT TO AN EASEMENT 7.5 FEET ON EACH SIDE OF ALL UNDERGROUND UTILITIES SUCH AS (BUT NOT LIMITED TO) ELECTRICAL DISTRIBUTION LINES, TELEPHONE AND TELEVISION CABLES, STORM SEWER, SANITARY SEWER LINES, AND WATER LINES AS CONSTRUCTED FOR THE PURPOSE OF MAINTENANCE.

LEGAL DESCRIPTION (PARCEL 3-SOUTH WASTE WATER TREATMENT FACILITY):

PORTIONS OF WRA 78-33, TRACT "Y", TRACT 7 AND THE RESERVE FOR SEWER TREATMENT PLANT OF CIRCLE SQUARE WOODS ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK "P", PAGES 30 THROUGH 103, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF CANDLER HILLS EAST PHASE 1 UNIT "H" ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 9, PAGES 142 THROUGH 146, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA. THENCE THE FOLLOWING ELEVEN (11) COURSES ALONG THE WESTERLY LINE OF SAID CANDLER HILLS EAST PHASE 1 UNIT "H": (1)THENCE SOUTH 32°24'06" WEST 73.23 FEET; (2)THENCE SOUTH 26°23'55" WEST 50.28 FEET; (3)THENCE SOUTH 01°28'08" EAST 72.96 FEET; (4)THENCE SOUTH 24°09'06" WEST 60.64 FEET; (5)THENCE SOUTH 18°39'06" WEST 60.64 FEET; (6)THENCE SOUTH 13°09'06" WEST 60.64 FEET; (7)THENCE SOUTH 07°39'06" WEST 60.64 FEET; (8)THENCE SOUTH 02°17'51" WEST 58.89 FEET; (9)THENCE SOUTH 00°24'06" WEST 50.00 FEET; (10)THENCE SOUTH 00°19'33" WEST 75.77 FEET; (11)THENCE SOUTH 27°05'54" EAST 69.26 FEET; THENCE DEPARTING SAID WESTERLY LINE, SOUTH 00°00'35" EAST 34.07 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 00°00'35" EAST 706.72 FEET TO THE NORTHERLY LINE OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1698, PAGE 243 AS RECORDED IN THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA AND TO A POINT ON A 995.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE NORTH WHOSE RADIUS POINT BEARS NORTH 16°18'45" WEST; THENCE THE FOLLOWING THREE (3) COURSES ALONG THE NORTHERLY LINE OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1698, PAGE 243, OFFICIAL RECORDS BOOK 1711, PAGE 1099, OFFICIAL RECORDS BOOK 1709, PAGE 511, OFFICIAL RECORDS BOOK 1698, PAGE 239, OFFICIAL RECORDS BOOK 1698, PAGE 235 AND OFFICIAL RECORDS BOOK 1712,

PAGE 637, ALL OF THE AFOREMENTIONED DOCUMENTS RECORDED IN THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA; (1)THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°25'07" AN ARC DISTANCE OF 302.49 FEET TO A POINT OF REVERSE CURVATURE OF A 1005.00 FOOT RADIUS CURVE CONCAVE TO THE SOUTH; (2)THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°12'17" AN ARC DISTANCE OF 161.46 FEET TO A POINT OF TANGENCY; (3)THENCE SOUTH 81°54'05" WEST 301.21 FEET; THENCE DEPARTING SAID NORTHERLY LINE, NORTH 03°42'11" WEST 361.78 FEET; THENCE NORTH 03°15'20" EAST 411.43 FEET; THENCE NORTH 84°12'33" EAST 150.07 FEET; THENCE NORTH 88°52'38" EAST 608.56 FEET TO THE POINT OF BEGINNING.

SAID LANDS SITUATE, LYING, AND BEING IN MARION COUNTY, FLORIDA AND CONTAINING 574307 SQUARE FEET (13.18 ACRES) MORE OR LESS.

SUBJECT TO AN EASEMENT FOR THE PURPOSE OF INGRESS, EGRESS AND UTILITIES OVER AND ACROSS THE SOUTHERLY 22.00 FEET THEREOF.

LEGAL DESCRIPTION (PARCEL 4-WATER TREATMENT PLANT NO. 3):

A PORTION OF BLOCK 56, CIRCLE SQUARE WOODS" AS RECORDED IN PLAT BOOK "P", PAGES 30 THROUGH 103, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, AND ALSO A PORTION OF SECTIONS 10 AND 15, TOWNSHIP 16 SOUTH, RANGE 21 EAST, MARION COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 15; THENCE SOUTH 89°33'56" EAST 1663.33 FEET, ALONG THE NORTH LINE OF SAID SECTION 15, TO A POINT ON A 940.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE NORTH WHOSE RADIUS POINT BEARS NORTH 26°54'45" EAST, SAID CURVE COINCIDENT WITH THE NORTHERLY RIGHT-OF-WAY LINE OF PROPOSED S.W. 80TH STREET EXTENSION (A 120.00 FOOT WIDE RIGHT-OF-WAY); THENCE EASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°39'05" AN ARC DISTANCE OF 223.96 FEET TO THE POINT OF BEGINNING, SAID POINT BEING A POINT OF NON-TANGENCY; THENCE NORTH 00°00'00" EAST 441.93 FEET; THENCE NORTH 90°00'00" EAST 639.50 FEET TO A POINT ON A 2540.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE EAST WHOSE RADIUS POINT BEARS SOUTH 79°24'45" EAST, SAID CURVE LYING ON THE WESTERLY RIGHT-OF-WAY LINE OF PROPOSED S.W. 104TH TERRACE ROAD (A 80.00 FOOT WIDE RIGHT-OF-WAY); THENCE THE FOLLOWING TWO (2) COURSES ALONG SAID WESTERLY RIGHT-OF-WAY LINE; (1)THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9°48'56" AN ARC DISTANCE OF 435.14 FEET TO A POINT OF REVERSE CURVATURE OF A 35.00 FOOT RADIUS CURVE CONCAVE TO THE NORTHWEST; (2)THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89°13'41" AN ARC DISTANCE OF 54.51 FEET TO A POINT OF TANGENCY, SAID POINT LYING ON THE AFORESAID NORTHERLY RIGHT-OF-WAY LINE OF SAID PROPOSED S.W. 80TH STREET EXTENSION; THENCE THE FOLLOWING TWO (2) COURSES ALONG SAID NORTHERLY RIGHT-OF-WAY LINE; (1)THENCE NORTH 90°00'00" WEST 345.86 FEET TO A POINT OF CURVATURE OF A 940.00 FOOT RADIUS CURVE CONCAVE TO THE NORTH; (2)THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°15'40" AN ARC DISTANCE OF 217.56 FEET TO THE POINT OF BEGINNING.

SAID LANDS SITUATE, LYING, AND BEING IN MARION COUNTY, FLORIDA.

LEGAL DESCRIPTION (PARCEL 5 - WELL SITE #2):

A PORTION OF BLOCKS 57, 58, AND 62, "CIRCLE SQUARE WOODS" AS RECORDED IN PLAT BOOK "P", PAGES 30 THROUGH 103, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, AND ALSO A PORTION OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 16 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 15, THENCE SOUTH 89°33'56" EAST, ALONG THE NORTH BOUNDARY OF SAID SECTION 15, SAID LINE ALSO BEING THE NORTH LINE OF CONSERVATION AREA # 2, AS RECORDED IN OFFICIAL RECORDS BOOK 3425, PAGES 1189 THROUGH 1212, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA 286.24 FEET TO THE NORTHEAST CORNER OF SAID CONSERVATION AREA AND THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID NORTH BOUNDARY OF SECTION 15, SOUTH 89°33'56" EAST 215.00 FEET; THENCE SOUTH 00°37'05" WEST, DEPARTING SAID NORTH BOUNDARY OF SECTION 15, 1812.99 FEET TO THE NORTHERNMOST SOUTHERLY BOUNDARY OF SAID CONSERVATION AREA # 2; THENCE NORTH 89°36'48" WEST, ALONG SAID NORTHERNMOST SOUTHERLY BOUNDARY 215.00 FEET TO THE EASTERLY LINE OF SAID CONSERVATION AREA # 2; THENCE NORTH 00°37'05" EAST, ALONG SAID EASTERLY LINE, 1813.17 FEET TO THE POINT OF BEGINNING. SAID LANDS SITUATE, LYING, AND BEING IN MARION COUNTY, FLORIDA.

LEGAL DESCRIPTION (PARCEL 6 - WELL SITE #3):

A PORTION OF BLOCKS 56 AND 57, "CIRCLE SQUARE WOODS" AS RECORDED IN PLAT BOOK "P", PAGES 30 THROUGH 103, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, AND ALSO A PORTION OF SECTIONS 10 AND 15, TOWNSHIP 16 SOUTH, RANGE 21 EAST, MARION COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 15;; THENCE SOUTH 89°33'56" EAST, ALONG THE NORTH BOUNDARY OF SAID SECTION 15, 1663.33 FEET TO THE POINT OF BEGINNING, SAID POINT BEING ON A 940.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE NORTH WHOSE RADIUS POINT BEARS NORTH 26°54'45" EAST, SAID CURVE BEING COINCIDENT WITH THE NORTHERLY RIGHT-OF-WAY LINE OF PROPOSED S.W. 80TH STREET EXTENSION (A 120.00 FOOT WIDE RIGHT-OF-WAY); THENCE EASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°39'05" AN ARC DISTANCE OF 223.961 FEET TO A POINT OF NON-TANGENCY, SAID POINT BEING THE SOUTHWEST CORNER OF PROPOSED WATER TREATMENT PLANT # 3; THENCE NORTH 00°00'00" EAST, DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE AND ALONG THE WEST BOUNDARY OF SAID WATER TREATMENT PLANT # 3, 441.93 FEET TO THE NORTHWEST CORNER OF SAID PROPOSED WATER TREATMENT PLANT # 3; THENCE NORTH 90°00'00" WEST, DEPARTING SAID WEST BOUNDARY, 282.54 FEET; THENCE SOUTH 00°00'00" EAST 330.30 FEET TO THE AFOREMENTIONED NORTHERLY RIGHT-OF-WAY LINE OF PROPOSED S.W. 80th AVENUE EXTENSION, SAID POINT BEING A POINT ON A 1060.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST WHOSE RADIUS POINT BEARS SOUTH 23°30'45" WEST; THENCE SOUTHEASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°54'31" AN ARC DISTANCE OF 72.31 FEET TO A POINT OF REVERSE CURVATURE OF A 940.00 FOOT RADIUS CURVE

Appendix C

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CONCAVE TO THE NORTHEAST; THENCE SOUTHEASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°30'31" AN ARC DISTANCE OF 8.34 FEET TO THE POINT OF BEGINNING. SAID LANDS SITUATE, LYING, AND BEING MARION COUNTY, FLORIDA.

LEGAL DESCRIPTION (PARCEL 7 - WASTEWATER TREATMENT PLAN #3):

A PARCEL OF LAND LOCATED IN SECTION 3, TOWNSHIP 16 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT A FOUND 4"x4" CONCRETE MONUMENT MARKING THE SOUTHWEST CORNER OF SECTION 3, TOWNSHIP 16 SOUTH, RANGE 20 EAST; THENCE SOUTH 89°31'12" EAST, ALONG THE SOUTH LINE OF SAID SECTION 3, A DISTANCE OF 290.18 FEET TO A POINT; THENCE, LEAVING SAID SOUTH LINE OF SECTION 3, NORTH 00°00'00" EAST, A DISTANCE OF 68.06 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524) MARKING THE POINT OF BEGINNING; THENCE CONTINUE NORTH 00°00'00" EAST, A DISTANCE OF 1350.33 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE NORTH 90°00'00" EAST, A DISTANCE OF 539.64 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 220.76 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE NORTH 90°00'00" EAST, A DISTANCE OF 257.56 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 335.23 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE NORTH 90°00'00" EAST, A DISTANCE OF 547.82 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 490.58 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE NORTH 90°00'00" EAST, A DISTANCE OF 466.05 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 322.97 FEET TO A SET 4"x4" CONCRETE MONUMENT (#3524); THENCE NORTH 89°23'32" WEST, A DISTANCE OF 1811.17 FEET TO THE POINT OF BEGINNING. CONTAINING 37.05 ACRES, MORE OR LESS.

Appendix C

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EXHIBIT A-2

ADDRESSES/PROPERTY CONTROL NUMBERS OF LIFT STATION SITES

LS 1	8590 SW 97 th Ln.	
LS 2	9676 SW 89 th Ct. Rd.	
LS 3	8675 SW 94 th St.	
LS 4	8357 SW 94 th Rd.	
LS 5	9170 W 83 rd Terr.	
LS 6	8851 SW 90 th St.	
LS 7	9135 SW 94 th St .	Parcel # 3530-0000-11
LS 8	9353 SW 98 th St.	Parcel # 3530-2800113
LS 9	9800 SW 96 th St	Parcel # 3530-3000-01
LS 10	9076 SW 96 th Ct. Rd.	Parcel # 3530-0200010
LS 11	9673 SW 90 th St.	Parcel # 3530-0200011
LS 12	9985 SW 94 th St.	
LS 13	8120 SW 90 th St.	
LS 14	8222 SW 81 st Loop	
LS 15	8410 SW 90 th Terr. Rd.	
LS 16	8250 SW 79 th Terr. Rd.	
LS 18	6310 SW 89 th Ct. Rd .	Parcel # 3489-4000013
LS 19	10064 SW 79 th Lp.	Parcel # 3489-5000002
LS 20	6658 SW 97 th Terr. Rd.	Parcel # 3489-6000010
LS 21	8085 SW Highway 200	

EXHIBIT A-3

EXISTING EXCEPTIONS

1. Defects, liens, encumbrances, adverse claims or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Facts which would be disclosed by an accurate and comprehensive survey of the premises herein described.
3. Rights or claims of parties in possession.
4. Construction, Mechanic's, Contractors' or Materialmen's lien claims, if any, where no notice thereof appears of record.
5. Easements or claims of easements not shown by the public records.
6. General or special taxes and assessments required to be paid in the year 2010 and subsequent years. 3530-0000-02 and 3530-0000-03 and 3530-0000-00 and 35300-000-00
7. Any adverse ownership claim by the State of Florida by right of sovereignty to any portion of the lands insured hereunder, including submerged, filled and artificially exposed lands and lands accreted to such lands.
8. Any Lien arising under Chapter 159, Florida Statutes, in favor of any city, town, village or port authority for unpaid service charges for service by any water system, sewer system or gas system servicing the lands described herein.
9. Alcoholic Beverage Restrictions recorded in Deed Book 286, Page 300, of the Public Records of Marion County, Florida.(parcels 3 and 4)
10. Right of Way Easement recorded in O.R. Book 4, Page 399, O.R. Book 455, Page 341, and O.R. Book 759, Page 293, of the Public Records of Marion County, Florida.(all parcels)
11. Notice of Standard Terms for Private Specific Utility Easement Agreement recorded in O.R. Book 4516, Page 854, of the Public Records of Marion County, Florida.(all parcels)
12. Resolution No. 05-R-243 recorded in O.R. Book 4096, Page 1942, of the Public Records of Marion County, Florida.(all parcels)
13. Memorandum of Road Agreement recorded in O.R. Book 4194, Page 1727, of the Public Records of Marion County, Florida.(all parcels)
14. Special Warranty Deed to Marion County for Road Right of way recorded in O.R. Book 2220, Page 122(parcels 1, 3 and 4) and Special Warranty Deed recorded in O.R. Book 5042, Page 1393, of the Public Records of Marion County, Florida.(parcel 2)

Appendix C

Bay Laurel Center CDD Sublease/Option Exhibit A

15. Agreement recorded in O.R. Book 771, Page 835, of the Public Records of Marion County, Florida.(parcels 1, 3 and 4)
16. Easements, dedications, restrictions, setback(s) and other matters as stated and shown on the plat recorded in Plat Book P, Page 30 , of the Public Records of Marion County, Florida.(all parcels)
17. Order of Taking recorded in O.R. Book 2528, Page 271, of the Public Records of Marion County, Florida.(parcel 1)
18. Master Declaration of Covenants, Conditions, and Restrictions recorded in O.R. Book 3730, Page 849, amended in O.R. Book 4521, Page 457, of the Public Records of Marion County, Florida.(all parcels)
19. Notice of Establishment of Circle Square Woods CDD recorded in O.R. Book 2707, Page 1265, of the Public Records of Marion County, Florida(all parcels)
20. Progress Energy Distribution Easements recorded in O.R. Book 4864, Page 1623, O.R. Book 5180, Page 784, and O.R. Book 5206, Page 1810, of the Public Records of Marion County, Florida(all parcels)
22. Terms and Conditions of Lease recorded in O.R. Book 2090, Page 176, Corrective Lease recorded in O.R. Book 2104, Page 1327, Memorandum of Recreational Lease recorded in O.R. Book 2617, Page 74, of the Public Records of Marion County, Florida and Unrecorded Master Ground Lease(all parcels) (will be deleted at closing with respect to parcels acquired by the District from Grantors)
23. Riparian and littoral rights, if any, are neither guaranteed nor insured.(all parcels)
24. Rights and claims of parties in possession.(all parcels)
25. Lands lie within various county special assessment districts and municipal taxing districts and are subject to liens for any unpaid special assessments by virtue of the ordinances and resolutions creating these districts. The special assessments are payable with the ad valorem taxes.(all parcels)
26. Covenants, Conditions, Restrictions, Easements and Assessments as contained in instrument recorded in O.R. Book 2407, Page 1533, amended in O.R. Book 4927, Page 269 and O.R. Book 4927, Page 278, of the Public Records of Marion County, Florida.
27. Terms and provisions of that Declaration of Private Roads recorded in O.R. Book 4927, Page 276, of the Public Records of Marion County, Florida.
28. Easement granted to Progress Energy, recorded in O.R. Book 5180, Page 809, of the Public Records of Marion County, Florida.
29. Easements granted to TECO/Peoples Gas for natural gas pipelines recorded in the Public Records of Marion County, Florida.

EXHIBIT B

PURCHASE OPTION TERMS

RECITALS

Bay Laurel Center Community Development District, a local unit of special purpose government, created pursuant to Chapter 190, Florida Statutes (the “District”), has a continuing Purchase Option to purchase all or part of the System from On Top of the World Communities, Inc., a Florida corporation (“OTOW”) and Sidney Colen & Associates, Ltd., a Florida limited partnership (“SCA”) (collectively, “Grantors”), as described in the Agreement between the District and Grantors, to which Agreement this is Exhibit B. Unless otherwise defined in this Exhibit B, all capitalized terms used in this Exhibit B have the same meaning as in the Agreement. The provisions of the Agreement are incorporated in this Exhibit B, and the provisions of this Exhibit B are incorporated in the Agreement. The Purchase Option shall be subject to and governed by the following provisions of this Exhibit B.

1. **EXERCISE.** The District may exercise its Purchase Option from time to time as described in Section 2 of the Agreement by giving written notice thereof to Grantors at any time and from time to time during the Sublease Term, setting forth the parts of the System to be acquired by the District.

2. **ASSETS.** The assets that are subject to the Purchase Option comprise those parts of the System identified in the exercise of a Purchase Option, as they exist as of a date of Closing on an exercise of the Purchase Option (“Assets”).

3. **CLOSING DATE.** Subject to other provisions of this Exhibit B for extension, a closing on an exercise of the Purchase Option transaction described in this Exhibit B (the “Closing”) shall be held at the offices of the District, or such other location in Florida that may be designated by Grantors. The date of a Closing shall be specified by Grantors, but shall be no later than one hundred twenty (120) days after the date of an exercise of the Option, unless extended by agreement of the District and Grantors (the “Closing Date”).

4. **PURCHASE PRICE.** The purchase price (the “Purchase Price”) to be paid by the District to Grantors for the acquisition of the Assets shall be the same under the Purchase Option, and shall be calculated as described in Rider B-1 to this Exhibit B. The Purchase price shall be paid to Grantors, as applicable, in cash at Closing or in such other manner as may be agreed by the Parties, subject to prorations and adjustments as provided in this Agreement, to be delivered by wire transfer of federal funds.

5. **TITLE EVIDENCE.**

5.1 **Delivery.** Within six (6) business days after exercise of the Purchase Option, OTOW shall order an updated American Land Title Association (“ALTA”) marketability leasehold or fee, as applicable, title insurance commitment on the Plant Sites (the “Commitment”), and shall deliver the Commitment to the District within five (5) days of receipt of the Commitment. The leasehold or fee owner’s title policy premium and search costs are to be paid by the District at Closing. The Commitment is to be issued by a title insurer selected by Grantors reasonably acceptable to the District. Copies of all exceptions shall be provided to District. District and Grantors waive any legal conflicts and agree that Grantors’ counsel may act as an agent for the title insurer in conjunction with the issuance of the title insurance policy.

5.2 **Permitted Exceptions.** The Commitment shall show the applicable Grantors to be vested with good and marketable and insurable fee simple or leasehold title to the Plant Sites, insurable in an amount equal to the Purchase Price (or such lesser amount as may be designated by the Parties and acceptable to the title underwriter) in accordance with the standards adopted from time to time by The Florida Bar, free and clear of all liens, encumbrances, covenants, conditions, restrictions, and other matters affecting title, except the following (the “Permitted Exceptions”):

5.2.1 Ad valorem real estate taxes for the year prior to Closing and subsequent years (at Closing taxes are to be paid through the last full calendar year prior to Closing but payment of all taxes are the

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responsibility of the District, on and after Closing, and the District covenants to timely pay taxes each year, as applicable);

5.2.2 All applicable zoning ordinances and regulations;

5.2.3 Matters which are common to all or part of the development known as “On Top of the World (Central)” and/or the area serviced by the District;

5.2.4 Matters which do not unreasonably interfere with the “Use” as described in the Sublease provisions of the Agreement;

5.2.5 Matters created by, or with the approval of, the District; and

5.2.6 The Existing Exceptions.

6. **SURVEY.** Within the time period after exercise of the Purchase Option and the delivery of the Commitment, the District may, but is not required to, obtain, at the District’s expense, a survey (the “Survey”) of the Real Property. If the District elects not to obtain a survey, then those exceptions set forth on the Commitment related to survey matters shall be deemed to be Permitted Exceptions.

7. **TITLE DEFECTS.**

7.1 **Examination.** The District shall have thirty (30) days from receipt of the Commitment within which to examine the Commitment and the Survey (if obtained). If the District finds title to be inconsistent with Section 5 of this Agreement, the District shall, no later than the end of such thirty (30) day examination period, notify Grantors in writing specifying the title defect(s). If the District fails to give Grantors written notice of any title defect(s) before the expiration of such thirty (30) day period, the matters shown in the Commitment or Survey shall be deemed to be waived as title objections to closing this transaction and shall be deemed to be Permitted Exceptions.

7.2 **Cure.** If the District has given Grantors timely written notice of defect(s) and the defect(s) render the title other than as represented in this Agreement, Grantors, as applicable, shall use good faith efforts (which need not include the bringing of lawsuits or the payment of money for other than payments of debts duly incurred by Grantors) to cause such defects to be cured by the Closing Date. At any Party’s option, the Closing Date may be extended for a period not to exceed sixty (60) days for purposes of eliminating any title defects. In such event, the Sublease Term shall be extended accordingly.

7.3 **Remedy.** If Grantors do not eliminate such defects as of the Closing Date as the same may be extended under the preceding section, or if any new title defects appear from the date of the Commitment through the Closing Date, which Grantors do not eliminate as of the later of the Closing Date or sixty (60) days after due notice of the defect from the District, unless otherwise extended, the District shall have the option to:

7.3.1 Close and accept the title “as is”, without reduction in the Purchase Price and without claim against any Grantor for such title defects (except for any lien that can be removed by the payment of money or bonding, for which credit shall be given the District at the Closing); in such event the Closing shall take place ten (10) days after notice of such election, or on the Closing Date, whichever is later;

7.3.2 Extend the Closing Date for up to one hundred eighty (180) days, in which event the Sublease Term shall be extended accordingly and, if Grantors do not so cure such defects by the end of such 180 day period, the District shall close without reduction in the purchase price; or

7.3.3 Decline to Close, in which case the Purchase Option shall remain in full force and effect.

7.4 **Title to Lift Station Sites.** The District shall accept title to the Lift Station Sites “as is.”

8. **DEFAULT.**

8.1 **Default by Grantors.** If Grantors fail to perform any of the terms and conditions of this Agreement (other than failure or inability to cure title as described in Section 7.3) then the District's sole remedies, at the District's option, are to either:

8.1.1 Waive the default or failure and close "as is", without reduction in purchase price; or

8.1.2 Seek specific performance of Grantors' obligations under this Agreement.

8.2 **Default by the District.** In the event of the failure or refusal of the District to close this transaction, without fault on Grantors' part and without failure of title, Grantors jointly may elect to

8.2.1 Seek specific performance of the District's obligations under this Agreement; or

8.2.2 Make a claim for damages against the District; or

8.2.3 Exercise all other remedies available at law or in equity.

8.3 **Special Circumstances.** The Parties acknowledge and agree that because the District shall have been operating the System, because the operation of the System is of critical importance to Grantors both as a fee and leasehold owner and in connection with their marketing efforts as to property they own or control, and because of the complex nature of the transactions described and anticipated in the Agreement, including this Exhibit B, it is equitable and commercially reasonable for Grantors to have available to them the multiple remedies of damages (specified and unspecified), specific performance, receivership, entry and/or operation of the System and/or property, landlord remedies and other remedies in law and equity and pursuant to the Agreement, including all Exhibits to it.

8.4 **Default.** In the event of the default of any Party, each Party shall pay its own attorneys' fees and costs, including expert fees and court costs, through appellate proceedings.

9. **PRORATIONS.** The District shall have been in possession and control of the Assets prior to Closing and therefore real estate and personal property taxes, certified, confirmed, ratified and pending liens for governmental improvements or special assessments, insurance, rents, interest, cost and revenues and all other proratable items shall not be prorated but shall continue to be the responsibility of the District, pursuant to the terms of the Agreement. Rent payments due from District to Grantors under the terms of the Sublease shall be prorated to the date of Closing.

10. **CLOSING COSTS.** The District shall pay the recording costs and documentary stamps and surtax, if any, due on the deeds and any recorded assignment or other instruments of conveyance. The District shall pay the title insurance premium, search costs and survey costs. Except as stated in this Exhibit B, each Party shall bear its own costs of closing, including, but not limited to, attorneys' fees, engineering fees, accountants' fees, financing costs, underwriting costs, bond discount and underwriters fees, validation costs, fees and costs of bond counsel and validation counsel, credit enhancers' fees and escrow agent fees.

11. **CLOSING.**

11.1 **Grantors' Documents.** At each Closing, the applicable Grantors shall convey fee title to the Plant Sites by good and sufficient Special Warranty Deed, and the applicable Grantors shall convey title to the Lift Station Sites by quit-claim deed, and Grantors shall assign their interest in applicable Easements by Assignment of Easements, subject to the Permitted Exceptions. The applicable Grantors shall deliver a Bill of Sale without warranties, except warranty of title, as to the non-real estate Assets. Grantors, as applicable, shall also deliver to the District at the Closing:

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11.1.1 With respect to the Plant Sites only, a mechanic's lien affidavit as to matters caused by such Grantor (but not caused by the District), to the title insurer, in form acceptable to the title insurer to delete the standard exception relating to such liens in the District's title insurance policy;

11.1.2 With respect to the Plant Sites only, a gap affidavit sufficient for the title insurer to insure the gap as to matters caused by such Grantor (but not matters caused by the District);

11.1.3 With respect to the Plant Sites only, instruments necessary to resolve agreed upon title defects per Section 7 of this Exhibit B, if any;

11.1.4 Appropriate assignments of all Assets included in the transaction;

11.2 District Documents. The District shall provide Grantors at each Closing:

11.2.1. With respect to the Plant Sites only, a mechanic's lien affidavit as to matters caused by the District, to the title insurer in form acceptable to the title insurer to delete the standard exception relating to such liens in the District's title insurance policy;

11.2.2. With respect to the Plant Sites only, a gap affidavit sufficient for the title insurer to insure the gap as to matters caused by the District;

11.2.3 Appropriate assumptions of all Assets included in the transaction;

11.2.4 The Purchase Price, by wire transfer of federal funds.

11.3 Other Documents. Grantors and the District shall each execute a closing statement and such other documents as are reasonably necessary to consummate each applicable transaction.

12. NOTICES. Any notices required or permitted to be given under this Exhibit B shall be made as described in the Agreement.

13. RISK OF LOSS. The System shall have been in the control of the District and, therefore, the District shall bear all risk of loss to it whether by casualty, condemnation or otherwise. To the extent allowed by applicable law from time to time, the District holds harmless and indemnifies Grantors for all loss, costs, liabilities, including attorneys' and paralegals' and similar persons' fees and costs, whether litigation be brought or not, and for appellate and collection matters, arising from, growing out of or related to the District's use or possession or operation of the System.

14. RADON GAS NOTICE. Pursuant to Section 404.056(5), Florida Statutes, Grantors make, and the District acknowledges, the following notification:

RADON GAS: RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

15. ISSUANCE OF BONDS. In order to pay the purchase price in the event of an exercise of the Purchase Option, and all the costs and related items incident to the purchase, the District shall undertake the following:

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15.1 Acquisition Hearing. The District will comply with the requirements of Section 190.0125, Florida Statutes, with respect to each acquisition of Assets by the District in accordance with the terms of the Purchase Option.

15.2 Bond Validation Proceedings. In the event the District elects to issue revenue bonds to finance all or part of an acquisition of Assets ("**Revenue Bonds**"), then the District shall authorize a sufficient number of Revenue Bonds to fully fund the Purchase Price, all costs of the acquisition and all reasonably anticipated costs of the issuance of the Revenue Bonds, and upon the authorization of such Revenue Bonds, the District shall immediately commence validation proceedings to validate the Revenue Bonds authorized by the District, and shall prosecute that validation proceeding in good faith and with all deliberate speed to the issuance of a certificate of no appeal or to the conclusion of a final appellate proceeding favorable to the District. The District agrees that Grantors' counsel shall be entitled to intervene in the validation proceedings on behalf of Grantors, and that Grantors are an interested party in the validation proceedings. In the event that the District is unable to obtain the validation of the Revenue Bonds, the District may elect to withdraw its notice of Option to Purchase and not proceed with an acquisition.

15.3 Revenue Bonds Sold to Pay Purchase Price. Upon an exercise of the Purchase Option and within the time frame required for the purchase of the Assets by the District, in the event that District elects to issue Revenue Bonds to finance all or part of an acquisition of Assets, the District shall use its best efforts to sell a sufficient number of Revenue Bonds, validated pursuant to section 15.2, above, to enable Grantee to pay the entire purchase price for the Assets and all costs and related incidents to the purchase of the Assets and issuance of the Revenue Bonds by the District as set forth in this Exhibit B (the "**Sold Bonds**").

15.4 Rate Covenant. Upon an exercise of the Purchase Option, the District shall fix, establish, maintain, collect and revise from time to time whenever necessary, such fees, rates, rentals and other charges for the use of the products, services and facilities of the System, as necessary to meet all covenants of the District relating to or arising out of the issuance of the Revenue Bonds or any District bond resolutions, including, but not limited to, bond coverage requirements and funding requirements for any debt service, reserve account and renewal and replacement account (the "**Rate Covenant**").

15.5 Shortfall. In the event that the number of Revenue Bonds sold pursuant to section 15.3, above, is insufficient, together with other funds of the District, to pay to Grantors the entire purchase price for an acquisition of Assets, and all costs and related incidents to the purchase of the Assets by the District, the balance of the purchase price due to Grantors (the "**Shortfall**") shall be delivered to Grantors in Revenue Bonds from the District to Grantors, in such form, denominations and maturities as reasonably agreed to between the District and the Grantors (subject to limitations on interest rates as provided under Florida law), freely tradable by the Grantors, with the same bondholder pledges, security, rights and privileges as provided for the Revenue Bonds, and with such covenant protections as provided in any District bond resolutions (the "**Shortfall Bonds**"), provided that the lien of such Shortfall Bonds on the revenues of the Utility System shall be subordinate to the lien of the Sold Bonds on the revenues of the Utility System.

15.6 Partial exercise of Option/Lease Payment Subordination. In the event of an exercise of the Purchase Option for less than all of the System, the lien for Rent to Grantors for the remaining parts of the System not acquired by the District shall be subordinate to the lien of the Sold Bonds on the revenues of the Utility System. No late fees shall accrue for delay in paying Rent due to insufficient funds as a result of a subordination to the Sold Bonds.

RIDER B-1: PURCHASE PRICE FORMULA

Pursuant to the terms of **Exhibit B** of the Agreement, upon an exercise of a Purchase Option, the following formulas shall be applied in the following manner in order to calculate the purchase price of the Assets being acquired by the District pursuant to the option exercise ("**Purchase Price**"). The Parties' intent is for the Purchase Price calculation to equal, as closely as is practical, a determination of fair value of the Assets as if the Assets had been condemned by the District under Chapter 73, Florida Statutes.

Both the District and Grantors shall have the right, but not the obligation, each at its own cost and expense, to appoint a professional of its own choosing with experience in the valuation of water, sewer and reuse water assets in the State of Florida on one or more of the formulas set forth below (a "**Valuer**"). The Parties and the Valuers, within ten (10) days of appointment, shall meet and attempt to agree on the parameters for establishing the purchase price of the Assets utilizing one or more of the following valuation formulas, recognizing that for any particular acquisition of Assets, one or more of the valuation formulas may be more or less appropriate:

1. Reproduction cost, new, of the Assets, including CIAC, less depreciation, plus "going concern" value; or
2. Capitalization of the current and future earnings or income realized or to be realized by the utility facilities (which shall take into account CIAC and any and all utility facilities or properties of whatever nature, whether used and useful or not); or
3. A comparative sales study of utilities of like or comparable size, facilities and customers located in the State of Florida and through an "arms length" transaction, within five (5) years of the date of the exercise of the option set forth in the Agreement herein, including, but not limited to, sales to governmental and quasi-governmental entities; or
4. Calculation of the current leverage capacity of the Assets (i.e., the amount of debt, including coverage and other requirements customarily associated with the issuance of debt, tax exempt or otherwise, which the pro forma revenues of the Assets under ownership and operation by the District after closing would support) plus the future leverage capacity on a per capita basis for customers if, as and when added to the System (customarily referred to as "futures payments").

The Parties shall provide such information as is necessary to the Valuers in order for them to reach their valuation. In the event that the Valuers and the Parties are unable to agree on the purchase price of the Assets, as noted above, then the Valuers shall agree on an independent third Valuer, and a decision by the majority of all Valuers appointed shall be binding on all of the Parties. In the event that the Valuers cannot agree on such independent Valuer, then the Parties may seek the appointment of such Valuer through an expedited proceeding in the Circuit Court of Marion County, Florida.

After the Parties agree on a valuation as set forth above, the District shall hold a public hearing pursuant to Section 190.0125, Florida Statutes, to determine if the purchase is in the public interest. If the District determines the purchase is not in the public interest after holding said public interest hearing, the District may withdraw its notice of exercise of Purchase Option and not proceed with the acquisition.

EXHIBIT C

SUBLEASE AGREEMENT

This Sublease Agreement (sometimes referred to herein as the "Sublease" or "Sublease Agreement") sets forth additional terms and conditions pursuant to the terms of the Agreement to which this Exhibit C is attached.

Recitals

A. This Sublease Agreement is Exhibit C to the Agreement. The provisions of the Agreement are made a part of this Exhibit C, and the provisions of this Exhibit C are made a part of the Agreement. Capitalized terms not otherwise defined in this Sublease Agreement shall have the same meaning as in the Agreement.

B. On Top of the World Communities, Inc., a Florida corporation ("OTOW") holds certain fee title and other interests to and in the System. Sidney Colen & Associates, Ltd., a Florida limited partnership ("SCA") owns title to other parts of the System, and is the lessee of the System pursuant to the Ground Lease. All Grantors join in this Sublease and the Agreement to evidence their consent to the terms therein and to lease any interest they may have in the System to be subleased to Bay Laurel Center Community Development District, a local unit of special purpose government, created pursuant to Chapter 190, Florida Statutes (the "District").

C. Grantors desire to sublease the Subleased Property to District, and District desires to sublease the Subleased Property from Grantors, in accordance with the terms and conditions of this Sublease Agreement.

Terms

The Parties agree to the following provisions:

1. **RECITALS, DEFINITIONS.**

1.1 **Recitals.** The foregoing recitals are true and are made a part of this Sublease and the Agreement.

1.2 **Definitions.** Unless the context requires otherwise, the following capitalized terms used in this Sublease shall have the respective meanings set forth below.

1.2.1 **"Additional Rent"**: Such sums, charges, and expenses as are due under this Sublease from District to Grantors in addition to the Base Rent, as described in Section 4.

1.2.2 **"Base Rent"**: The basic monthly rent which is due under this Sublease from District to Grantors, as described in Section 4.

1.2.3 **"Commencement Date"**: June 29, 2004.

1.2.4 **"Community"**: The District service area, as revised from time to time.

1.2.5 **"District"**: Bay Laurel Center Community Development District.

1.2.6 **"Easements"**: The Easements described in the Agreement.

1.2.7 **"Easement Property"**: The real property on which the Easements are located, as described in the Agreement, or on which they may be located in the future.

1.2.8 **"Event of Default by District"**: Any event constituting an Event of Default by District under Section 16.1.

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1.2.9 **“Expiration Date”**: Thirty (30) years from the Commencement Date (June 28, 2034), unless sooner terminated or unless extended pursuant to Section 3.2 or extended by written agreement of Grantors and the District.

1.2.10 **“Hazardous Materials”**: Any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as defined under any Legal Requirements, including, without limitation, the following statutes and the regulations promulgated under their authority: (a) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.); (b) the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.); and (c) the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §§ 6901 et seq.).

1.2.11 **“Improvements”**: All buildings and improvements located on the Subleased Property, on the Commencement Date or in the future, whether constructed by or on behalf of the Grantors or the District.

1.2.12 **“Insurance”**: Such insurance policy or policies as are required to be obtained and maintained by District under this Sublease.

1.2.13 **“Legal Authority”**: Any domestic or foreign federal, state, county, municipal, or other government or governmental or quasi-governmental department, commission, board, bureau, court, agency, or instrumentality having jurisdiction or authority over Grantors, District, and/or all or any part of the Property.

1.2.14 **“Legal Requirement”**: Any law, statute, code, rule, regulation, ordinance, order, judgment, decree, writ, injunction, franchise, permit, certificate, license, authorization, registration, or other direction or requirement of any Legal Authority, which is now or in the future applicable to the Property, including those not within the present contemplation of the Parties.

1.2.15 **“Mortgage”**: Any mortgage, deed of trust, or similar instrument which at any time encumbers Grantors’ interest in this Sublease and/or the Subleased Property, or which encumbers the underlying fee interest in the Real Property, including any modification(s) or renewal(s) thereof.

1.2.16 **“Notice”**: A notice delivered in compliance with Section 24.6.

1.2.17 **“Place of Payment”**: The address to which all payments of Rent and any other payments due from District to Grantors under this Sublease shall be delivered, which address shall be the address for giving Notices to SCA, or such other address as Grantors may designate from time to time by giving Notice to District.

1.2.18 **“Real Property”**: The Real Property as described in the Agreement, which Real Property is subleased to District pursuant to this Sublease.

1.2.19 **“Rent”**: The Base Rent and the Additional Rent, payable in legal currency of the United States of America, by District to Grantors in accordance with the terms and conditions of this Sublease.

1.2.20 **“Restoration Work”**: Any work of demolition, restoration, repair, replacement, or rebuilding of the Subleased Property required to be performed as a result of condemnation by any Legal Authority or fire or other casualty during the Term.

1.2.21 **“Sublease”**: This Exhibit C, **“Sublease Agreement”**, including all riders to it.

1.2.22 **“Subleased Property”**: The Real Property, the Improvements, the Easements, and any other real or personal property, tangible or intangible, comprising the System, as defined in the Agreement.

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1.2.23 "**Sublease Year(s)**": The period from the Commencement Date through twelve (12) months from the Commencement Date, and each successive period of twelve (12) months during the Term.

1.2.24 "**Term**" or "**Sublease Term**": The term of this Sublease, as such term may be extended or shortened pursuant to the terms and conditions of this Sublease.

1.2.25 "**Unavoidable Delay**": With respect to any Party, any unavoidable delay which is caused by any of the following events, provided that the occurrence of such event is entirely beyond such Party's control (financial inability to make a payment is not an event beyond a Party's control): (a) an act of God; (b) an act of war or other military act initiated by a sovereign government, military power, invasion or sabotage; (c) a shortage of supplies or materials resulting from an embargo, rationing order, or similar action or order by a sovereign government, governmental regulations or controls; (d) a strike, lockout, or other substantial labor dispute; (e) a riot or other substantial civil disturbance; or (f) a fire, explosion, hurricane, flood, windstorm, or blockage of functional access to the Subleased Property not due to District's actions, or similar casualty or disaster.

1.2.26 "**Use**": The lawful use of the Subleased Property solely for the operation of the System.

2. **GRANT.**

2.1 **Sublease of Subleased Property.** Grantors sublease the Subleased Property to District, and District subleases the Subleased Property from Grantors, subject to the terms and conditions of this Sublease.

2.2 "**As Is**", "**Where Is**" **Condition.** District accepts the Subleased Property in "as is", "where is" condition. District acknowledges that Grantors makes no representation or warranty, express or implied in fact or by law, as to the condition of the Subleased Property.

3. **TERM, USE, QUIET ENJOYMENT.**

3.1 **Term.** The Term shall begin on the Commencement Date and end on the Expiration Date, unless sooner terminated pursuant to the terms and conditions of this Sublease.

3.2 **Extension of Term.** The Term may be extended for an additional thirty (30) years by notice given by either Party to the other, provided that no extension notice may be given at any time when the Party desiring to give notice is in default of any provision hereof.

3.3 **Use.** At all times during the Term, District shall use the Subleased Property for the Use and for no other use or purpose, subject to the provisions of this Sublease.

3.4 **Covenant of Quiet Enjoyment.** Grantors covenants that, except as otherwise provided in this Sublease, District's quiet enjoyment of the Subleased Property at all times during the Term shall not be disturbed by any act of Grantors, or of anyone acting by, through, or under Grantors, so long as (a) no Event of Default by District shall have occurred, and (b) District shall have fully performed all of the terms and conditions of this Sublease.

3.5 **Business Conduct.** Except as otherwise consented to in writing by Grantors, throughout the Term, the District shall:

3.5.1 operate the System in, and only in, the usual, regular and ordinary course of the utility business and shall comply with all applicable governmental requirements and law;

3.5.2 maintain all of the Subleased Property in good repair, order and condition, except for depletion, depreciation, ordinary wear and tear and damage by unavoidable casualty;

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3.5.3 renew, replace and expand the System in the usual, regular and ordinary course of the utility business in order to meet the continual need for utility service within the Community, subject to the provisions of Section 7.2 below;

3.5.4 keep in full force and effect insurance comparable in amount and scope of coverage to insurance now carried by it for the System, subject to the provisions of Section 10 below;

3.5.5 perform in all material respects all of its obligations under agreements, contracts and instruments relating to or affecting the System and its operation, maintenance, repair, replacement, renewal and expansion;

3.5.6 subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, if applicable as a matter of law, or any administrative judicial procedures, proceedings or orders applicable to particular permits, comply in all material respect with all statutes, laws, ordinances, rules, permits and regulations applicable to it and to the operation of the System;

3.5.7 promptly advise Grantors, in writing, of any material change which adversely affects the System or its operation, maintenance, repair, replacement, renewal and expansion ;

3.5.8 subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, if applicable as a matter of law, or any administrative or judicial procedures, proceedings or orders applicable to particular Permits, comply with all Permit requirements and obtain all necessary Permit extensions, renewals, amendments or transfers such that said Permits are valid throughout the Term;

3.5.9 subject to available administrative remedies pursuant to Chapter 120, Florida Statutes, if applicable as a matter of law, or any administrative or judicial procedures, proceedings or orders applicable to it and to operation of the System, establish and amend from time to time utility rates, fees and charges at such levels as are necessary to prudently comply with all operation, maintenance, renewal, replacement, expansion, management and financial requirements of the System, and to comply with the requirements of the Agreement and this Sublease.

3.6 **No Encumbrances.** Throughout the Term, the District shall not, without the prior written consent of Grantors, which consent shall not be unreasonably withheld, delayed or conditioned, dispose of or encumber all or any part of the System (other than ordinary course of operations with substitution of personal property, which do not require consent).

3.7 **No Competing Systems.** During the Term, the District shall not own, operate, lease, manage, or acquire any utility system or utility assets other than the System nor shall the District permit any other competing utility system within the Community without the prior written consent of Grantors, which consent shall not be unreasonably withheld, provided the intent of this provision to maintain the integrity of service to the Community and prevent a competing utility system from operating within the Community.

3.8 **Absence of Changes.** After the Commencement Date, the District shall not acquire or dispose of any of the System's assets or properties of material value in excess of Five Thousand and No/100 Dollars (\$5,000) except in the ordinary course of business and except with Grantors' consent, which shall not be unreasonably withheld, delayed or conditioned;

4. **RENT.**

4.1 **Rent Payments.** District shall pay the Rent to Grantors, when due, without notice or demand, at the Place of Payment, as follows:

4.1.1 the Base Rent shall be calculated as described in Rider C-1; and

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4.1.2 any Additional Rent shall be due at the time provided for by this Sublease for payment of such Additional Rent, but in no event later than the first day of the month after the month in which such Additional Rent shall accrue.

4.2 **Sales Tax.** Together with each payment of Rent or other sum on which such tax may be due, District shall pay to Grantors at the Place of Payment a sum equal to any applicable sales tax, use tax, tax on rents, and any other charges, taxes, and/or impositions now in existence or subsequently imposed based upon the privilege of renting the Subleased Property or upon the amount of rent collected, if any. District's liability for such taxes and/or impositions shall be payable whether assessed at the time the Rent payment is made or retroactively, and shall survive the termination or expiration of this Sublease. Grantors acknowledges that District may qualify for an exemption from such tax pursuant to Section 212.07(6), Florida Statutes; Grantor agrees not to collect such tax, in accord with the statute, if District provides an appropriate Consumer's Certificate of Exemption and any other documentation that may be required pursuant to the statutes or applicable regulations.

4.3 **Late Charge.** If a Rent payment is not received within five days after its due date, a late charge of Five Hundred and No/100 Dollars (\$500.00) shall become immediately due and payable from District to Grantors, without notice or demand, at the Place of Payment. This provision for a late charge is not, and shall not be deemed, a grace period. Such late charge is not a penalty, but liquidated damages to defray administrative, collection, and related expenses due to District's failure to make such Rent payment when due. An additional late charge shall become immediately due and payable on the first day of each month for which all or a portion of a Rent payment (together with any late charge) remains unpaid.

4.4 **Security Deposit.** Grantors temporarily waive a security deposit under the Sublease. However, if District should default under the Sublease or the Agreement, then Grantors may require that District deposit with Grantors a security deposit in an amount equal to the Base Rent for the next ensuing two (2) months or the Term (the "Security Deposit"). Such Security Deposit would be subject to the following provisions:

4.4.1 In the event that District defaults in the performance and observance of any of the terms and conditions of this Sublease, including the payment of any Rent, Grantors may use, apply, or retain all or any part of the security deposit to the extent required for the payment of any rent or any other sum as to which District is in default or for any sum which Grantors may expend or may be required to expend by reason of District's default, including any damages or deficiency in the re-letting of the Subleased Property, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Grantors. In the case of every such use, application, or retention of any such sum, District shall, on demand, pay to Grantors the sum so used, applied, or retained. Such sum shall be added to the Security Deposit so that the Security Deposit shall be restored to its original amount.

4.4.2 In the event that District shall fully and faithfully comply with all of the terms and conditions of this Sublease, the Security Deposit shall be returned to District no later than thirty (30) days after the expiration of the Term and delivery of exclusive possession of the Subleased Property to Grantors. If Grantors determines that all or part of the Security Deposit should not be returned, it shall so notify District, with description of reasons therefor.

4.4.3 Grantors shall not be obligated to pay District any interest on the Security Deposit.

4.4.4 In the event that Grantors transfer or assign Grantors' interest under this Sublease, Grantors shall have the right to transfer the Security Deposit to the transferee or assignee. Upon such transfer, Grantors shall be released by District from all liability for the return of the Security Deposit, and District shall look solely to the new landlord for the return of the Security Deposit. This provision shall apply to every transfer or assignment of the Security Deposit to a new landlord.

4.4.5 District shall not transfer, assign, or encumber, or attempt to transfer, assign, or encumber the moneys deposited as security. Grantors shall not be bound by any such actual or attempted transfer, assignment, or encumbrance.

4.5 **No Offset.** District acknowledges that the Rent payments shall be made by District to Grantors without any claim on the part of District for diminution, setoff, or abatement. Nothing shall suspend, abate, or reduce any Rent, unless otherwise specifically provided for in this Sublease.

5. **SERVICES.**

5.1 **District Obligations.** District is aware of all services, such as electricity, available to the Subleased Property, and shall be solely responsible for provision of and payment for cost of such services to the Subleased Property.

5.2 **Security.** District acknowledges that Grantors shall not and do not have any responsibility for the security of District's officers, personnel, agents, employees, servants, licensees, invitees, guests, patrons, customers, and all others who come on or about the Subleased Property related to District or District's Use or otherwise.

6. **LEGAL REQUIREMENTS; OPERATIONS.**

6.1 **Legal Requirements.** At all times during the Term, District shall, at District's own cost and expense, fully perform and comply with all Legal Requirements, whether or not they shall necessitate ordinary or extraordinary structural changes, improvements, replacements, or repairs to the Subleased Property, or cause any interference with the Use.

6.2 **Danger or Nuisance.** At all times during the Term, District shall not do, permit, or suffer to be done any act, or cause, permit, or suffer to exist any condition, upon the Subleased Property, which may (a) be dangerous, unless safeguarded as provided for by Legal Requirements; (b) constitute a public or private nuisance, or (c) make any Insurance void or voidable or cause any increase in Insurance premiums.

6.3 **Hazardous Materials.** District shall:

6.3.1 neither cause nor permit the Subleased Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process Hazardous Materials, except as used in the ordinary course of operation and maintenance of the System, to the extent they are stored and used in compliance with all Legal Requirements;

6.3.2 neither cause nor permit a release or threatened release of Hazardous Materials onto the Subleased Property or any other property as a result of any intentional or unintentional act or omission on the part of District;

6.3.3 comply with all applicable Legal Requirements related to Hazardous Materials;

6.3.4 conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions on, from, or affecting the Subleased Property in accordance with such applicable Legal Requirements;

6.3.5 upon the expiration or termination of this Sublease, deliver the Subleased Property to Grantors free of all Hazardous Materials that have been brought on the Subleased Property after the Commencement Date; and

6.3.6 to the extent allowed by applicable law from time to time, defend, indemnify, and hold harmless Grantors and Grantors' employees, officers, legal representatives and other agents from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of any kind or nature, known or unknown, contingent or otherwise (including, without limitation, accountants' and attorneys' fees (including fees for the services of paralegals and similar persons), consultant fees, investigation and laboratory fees, court costs, and litigation expenses at the trial and all appellate levels), arising out of, or in any way related to (a) the

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presence, disposal, release, or threatened release, by or caused by District or its agents, or by their use of the Subleased Property, of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (b) any personal injury, including wrongful death, or damage to property, real or personal, arising out of or related to such Hazardous Materials; (c) any lawsuit brought, threatened, or settled by Legal Authorities or other parties, or order by Legal Authorities, related to such Hazardous Materials; and/or (d) any violation of Legal Requirements related in any way to such Hazardous Materials. The provisions of this Section 6 shall survive the expiration or termination of this Sublease.

7. MAINTENANCE; ALTERATIONS; SIGNAGE.

7.1 Operation and Maintenance.

7.1.1 District shall, at District's own expense, keep the Subleased Property in first class repair and continuous, uninterrupted operating condition during the Term. District shall not allow any unpleasant odors (other than those which are necessary to the ordinary, first class operation of the System) on or about the Subleased Property. District shall not interrupt the operations of the System at any time. District acknowledges that it is solely responsible for all operation and maintenance of the Subleased Property and shall use it in accordance with the Agreement, including any operating agreements with any of the Grantors, in a manner which will keep it in first class condition for its intended Use.

7.1.2 District shall give Grantors prompt Notice of any and all damage to or defects in the Subleased Property, which District shall immediately and fully repair.

7.1.3 If District fails to immediately begin to eliminate unpleasant odors or any deficiency in operation of the Subleased Property, and to diligently continue to correct such situation within five (5) days from first notice (or such sooner period of time as may be necessary in the event of an emergency) to proceed with due diligence to make repairs required to be made by District, the same may be made by Grantors, at the expense of District, and the expenses thereof incurred by Grantors shall be collectible by Grantors as Additional Rent after rendition of a bill or statement therefor. Grantors are not and shall not be required to make any improvements to or repairs of any kind or character on or to the Subleased Property during the Term.

7.2 **Alterations.** The provisions in the Subleased Property Alteration Protocol set forth in Rider C-2 to this Sublease Agreement are incorporated into and made a part of the Sublease.

7.3 **Placement of Signs.** District shall not, at any time during the Term, place and/or install, or cause to be placed and/or installed, any sign upon any part of the Subleased Property unless (a) District shall have obtained Grantors' prior written consent, which may be granted or withheld in Grantors' sole discretion, (b) the sign and its placement and/or installation are in full compliance at all times with all Legal Requirements, and (c) District shall bear all costs and expenses related to the sign and its placement and/or installation.

7.4 **Removal of Signs.** Any sign upon the Subleased Property which District has placed and/or installed, or caused to be placed and/or installed, shall be immediately removed at District's expense if such sign (a) has not been placed and/or installed upon the Subleased Property in the manner required by this Sublease Agreement, or (b) fails at any time during the Term to be in compliance with any Legal Requirements. Unless Grantors otherwise directs District, District shall, in any event, remove any such sign at District's expense upon the expiration of the Term. If District shall fail to remove any sign in the manner required by this Section, Grantors may give Notice to District of such failure. If such failure shall continue for five days after such Notice, then Grantors, in addition to any other rights and remedies which are available to Grantors, shall have the right, but not the obligation, to remove such sign at District's expense and to give Notice to District setting forth the costs of such removal. Upon receiving such Notice, District shall immediately pay to Grantors, as Additional Rent, full reimbursement for all such costs. The provisions of this Section shall survive the expiration or termination of this Sublease.

8. **CONTROL OF EASEMENT PROPERTY.**

8.1 **Grantors' Control.** The Basements are non-exclusive and Grantor has and may grant to other persons or entities rights to use the Easement Property. The District shall utilize the Easements and use the Easement Property in a manner which will not interfere with the use by Grantors or other parties, and shall follow Grantors' directives in regard to the use of the Easement Property.

8.2 **Sublease; Operating Agreements.** District shall abide by all provisions of The Ground Lease and agreements related thereto. To the extent the Subleased Property is subject to certain obligations (e.g., insurance requirements) pursuant to the Ground Lease, District shall comply with and fulfill such requirements.

9. **IMPOSITIONS, UTILITIES.**

9.1 **Impositions on Subleased Property and District Personalty.** At District's own cost and expense, District shall bear, pay, and discharge, when and as due, all taxes and assessments validly assessed against the Subleased Property and personal property in or on the Subleased Property (if applicable, as shown in District's personal property tax bill), all sales, payroll and similar taxes; District shall pay all such taxes and assessments in time to avoid interest or penalty for late payment. Furthermore, if discounts for early payment of any taxes and assessments are available, District shall pay such taxes and assessments in time to obtain the maximum discounts available. District shall pay all interest and penalties imposed upon the late payment of any taxes and assessments which District is obligated to pay under this Sublease. If District shall fail to pay any such taxes and assessments before a penalty would accrue, then Grantors may pay such taxes and assessments with all interest and penalties lawfully imposed upon late payment. The amounts so paid by Grantors shall be immediately due and payable by District to Grantors as Additional Rent.

9.2 **Utilities.** District shall be responsible for obtaining and shall pay all charges relating to utilities for the Subleased Property, including those for drainage, water, sewer, electricity, power, gas, heating, lighting, telephones, and other electronic communications (if any).

9.3 **Assignment upon Default.** From and after the occurrence and during the continuation of an Event of Default by District under this Sublease, or the occurrence of any other event which would give Grantors the right to terminate this Sublease, all right, title, and interest of District in and to all refunds or rebates of impositions and/or utility fees and charges, whether paid or to be paid, are assigned to Grantors. This provision shall be self-operating, and no further documentation shall be necessary now or in the future to evidence or to confirm such assignment.

10. **INSURANCE.**

10.1 **Required Insurance.** District shall, at District's own cost and expense, obtain and maintain at all times during the Term the following types of Insurance:

10.1.1 District shall maintain commercial general liability insurance, including, without limitation, builder's risk, protecting against loss of life, bodily injury and property damages, any and all liability occasioned by negligence, occurrence, accident, or disaster with respect to the Subleased Property and District's operations thereon, with such insurable limits as Grantors may from time to time require, but in no event less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage liability on an occurrence basis with a Ten Million and No/100 Dollars (\$10,000,000.00) aggregate.

10.1.2 District shall maintain hazard insurance, protecting with extended coverage and broad form coverage against loss or damage to the Subleased Property by fire, lightning, windstorm, hail, flood, explosion, hurricane, riot, civil commotion, vehicles, aircraft, smoke, war damage (when available), falling objects, collapse, sudden tearing asunder, breakage of glass, freezing, electricity, sprinkler damage, water damage, earthquake, vandalism, malicious mischief, and such other insurable risks, casualties, and hazards as Grantors may from time to time specify, in an amount not less than the full replacement value of the Subleased Property, without

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deduction for depreciation. Such full replacement value shall be determined, at District's expense, at annual intervals, by one or more of the insurers, or by an architect, contractor, appraiser, or appraisal company selected by District and acceptable to Grantors in Grantors' sole discretion. All proceeds from hazard insurance shall be applied to the cost of any Restoration Work with respect to the damage which occasioned the payment of such proceeds.

10.1.3 If obtainable, District shall maintain business interruption insurance covering against loss of income, by reason of any damage to or destruction of all or any part of the Subleased Property. Such insurance shall be in amounts satisfactory to Grantors, but in no event less than the amount of the Rent. Any business interruption insurance proceeds received by Grantors shall be applied by Grantors to Rent payments. Such application shall not relieve District of District's obligation to make Rent payments when due if rent insurance proceeds held by Grantors are insufficient to pay the Rent payments, or for any reason such rent insurance proceeds are not actually applied by Grantors to the payment of such amounts but are rather applied to other amounts due from District to Grantors. If and when District shall complete all Restoration Work occasioned by such damage or destruction, and shall not be then in default under this Sublease, then any balance of business interruption insurance proceeds then held by Grantors shall be paid over to District.

10.1.4 District shall maintain such workers' compensation insurance, employer's liability insurance, and other insurance as may be required from time to time by Legal Requirements.

10.1.5 District shall keep equipment furnished and installed by District or Grantors in the Subleased Property, including, but not limited to, all items on which Grantors has a lien under the terms of this Sublease, by statute, in law or in equity, insured against loss or damage by fire or other casualty, with fire and extended coverage insurance in an amount equal to not less than one hundred percent (100%) of the full replacement value of such items, written by one or more responsible insurance companies acceptable to Grantors and licensed to do business in the State of Florida, naming District as the insured, and Grantors as additional insured and certificate holder. Each such policy shall contain a replacement cost endorsement (if Grantors determine that the policy does not otherwise adequately insure for full replacement cost). If District's premium for such insurance increases by one-third (1/3) or more in any year, Grantors shall work with District to determine if any property may be exempted from such insurance coverage.

10.1.6 District shall maintain such other insurance coverage required by any Legal Authority to permit District to operate its business from the Subleased Property consistent with the Use in accordance with Legal Requirements.

10.2 Delivery. Certificates (and, if Grantors request, policies) of all Insurance, together with receipts showing payment of the premiums, shall be delivered to, and left in the possession of, Grantors. All such initial Insurance shall be delivered to Grantors on or before the Commencement Date. All renewals of Insurance shall be delivered to Grantors not less than thirty (30) days before the expiration date of the Insurance then in effect.

10.3 Form and Substance. All Insurance shall (a) be in such form and substance, in such amounts, and with such company or companies licensed to do business in the State of Florida as are reasonable and satisfactory to Grantors; (b) name as insureds Grantors, District, and any holders of Mortgages; (c) include a mortgagee clause in standard form if there are any such holders of Mortgages; (d) require notice of any cancellation or change to be sent to Grantors at least thirty (30) days before such cancellation or change; and (e) provide that the loss, if any, shall be payable to Grantors.

10.4 Insurance Obtained by Grantors. If, at any time or times during the Term, District shall neglect or fail to obtain, deliver to Grantors, and maintain in full force and effect any Insurance, Grantors:

10.4.1 may effect such Insurance as the agent of District by taking out a policy or policies issued by a company or companies satisfactory to Grantors; the amount of the premium or premiums paid for such Insurance by Grantors shall be immediately due from District to Grantors as Additional Rent upon demand; and

10.4.2 shall not be limited, in the proof of any damages which Grantors may claim against District arising out of or by reason of such neglect or failure, to the amount of the premium or premiums not paid or incurred by District which would have been payable upon such Insurance, but shall also be entitled to recover as damages for such breach, the uninsured amount of any loss, liability, damage, claim, cost, and expense of suit, judgment, and interest suffered or incurred by Grantors.

10.5 Assignment upon Default. From and after the occurrence of an Event of Default by District, or the occurrence of any other event which would give Grantors the right to terminate this Sublease, all right, title, and interest of District in and to any Insurance, including any premium for and dividends upon such Insurance, are assigned to Grantors. This provision shall be self-operating, and no further documentation shall be necessary now or in the future to evidence or to confirm such assignment.

10.6 Waiver of Subrogation. Grantors and District waive any and all rights of recovery against each other for or arising out of damage to or destruction of any of their property from causes then included under standard fire and extended coverage insurance policies or endorsements under their respective insurance policies. Each will obtain a waiver from its carrier on the Subleased Property releasing such carrier's subrogation rights as against the other. Each Party waives any and all rights of recovery against the other for or arising out of damage to or destruction of any of its property from causes then included under standard fire and extended coverage insurance policies or endorsements under their respective insurance policies, and each will obtain a waiver from its insurance carrier releasing such carrier's subrogation rights as against the other.

11. INDEMNIFICATION.

11.1 Indemnification. To the extent allowed by applicable law from time to time, District shall indemnify and save harmless Grantors and Grantors' officers, employees, other agents, and contractors from and against any liability, loss, damages, expenses, costs of action, suits, interest, fines, penalties, claims, and judgments arising out of (a) any injury or claim of injury during the Term to person or property of any nature, and any matter or thing, related to or connected with the Use and any other use, occupation, possession, management, operation, control, improvement, repair, maintenance, demolition, restoration, replacement, or rebuilding of all of any part of the Subleased Property; (b) District's failure to comply fully and promptly with all Legal Requirements; and/or (c) District's failure to perform fully and promptly all of the terms and conditions of this Sublease. District, at District's own cost and expense, shall (a) defend by counsel satisfactory to Grantors, any suits or actions that may be brought, and claims which may be made, against Grantors, or in which Grantors may be impleaded or named a third-party defendant, whether or not Grantors shall be liable upon any such liability, loss, damages, expenses, costs of action, suits, interest, fines, penalties, claims, and judgments, and (b) satisfy, pay, and discharge any judgments which may be recovered against Grantors in any such suits or actions, or any suits or actions which may be filed against all or any part of the Subleased Property or any interest in the Subleased Property.

11.2 Payment by Grantors. In the event of District's failure to pay the sum or sums for which District shall become liable under this Section, Grantors may pay such sum or sums, with all interest and charges which may have accrued on such sum or sums. The amounts so paid by Grantors shall be immediately due from District to Grantors as Additional Rent upon demand.

12. CONSTRUCTION LIENS.

12.1 No Liens against Grantors' Interest. Grantors' interest in the Subleased Property shall not be subject to construction, mechanic's or other liens for improvements made by District. No act or omission of District shall give any person or entity the right to file a construction, mechanics' or other lien against such interest without Grantors (or, as applicable, its lessors) prior written consent. Grantors shall not be liable for any work performed or to be performed on, or for any materials furnished or to be furnished at, the Subleased Property for District or any subtenant, and no construction, mechanic's or other lien for such work or materials shall attach to the reversionary or other interest of Grantors, or its lessors, in the Subleased Property.

12.2 Discharge. If, in connection with any work being performed for District or any subtenant, or in connection with any materials being furnished to District or any subtenant, any construction,

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mechanic's or other lien or charge shall be filed or made against all or any part of the Subleased Property, or if any such lien or charge shall be filed or made against Grantors' interest in the Subleased Property, then District, at District's cost and expense, shall (a) within ten (10) days after such lien or charge shall have been filed or made, cause such lien or charge to be cancelled and discharged of record by payment, filing of a bond, or otherwise; (b) defend any action, suit, or proceeding which may be brought for the enforcement of such lien or charge; (c) pay any damages, costs, and expenses, including attorneys' fees, suffered or incurred by Grantors in connection with such action, suit, or proceeding; and (d) satisfy and discharge any judgment entered in action, suit, or proceeding within ten days from the entering of such judgment by payment, filing of a bond, or otherwise. District will execute a recordable instrument, prepared by District, reflecting the provisions of this Section.

12.3 Payment by Grantors. In the event of District's failure to discharge any lien, charge, or judgment as required by this Section, Grantors may pay such items or discharge such liability by payment and/or bond. Such amounts as are so paid by Grantors, together with any incidental expenses, including attorneys' fees, shall be immediately due from District to Grantors as Additional Rent upon demand.

12.4 Notification to Contractors. District shall notify any contractor making any improvements upon the Subleased Property of the provisions of this Section before such contractor commences to make such improvements, and shall otherwise comply in all respects with Section 713.10, Florida Statutes, as amended or substituted from time to time.

13. CONDEMNATION.

13.1 Entire Condemnation. If at any time during the Term any part of the Subleased Property shall be taken in the exercise of the power of eminent domain by any Legal Authority (including purchase in lieu of condemnation), then this Sublease shall terminate as to that portion of the Subleased Property only.

13.2 Awards. Grantors shall be paid the awards, including interest, for any taking (including any Improvements made by the District) described in this Section 13; however, the actual cost of any Improvements constructed by the District which are the subject of a condemnation action shall be equitably apportioned between the District and the Grantors as their interests may appear. District shall have the right to pursue District's own separate awards for loss of business and for loss of District's leasehold interest, and other matters, so long as Grantors' awards are not reduced in any way as a result of such actions by District.

13.3 Temporary Taking. If the use of all or any part of the Subleased Property shall be temporarily taken at any time during the Term in the exercise of the power of eminent domain by any Legal Authority, the Term shall not be reduced or affected in any way, and District shall continue to pay in full and when due the Rent and other sums and charges required to be paid by District to Grantors under this Sublease. In such event, Grantors shall be paid the award for any such taking, and shall pay to District that portion of such award paid for the use and occupancy of the Subleased Property prior to the expiration or other termination of the Term, less such amount as Grantors may elect to retain as a setoff for any unpaid Rent or other sum, fee, charge, cost, or expense payable by District to Grantors under this Sublease. Grantors may retain any portion of such award paid for the use and occupancy of the Subleased Property following the expiration or other termination of this Sublease. Grantors shall cooperate with District, at no cost to Grantors, in the making of claims for District's losses related to such taking.

14. RESTORATION AFTER CONDEMNATION OR DAMAGE.

14.1 Restoration Work. District shall complete all Restoration Work which becomes necessary at any time during the Term to restore the Subleased Property to its original condition at the beginning of the Term. Whenever District shall be required under this Sublease to carry out any Restoration Work, Grantors shall be entitled to receive any applicable Insurance proceeds and condemnation award in trust. Grantors may apply all or any portion of such proceeds to cure an Event of Default by District, and shall otherwise disburse such proceeds or awards to District for reimbursement for the costs and expenses of such Restoration Work.

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14.2 Prior Approval. With respect to any Restoration Work, District shall (a) obtain Grantors' prior written approval of District's construction plans, budget, and schedule; (b) provide Grantors with true and complete certified copies of all permits and authorizations from Legal Authorities necessary to complete such Restoration Work; (c) provide Grantors with evidence, satisfactory to Grantors, that District has sufficient insurance coverages and funds earmarked to complete such Restoration Work; (d) provide Grantors with evidence, satisfactory to Grantors, of payment and performance bonds; and (e) proceed in accordance with all other reasonable requirements of Grantors.

14.3 District Completion of Restoration Work. District shall carry out any Restoration Work in accordance with the plans approved by Grantors and in compliance with all Legal Requirements and all of the terms and conditions of this Sublease. Accordingly, District shall (a) diligently obtain all permits and authorizations from Legal Authorities necessary for the Restoration Work at the earliest possible date; (b) commence the Restoration Work at the earliest possible date; and (c) thereafter, in a diligent and continuous manner, and in accordance with the construction schedule which has been approved by Grantors, prosecute the Restoration Work to completion at the earliest possible date.

14.4 Grantors Completion of Restoration Work. If District shall fail or neglect at any time to supply sufficient workers or sufficient materials of proper quality, or fail in any other respect to prosecute any Restoration Work in a diligent and continuous manner, then Grantors may give Notice to District of such failure or neglect. If such failure or neglect continues for five (5) days after such Notice, then Grantors, in addition to all other rights which Grantors may have, shall have the right, but not the obligation, to do any or all of the following as Grantors deems necessary to complete such Restoration Work: (a) declare a default by District under this Sublease; (b) enter upon the Subleased Property; (c) provide, or cause to be provided, labor and/or materials upon the Subleased Property; (d) perform, or cause to be performed, any contract; and (e) do, or cause to be done, such other acts and things as Grantors may deem advisable.

14.5 Reimbursement for Grantors Work. Grantors shall be entitled to reimbursement, out of any Insurance proceeds, condemnation awards, and any other monies held by Grantors for application to the cost of Restoration Work, for all costs and expenses incurred by Grantors in completing any Restoration Work pursuant to this Section. All such costs and expenses for which Grantors are not so reimbursed shall be borne by District, in addition to any or all damages to which Grantors shall be entitled under this Sublease. Upon Grantors' demand, which may be made from time to time as such costs and expenses are incurred, District shall pay for such costs and expenses as Additional Rent.

15. ASSIGNMENT, SUBLETTING.

15.1 Assignments and Subletting by District. Without Grantors' prior written consent, which may be withheld by Grantors in their sole, absolute and unfettered discretion, whether or not the withholding of such consent is arbitrary, District shall not in any manner make, or permit or suffer to occur, any assignment, sublease or occupancy arrangement, conveyance, transfer, conditional or collateral assignment, pledge, hypothecation, or other encumbrance, whether by operation of law or otherwise, of this Sublease or any interest in this Sublease. Any change in ownership interests or structure of District shall be deemed an assignment. Any of the foregoing done without Grantors' prior written consent shall be void.

15.2 No Other Business. Without Grantors' prior written consent, which may be granted or withheld in Grantors' reasonable discretion, District shall not in any manner permit or suffer to occur at any time during the Term the operation of any business or service at or upon the Subleased Property by any person or entity other than District.

15.3 No Discharge of District's Liability. No acceptance by Grantors of any performance by any permitted or unpermitted subtenant, assignee, or transferee of District, or any other person or entity other than District of any of District's obligations under this Sublease, including the payment of Rent, shall discharge District, or any other person or entity liable for the performance of District's obligations under this Sublease, from liability for the performance of such obligations, except to the extent of the performance so accepted by Grantors.

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15.4 No Waiver of Further Consent. Consent by Grantors to any assignment or sublease or occupancy shall not be deemed or construed to relieve any permitted assignee, subtenant, or transferee of District from obtaining the prior written consent of Grantors to any further assignment or sublease.

15.5 Expiration of Consent. If Grantors elect to consent to a proposed assignment or sublease or occupancy, District shall deliver to Grantors the fully executed assignment or sublease to which Grantors has consented within sixty (60) days after the giving of such consent. If District fails to do so, then at Grantors' sole option, such consent shall expire without the need for further documentation, and District shall thereafter be obligated to comply again with all of the procedures set forth in this Section before making any assignment or sublease.

15.6 Refusal to Consent. If Grantors refuse to consent to a proposed assignment or sublease, this Sublease shall continue in full force and effect for the remainder of the Term, unless sooner terminated pursuant to the terms and conditions of this Sublease.

15.7 Assignment by Grantors. Grantors and any assignee of Grantors may freely assign this Sublease or any interest in this Sublease. In the event of such assignment, District shall attorn to the assignee and, from the effective date of such assignment, Grantors or any subsequent assignor of this Sublease shall have no further liability or obligation under this Sublease.

15.8 Conveyance of Title. Except as otherwise expressly provided for by this Sublease, in the event of any good faith conveyance or other good faith divestiture of Grantors' title in and to the Subleased Property, (a) the entity which is otherwise divested of such title, shall be entirely freed and relieved of all of the terms and conditions of this Sublease; (b) the grantee, or the person or entity which otherwise succeeds to such title, shall be deemed to have assumed the obligations of Grantors under this Sublease from and after the date of conveyance; (c) until the next conveyance or divestiture of such title, District shall look solely to such grantee or successor for the observance and performance of the obligations so assumed by such grantee or successor; and (d) District shall attorn to such grantee or successor.

15.9 Attornment by Subtenants. In the event of a termination of this Sublease, any subtenant of the Subleased Property shall attorn to the owner of the reversion, unless such owner shall, at such owner's option, elect to dispossess such subtenant or otherwise terminate the sublease held by such subtenant. Each subtenant which in the future subleases the Subleased Property shall be deemed to have agreed to the provisions of this Section. To confirm such agreement by the subtenant, District covenants that each sublease of the Subleased Property executed in the future shall contain a clause expressly providing that the subtenant under such sublease shall attorn to the owner of the reversion, upon request, in the event of a termination of this Sublease, but the absence of such a clause from any sublease shall not relieve the subtenant from the provisions of this Section.

15.10 Assignment of Rents. District assigns to Grantors the right, following and during the continuance of an Event of Default by District, to collect from all subtenants or other occupants all rents and other sums payable by them, and to apply the same to the Rent and all other sums payable by District under this Sublease. Any balance shall be paid over to District. No exercise by Grantors of rights under this Section shall be deemed (a) a waiver by Grantors of any other rights under this Sublease; (b) an acceptance by Grantors of such subtenant; (c) an acquiescence by Grantors to the occupancy of any part of the Subleased Property by such subtenant; or (d) a release of District from the performance of any of the obligations of District under this Sublease.

16. DEFAULT, REMEDIES.

16.1 Default. The occurrence of any of the following during the Term shall constitute an Event of Default by District:

16.1.1 District shall fail to pay within five (5) days of when they become due all or any portion of any Rent;

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16.1.2 District shall, other than in the manner permitted under this Sublease, make or permit or suffer to occur any assignment (including any transfer of interest in District which is deemed to be an assignment under this Sublease), sublease or occupancy arrangement, conveyance, transfer, conditional or collateral assignment, pledge, hypothecation, or other encumbrance, whether by operation of law or otherwise, of this Sublease or any interest in this Sublease;

16.1.3 District shall not have immediately begun to cure any default in its operation of the Property which affects service to the Community for the Use, and shall not have cured such default to Grantors' satisfaction, within five (5) days of notice from Grantors or such sooner time as may be necessary in the event of emergency;

16.1.4 District shall not have immediately relieved any unpleasant odors emanating on or from the System, upon receipt of information regarding them from Grantors, and shall not have cured such default to Grantors' satisfaction, within five (5) days of notice from Grantors;

16.1.5 District shall fail in any other way in the performance or observance of any of the other terms and conditions of this Sublease and shall not have cured such default within five (5) days after notice or, if impossible of cure within such five (5) day period, begun and diligently pursued such cure to completion within twenty (20) days;

16.1.6 there shall be filed by or against District in any court or other tribunal pursuant to any Legal Requirement, a petition in bankruptcy or insolvency proceedings or for reorganization or for the appointment of a receiver or trustee of all or substantially all of District's property, unless such petition shall be filed against District and District shall in good faith promptly thereafter commence and diligently prosecute any and all proceedings appropriate to secure the dismissal of such petition and shall secure such dismissal within sixty (60) days of its filing;

16.1.7 District shall be adjudicated a bankrupt or an insolvent or take the benefit of any federal reorganization or composition proceeding, make an assignment for the benefit of creditors, or take the benefit of an insolvency law;

16.1.8 a trustee in bankruptcy or a receiver shall be appointed or elected or had for District, whether under federal or state laws;

16.1.9 District's interest under this Sublease shall be sold under any execution or process of law;

16.1.10 the Subleased Property shall not be operated or used by District for any period of time whatsoever or District shall fail to make continuous and uninterrupted use of the Subleased Property for the Use;

16.1.11 District shall fail to maintain current, duly issued occupational licenses, or any other permit or license required by an applicable Legal Authority for its operations at the Subleased Property, and shall not have cured such default to Grantors' satisfaction, within five (5) days of notice from Grantors; or

16.1.12 Tenant shall be in default under the Agreement of which this Sublease is
Exhibit C .

16.2 Remedies. In the event of the occurrence of an Event of Default by District, Grantors, at Grantors' option, may elect to do one or more of the following:

16.2.1 accelerate all of the remaining Rent for the Term, in which event all Rent shall become immediately due and payable; and/or

16.2.2 terminate this Sublease as provided by this Section and re-enter the Subleased Property and remove all persons and property from the Subleased Property, either by summary proceedings or by any other suitable action or proceeding at law, or otherwise; and/or

16.2.3 without terminating this Sublease, re-enter the Subleased Property and remove all persons and property from the Subleased Property, either by summary proceedings or by any other suitable action or proceeding at law, or otherwise, and re-let all or any part of the Subleased Property; and/or

16.2.4 terminate and/or exercise any other rights or remedies under any part of the Agreement of which this Sublease is Exhibit C.

16.3 Termination. If Grantors elect to terminate this Sublease pursuant to this Section 16:

16.3.1 Grantors shall give Notice of such termination, which shall take effect five (5) days after such Notice is given, or such greater number of days as is set forth in such Notice, or such earlier time as may be required in event of emergency, fully and completely as if the effective date of such termination were the date originally set forth in this Sublease for the expiration of the Term;

16.3.2 District shall quit and peacefully surrender the Subleased Property to Grantors, without any payment by Grantors for doing so, on or before the effective date of termination; and

16.3.3 all Rent, including Additional Rent, shall become due and shall be paid up to the effective date of termination, together with such expenses, including attorneys' fees, as Grantors shall incur in connection with such termination.

16.4 No Reinstatement after Termination. No receipts of monies by Grantors from District after termination of this Sublease shall reinstate, continue, or extend the Term, affect any Notice previously given by Grantors to District, or operate as a waiver of the right of Grantors to enforce the payment of Rent.

16.5 Retention of Sums after Termination. If Grantors shall terminate this Sublease, Grantors shall be entitled to retain, free of trust, all sums then held by Grantors pursuant to any of the provisions of this Sublease. In the interim following such termination until the retention of such sums by Grantors free of trust, such sums shall be available to Grantors, but not to District, pursuant to and for the purposes provided by the terms and conditions of this Sublease.

16.6 Re-Entry. In the event of any re-entry and/or dispossession by summary proceedings or otherwise pursuant to this Section without termination of this Sublease:

16.6.1 all Rent shall become due and shall be paid up to the time of such re-entry and/or dispossession, together with such expenses, including attorneys' fees, as Grantors shall incur in connection with such re-entry and/or dispossession by summary proceedings or otherwise; and

16.6.2 all Rent for the remainder of the Term may be accelerated and due in full, the collection of such sums being subject to the provisions of Section 16.7; and

16.6.3 Grantors may re-let all or any part of the Subleased Property, either in the name of Grantors or otherwise, for a term or terms which may, at Grantors' option, be equal to, less than, or greater than the period which would otherwise have constituted the balance of the Term. In connection with such re-letting:

a. District or District's representative shall pay to Grantors, as they are incurred by Grantors, such reasonable expenses as Grantors may incur in connection with re-letting, including, without limitation, legal expenses, attorneys' fees, brokerage commissions, and expenses incurred in altering, repairing, and putting the Subleased Property in good order and condition and in preparing the Subleased Property for re-letting;

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b. District or District's representative shall pay to Grantors, in monthly installments on the due dates for Rent payments for each month of the balance of the Term, the amount by which any Rent payment exceeds the net amount, if any, of the rents for such period collected on account of the re-letting of the Subleased Property; any suit brought to collect such amount for any month or months shall not prejudice in any way the rights of Grantors to collect the deficiency for any subsequent month or months by a similar action or proceeding;

c. at Grantors' option exercised at any time, Grantors shall be entitled to recover immediately from District, in addition to any other proper claims, but in lieu of and not in addition to any amount which would thereafter become payable under the preceding subsection, a sum equal to the amount by which the sum of the Rent for the balance of the Term, compound discounted at a reasonable rate selected by Grantors to its then-present worth, exceeds the net rental value of the Subleased Property, compound discounted at the same annual rate to its then-present worth, for the balance of the Term. In determining such net rental value of the Subleased Property, the rent realized by any re-letting of the Subleased Property, if such re-letting is upon terms (other than rental amounts) generally comparable to the terms of this Sublease, shall be deemed to be such net rental value; and

d. at Grantors' option, Grantors may make such alterations and/or changes in or upon the Subleased Property as Grantors, in Grantors' sole judgment, considers advisable and necessary for the purpose of re-letting the Subleased Property; the making of such alterations and/or changes shall not operate or be construed to release District from liability under this Section; the cost of all such alterations and/or changes shall be paid by District to Grantors as Additional Rent.

16.7 Sums Collected upon Re-letting. Grantors shall have, receive, and enjoy as Grantors' sole and absolute property, any and all sums collected by Grantors as rent or otherwise upon re-letting the Subleased Property after Grantors shall resume possession of the Subleased Property as provided by this Sublease, including, without limitation, any amounts by which the sum or sums so collected shall exceed the continuing liability of District under this Sublease. If Grantors shall have accelerated Rent payments and collected same from District, and subsequently shall have re-let the Subleased Property, then Grantors, after deducting all costs related to re-letting, shall pay to District the amount remaining which is collected as Rent for each month, to the extent Grantors shall have previously received the Rent for such month from District.

16.8 No Effect on Suit. Grantors and District agree that after the commencement of suit for possession of the Subleased Property or after final order or judgment for the possession of the Subleased Property, Grantors may demand, receive, and collect any monies due or coming due without in any manner affecting such suit, order, or judgment. All such monies collected shall be deemed to be payments on account of the use and occupation of the Subleased Property, or, at the election of Grantors, on account of District's liability under this Sublease.

16.9 Waiver of Rights of Redemption. District waives all rights of redemption which may otherwise be provided by any Legal Requirement in the event that Grantors shall, because of the occurrence of an Event of Default by District, obtain possession of the Subleased Property under legal proceedings, or pursuant to present or future law or to the terms and conditions of this Sublease.

16.10 Use of Word "Re-Entry". The words "re-enter" and "re-entry", as used in this Section, are not and shall not be restricted to their technical legal meaning, but are used in the broadest sense.

16.11 Grantors' Operation of Property. The Parties acknowledge that upon an Event of Default, Grantors may, in exercising any of their rights or remedies, elect to operate the Subleased Property for its Use or otherwise, directly or through affiliated entities; District agrees that Grantors may do so, without any payment of Rent to Grantors and therefore without credit to District for any Rent payments received or to be received during the remainder of the Term, without in any way reducing Grantors' right to collect Rent or other damages from District and without in any way lessening any other rights or remedies of Grantors.

17. **GRANTORS' RIGHT TO CURE DISTRICT'S DEFAULTS.** Whenever and as often as District shall fail or neglect to comply with the terms and conditions of this Sublease, Grantors, at Grantors' option may, in addition to all other remedies available to Grantors, perform, or cause to be performed, such work, labor, services, acts, or things, and take such other steps, including, but not limited to, entry onto the Subleased Property and/or operate all or part of the System, as Grantors may deem advisable, to comply with and perform any such term or condition. District shall reimburse Grantors upon demand, and from time to time, for all costs and expenses suffered or incurred by Grantors in so complying with or performing such term or condition.

18. **GRANTORS' EXPENSES.**

18.1 **Reimbursement.** District shall reimburse Grantors upon demand for all reasonable expenses, including attorneys' fees and costs for negotiation, trial, or appellate work (including fees for the services of paralegals and similar persons) incurred by Grantors in connection with (a) the collection of any Rent or other sums due under this Sublease; (b) the termination of this Sublease by reason of the occurrence of an Event of Default by District; (c) the enforcement of any other obligation of District which is in default under this Sublease; (d) any other protection of Grantors' rights under this Sublease; (e) any litigation or dispute in which Grantors becomes a party or otherwise becomes involved related to the Subleased Property or Grantors' rights or obligations under this Sublease and (f) all costs of re-letting the Subleased Property in the event of District's default, including brokers' charges, and the proportionate share of the original broker's fees, if any, for which District has not paid all Rent. If District and Grantors are in litigation, the prevailing Party shall be entitled to attorneys' fees and costs from the non-prevailing Party.

18.2 **Other Parties.** If the interest of District under this Sublease shall in the future be held by more than one person or entity, and if litigation shall arise by reason of a dispute among such persons or entities, and if Grantors are made a party to such litigation without Grantors' consent, then District shall reimburse Grantors upon demand for all reasonable expenses, including attorneys' fees and costs for negotiation, trial, or appellate work (including fees for the services of paralegals and similar persons), incurred by Grantors in connection with any such litigation.

19. **PAYMENTS, INTEREST.**

19.1 **Amounts Due Deemed Rent.** All sums which District shall be obligated to pay to Grantors from time to time pursuant to this Sublease shall be deemed part of the Rent. In the event of the nonpayment by District of such sums, Grantors shall have the same rights and remedies by reason of such nonpayment as if District had failed to pay any Rent.

19.2 **Interest.** In each instance when District shall be obligated to make any payment of any sum under this Sublease, interest shall accrue on such payment and shall be payable under this Sublease at the highest rate permitted by applicable law, rule, or regulation then in effect, computed from the date such payment first became due under this Sublease to the date of Grantors' receipt of such payment.

20. **DEFAULT BY GRANTORS, REMEDIES.**

20.1 **Default.** If Grantors shall be in default under this Sublease in any respect, such default shall not give rise to any rights or remedies in District unless and until District gives Notice to Grantors of such default, pursuant to Section 24.6, and

20.1.1 if such default is susceptible of being cured within a period of forty-five (45) days after such Notice is given, Grantors shall have failed to cure such default within such period (and the holder(s) of any Mortgage or of the underlying lease shall not have cured such default as described in Section 22.3); or

20.1.2 if such default is not susceptible of being cured within the time described in Section 20.1.1, Grantors or the holder(s) of any Mortgage shall have failed to commence to cure such default within such period and thereafter diligently to prosecute the cure to completion.

20.2 No Personal Liability. District acknowledges that Grantors shall have no personal liability under this Sublease. In the event of a default by Grantors in the performance of any obligations under this Sublease, District shall look solely to Grantors' equity in the Subleased Property for satisfaction of District's remedies. District further acknowledges that any holder(s) of any Mortgage have no obligations whatsoever under this Sublease; if any such holder undertakes a cure as anticipated in Section 22.3, such undertaking shall be voluntary only and shall not cause any liability whatsoever to such holder.

21. ENTRY, SURRENDER.

21.1 Entry. Grantors and Grantors' employees and other agents shall have the right, but not the obligation, upon reasonable notice to District, and at reasonable times, to enter upon and pass through the Subleased Property from time to time in order to make an examination of the Subleased Property. In the event of an emergency, Grantors and Grantors' employees and other agents shall have the right, but not the obligation, without any notice to District, to (a) enter upon and pass through the Subleased Property as Grantors shall deem appropriate to respond to the emergency, and (b) take such other or further actions, whether on or off the Subleased Property, as Grantors shall deem appropriate to respond to the emergency. Except for such emergencies and for repairs normally conducted during business hours, Grantors shall exercise its right of entry during non-business hours or, if such is impractical, shall use its good faith efforts not to disturb District and District's business more than is reasonably necessary.

21.2 Surrender of Subleased Property. District shall, on the last day of the Term or upon any termination of this Sublease, surrender and deliver up the Subleased Property, including all Improvements, into the possession and use of Grantors (a) without fraud or delay, (b) in good order, condition, and repair, subject to ordinary wear and tear, (c) free and clear of all letting and occupancies, and (d) without any payment or allowance by Grantors on account of or for the Subleased Property. All personal property and other belongings which are left upon the Subleased Property at the time of such surrender shall be deemed to have been abandoned. Cost to Grantors of removal, sale and/or storage of such property shall be paid to Grantors by District.

21.3 Holding Over. If District does not immediately surrender the Subleased Property to Grantors at the end of the Term, then District shall pay to Grantors double the amount of the Rent (including Additional Rent) paid by District for the last month of the Term for each month or portion thereof that District holds over plus all damages that Grantors may suffer on account of District's failure so to surrender to Grantors possession of the Subleased Property, and shall indemnify and save Grantors harmless from and against all claims made by any succeeding tenant of the Subleased Property or broker procuring such tenant, against Grantors arising from, growing out of, or related to delay of Grantors in delivering possession of the Subleased Property to such succeeding tenant, so far as such delay is occasioned by failure of District so to surrender the Subleased Property in accordance with this Sublease or otherwise. No receipt of money by Grantors from District after termination of this Sublease or the service of any notice of commencement of any suit or final judgment for possession shall reinstate, continue or extend the Term or affect any such notice, demand, suit or judgment. No act or thing done by Grantors or its agents, including acceptance of keys to the Subleased Property, during the Term shall be deemed an acceptance of a surrender of the Subleased Property, and no agreement to accept a surrender of the Subleased Property shall be valid unless it be made in writing and subscribed by a duly authorized officer or agent of Grantors.

22. MORTGAGES.

22.1 Subordination of Sublease to Fee Mortgage. This Sublease is and shall at all times be subordinate to the Ground Lease and to any Mortgage or underlying or ground lease now or in the future encumbering all or any part of the Subleased Property. If the holder of any Mortgage or underlying lease shall succeed to Grantors' interest in this Sublease, District shall, upon the request of such holder, attorn to such holder. In confirmation of the foregoing, District, upon Grantors' request, shall promptly, without charge, execute such reasonable truthful certifications and/or other documents as Grantors or such holder may require. A failure by District to execute any such certifications and/or other documents, however, shall not affect the subordination of this Sublease to any such Mortgage or underlying lease pursuant to this Section. Grantors shall in good faith attempt to obtain from the holder of any Mortgage or underlying lease a non-disturbance agreement executed by such holder,

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providing that District's occupancy of the Subleased Property shall not be disturbed by such holder so long as District is not then in default under this Sublease.

22.2 Subordination of Mortgage Upon Holder's Request. If the holder of any Mortgage requires that this Sublease be prior rather than subordinate to such Mortgage, District, promptly upon request by Grantors or such holder, shall, without charge, execute a document affecting and/or acknowledging such priority provided District's occupancy shall not be disturbed by such party so long as District is not then in default under this Sublease.

22.3 Notice and Cure. Upon request of the holder of any Mortgage or Grantors of any superior lease:

22.3.1 District shall give prompt notice of any default by Grantors under this Sublease to such holder or Grantors. Such notice shall be given in the manner provided in this Sublease for a Notice, except that such notice shall be addressed to such person and address as such holder shall request; and

22.3.2 District shall allow such holder a reasonable period, not less than sixty (60) days from the date of such notice, in which to cure any such default which is susceptible of being cured within such period, or to commence to cure any such default which is not susceptible of being cured within such period provided that such holder or Grantors shall thereafter diligently prosecute such cure to completion. District shall accept any such cure.

22.4 Future Financing Requirements. If, in connection with obtaining temporary or permanent financing for the Subleased Property or any part of it or of any ground or underlying lease, any such lender shall request reasonable modifications of this Sublease as a condition to such financing, District agrees that District shall not unreasonably withhold, delay or defer the execution of an agreement of modification of this Sublease provided such modifications do not increase the obligations of District under this Sublease or adversely affect District's interest or District's reasonable use and enjoyment of the Subleased Property.

22.5 Attornment. If the grantors of a superior lease or the holder of a superior Mortgage (or any nominee thereof) shall be the transferee of the rights of Grantors under this Sublease, or if the interests of Grantors under this Sublease shall be transferred to any person or entity in any way either voluntarily or by reason of foreclosure or other proceedings for enforcement of any Mortgage or lease encumbering all or part of the Subleased Property, District shall be bound to such transferee for the balance of the Term, and any extensions or renewals of this Sublease which may be effected in accordance with the terms and provisions of this Sublease, with the same force and effect as if the transferee were the landlord under this Sublease; District agrees to attorn to such transferee, including the holder of any Mortgage and the Grantors under any such lease, as its landlord. Such attornment shall be effective and self-operative without the execution of any further instruments, upon the transferee's succeeding to the interest of Grantors under this Sublease. Notwithstanding the provisions of the foregoing sentence, District shall, within ten (10) days of request of Grantors or the holder of any such lease or Mortgage, execute and deliver any reasonable instrument that such successor landlord may request to evidence such attornment.

22.6 Transfer. In the event of such transfer of Grantors' interests, Grantors shall be released and relieved from all liability and responsibility thereafter accruing to District under this Sublease or otherwise and Grantors' successor shall be liable and responsible to District with respect to all obligations of Grantors under this Sublease accruing from and after the date of such transfer.

22.7 Successor Rights. The rights given to the successor landlord include any successor landlords who derive title through an underlying lease or a superior Mortgage holder's foreclosure sale or deed in lieu of foreclosure. Upon attornment by District to such successor landlord, this Sublease shall continue in full force and effect as if it were a direct lease, for the balance of the Term (including option or extension terms, if any), between the successor landlord and District upon all of the terms, conditions and covenants as are set forth in this Sublease except that the successor landlord, directly or indirectly through foreclosure of a superior mortgage or a deed in lieu thereof, shall not:

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22.7.1 be liable for any previous act or omission of Grantors under this Sublease; or

22.7.2 be bound by any previous modification of this Sublease, not expressly provided for in this Sublease, or by any previous prepayment of more than one month's rent, unless such modification or prepayment shall have been expressly approved in writing by the Grantors of the superior lease or the holder of the superior Mortgage through or by reason of which the successor shall have succeeded to the rights of Grantors under this Sublease.

22.8 Leasehold Mortgage. District shall not pledge or encumber the estate created by this Sublease.

23. GRANTORS' LIEN.

23.1 Lien. Grantors shall have, and District grants to Grantors, a lien for Rent on the revenues of the Utility System, subject to the provisions set forth in Exhibit B, Section 15.6. Such security interest is granted for the purposes of securing the payment of Rent and other charges, assessments, penalties, and damages required under this Sublease to be paid by District, and of securing the performance of all other obligations of District under this Sublease.

23.2 Remedies. Upon District's default or breach of any terms and conditions of this Sublease, Grantors shall have all remedies available under applicable law.

23.3 Statutory or Common Law Liens. The provision for a landlord's lien as described in this Section shall be in addition to, and not in substitution for, any landlord's lien and similar remedies otherwise provided by statutory or common law.

23.4 Uniform Commercial Code. To the extent, if any, that this Sublease grants Grantors any lien or lien rights greater than provided by the laws of the State of Florida pertaining to landlord's liens, this Sublease is intended as and constitutes a security agreement within the meaning of the Uniform Commercial Code. Grantors, in addition to the rights prescribed in this Sublease, shall have a Security Interest, as that term is defined under this state's Uniform Commercial Code, in the items referred to in Section 23.1 to secure the payment to Grantors of the various amounts provided for in this Sublease. District agrees to and shall execute and deliver to Grantors such financing statements and such further assurances as Grantors may, from time to time, reasonably consider necessary to create, perfect, and preserve the lien described and all additions, substitutions, replacements, and accessions thereto, and all proceeds of its or their sale or other disposition (under the Uniform Commercial Code, other statutory provisions, or otherwise). Grantors, at the expense of District, may cause such financing statements and assurances to be recorded and re-recorded, filed and re-filed, and renewed or continued, at such times and places as may be required or permitted by law to create, perfect, and preserve such liens. In the event District fails to promptly execute and return to Grantors such financing statements and other instruments as Grantors may require to create, preserve, and perfect its lien, District shall and does hereby designate Grantors to act as District's agent for the sole and limited purpose of executing such financing statements and other instruments and any such execution by Grantors pursuant to this Sublease shall be effective and binding upon District as though executed originally by District. District's designation of Grantors as agent hereunder shall not be subject to revocation until this Sublease is terminated.

24. MISCELLANEOUS.

24.1 Unavoidable Delays. If either Party's performance of any obligation under this Sublease is delayed or prevented by an Unavoidable Delay, the period of such delay or prevention shall be deemed added to the time provided for by this Sublease for such performance, provided that such Party shall have given Notice to the other Party of such Unavoidable Delay within thirty (30) days after its onset. Failure to give such Notice shall operate as a waiver of any right to extend the time for performance of such obligation.

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24.2 Estoppel Certificates. District agrees that at any time and from time to time during the Term, within ten (10) days after request by Grantors, it will execute, acknowledge, and deliver to Grantors or to any prospective purchaser, assignee, or mortgagee designated by Grantors, a certificate which states (a) that this Sublease is unmodified and in full force and effect, or if there have been modifications, that this Sublease is in full force and effect as modified, and identifying the modification agreements; (b) the date to which the Rent has been paid; (c) the nature and extent of any existing default by either Party as to which a Notice has been given to the other Party; (d) whether or not there are any setoffs, defenses, or counterclaims against enforcement of the obligations to be performed under this Sublease existing in favor of District; and (e) other matters which Grantors may reasonably request.

24.3 No Merger. The interest, estate, and rights of District under this Sublease shall be deemed to be separate and distinct from Grantors' interest, estate, and rights in or to the Subleased Property, notwithstanding that any such interests, estates, or rights shall at any time or times be held by or vested in the same person or entity. In no event shall the leasehold interest, estate, or rights of District under this Sublease merge with any interest, estate, or rights of Grantors in or to the Subleased Property.

24.4 No Broker. Each party warrants and represents to the other that no real estate brokers, agents, salesmen, or finders are involved in this transaction. If a claim for brokerage or similar fees in connection with this transaction is made by any broker, agent, salesman, or finder claiming to have dealt through or on behalf of one of the Parties to this Sublease, then such Party shall indemnify, defend, and hold harmless the other Party from all liabilities, damages, claims, costs, fees, and expenses (including reasonable attorneys' fees and court costs, including those for appellate matters) with respect to such claim for brokerage. The provisions of this Section shall survive the expiration or termination of this Sublease.

24.5 Authority. Each Party represents to the other that it has full legal right, power, and authority to enter into, execute, and perform this Sublease.

24.6 Notice. Each Notice shall be deemed to have been given when given in accordance with the provisions of the Agreement.

24.7 Consents. Whenever under this Sublease Grantors' consent or approval is expressly or impliedly required, it may be arbitrarily withheld except as otherwise specified in this Sublease. If District requests Grantors' consent or approval, and if in connection with such request Grantors seeks the advice of its attorneys, architect and/or other adviser or expert, then District shall pay such persons' costs and fees reasonable to such request and the preparation of related documents.

24.8 Survival. All obligations of District or Grantors which are or may be intended by their nature to be performed and/or complied with after the expiration or earlier termination of this Sublease shall survive such expiration or termination. Express provisions in this Sublease which require or permit survival in specific instances, or as to specific obligations, shall not be deemed a limitation upon the generality of this survival clause.

24.9 Provisions Severable. Every provision of this Sublease shall be valid and be enforced to the fullest extent permitted by law. If any provision of this Sublease, or the application of such provision to any person or circumstance, shall be determined by appropriate judicial authority to be illegal, invalid, or unenforceable to any extent, such provision shall, only to such extent, be deemed stricken from this Sublease as if never included. The remainder of this Sublease, and the application of such provision to persons or circumstances other than those as to which such provision is held illegal, invalid, or unenforceable, shall not be affected. Nothing in this Sublease shall be construed to require the District to use its taxing power in contravention of any constitutional or statutory law requirement.

24.10 Modification. This Sublease may be changed, amended, or modified only by an agreement in writing signed by the Party against whom such change, amendment, or modification is sought to be enforced.

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EXECUTION OF THE AGREEMENT SHALL BE DEEMED EXECUTION OF THIS EXHIBIT C BY GRANTORS AND DISTRICT, NOTWITHSTANDING ANY PROVISION TO THE CONTRARY. HOWEVER, A SEPARATE SUBLEASE AGREEMENT, INCORPORATING THE TERMS OF THIS EXHIBIT C, OR A MEMORANDUM OR SHORT FORM OF THIS SUBLEASE, SHALL BE EXECUTED BY THE PARTIES TO IT UPON REQUEST OF ANY OF THE GRANTORS, AND RECORDED BY GRANTORS.

RIDER C-1

BAY LAUREL CENTER
COMMUNITY DEVELOPMENT DISTRICT

	<u>Water</u>	<u>Sewer</u>	<u>Reuse</u>	<u>Total</u>
Annual Base Rent (monthly) (as of February 28, 2010)	\$86,344.07	\$71,492.44	\$0	\$157,836.50

The Annual Base Rent shall be due and payable in twelve equal monthly installments, together with applicable taxes, on the first day of each month during the term of the Sublease Agreement. Base Rent payments for partial months shall be prorated based on a thirty (30) day month. Additional Rent shall be calculated as provided in this Rider C-1 and as provided in Rider C-2 below.

A. The Annual Base Rent shall be automatically increased monthly as follows:

I. Renewal and Replacement Expenditures by Grantors

In the event that Grantors exercise their option under Section 7.2 of the Sublease Agreement and make improvements/additions to the Subleased Property (real or personal, tangible or intangible property) for renewal, replacement or enhancement of existing Subleased Property, then the Annual Base Rent shall be adjusted based upon the following formula:

(Actual cost of each renewal, replacement and enhancement improvement/addition) x 15%/12

Example

\$1,000,000 replacement water project, \$2,000,000 replacement sewer project

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cost of project (\$)	1,000,000	2,000,000	3,000,000
Multiplied by 15% and Divided by 12			x 15%/12
Additional monthly Base Rent (\$)			37,500

The actual cost of a renewal and replacement expenditure shall be certified to District by Grantors' project engineer. The additional Rent payment shall be added to District's monthly Base Rent payments commencing with the month after the project engineer has certified to District that the improvement/addition has been placed in service.

II. Expansion Expenditures by Grantors

In the event that Grantors exercise their option under Section 7.2 of the Sublease Agreement and make improvements/additions to the Subleased Property (real or personal, tangible or intangible property) to expand the capacity of the System to serve additional equivalent residential connections ("ERCs"), and to the extent that previous improvements/additions to the Subleased Property to serve additional ERCs have not yet been fully incorporated within the Base Rent as used and useful ("Used and Useful") as of the effective date of this Sublease Agreement (collectively referred to as "Expansion Related Improvement"), then the Annual Base Rent shall be automatically adjusted on a monthly basis based upon the following formula:

[(Actual cost of each Expansion Related Improvement)/(Number of additional ERCs of capacity added to the System by the Expansion Related Improvement)] x 15%/12 x (Number of ERCs connected to Expansion Related Improvements during the month)

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Example

Existing \$1,000,000 Expansion Related Improvement water facility with 7,000 ERC capacity; new \$2,000,000 Expansion Related Improvement sewer facility with 3,500 ERC capacity; 30 new ERCs connected to both Expansion Related Improvements in a given month.

	Water	Sewer	Total
Cost of new facilities (\$)	1,000,000	2,000,000	3,000,000
ERC capacity	7,000	3,500	
New ERCs for the month	<u>30</u>	<u>30</u>	
Multiplied by 15% and Divided by 12	x 15%/12	x 15%/12	
Additional monthly Base Rent (\$)	642.86	2,571.43	3,214.29

The actual cost of expansion capital expenditure shall be certified to District by Grantors' project engineer. The additional Rent payment shall be added to District's monthly Base Rent payments commencing with the month after the project engineer has certified to District that the capital improvement has been placed in service. Once all of the ERC capacity of an Expansion Related Improvement has been utilized, no additional Rent payments for such facility will be calculated.

III. Mixed Renewal and Replacement and Expansion Capital Expenditures by Grantors

In the event that a capital expenditure by Grantors has elements of both a renewal and replacement expenditure and an expansion expenditure, then Grantors' project engineer shall certify to District the percentage and amount of the total cost of the capital expenditure that relates to renewal and replacement and the percentage and amount of the total cost of the capital expenditure that relates to expansion. The amounts certified by the project engineer for renewal and replacement shall be applied under Section I above. The amounts certified by the project engineer for expansion shall be applied under Section II above.

B. The Annual Base Rent shall be automatically decreased monthly as follows:

In the event that the District acquires any part of the System pursuant to an exercise of a Purchase Option, as defined in the Agreement, or in the event a part of the System is permanently taken out of service, or to the extent that the District pays Grantors line charges to reimburse Grantors for extension of utility lines, then the monthly Base Rent payments shall be decreased by the following formula:

(The Used and Useful portion of the original cost of each part of the System acquired, taken out of service, or cost reimbursed that was included in the calculation of Base Rent) x 15%/12.

Example

	Water	Sewer	Reuse	Total
Used and Useful Original Cost of System (\$)	1,000,000	2,000,000	1,000,000	4,000,000
Multiplied by 15% and Divided by 12	x 15%/12	x 15%/12	x 15%/12	x 15%/12
Reduction to Annual Base Rent (\$)	12,500	25,000	12,500	50,000

The Used and Useful original cost of the parts of the System acquired by the District, permanently taken out of service, or cost reimbursed shall be certified to District by Grantors' accounting professionals. The reduction to monthly Base Rent shall be applied to District's monthly Base Rent payments commencing with the month after the acquisition of the parts of the System by the District, the date a part of the System is permanently taken out of service, or the date of payment of the line charge reimbursement.

Appendix C

Bay Laurel Center CDD Sublease/Option Exhibit C

C. Memorializing Automatic Adjustment to Annual Base Rent

In the event of an adjustment to the Annual Base Rent pursuant to Subpart A or Subpart B of this **Rider C-1**, Grantor shall prepare a revised **Rider C-1** with the adjusted Annual Base Rent, which revised **Rider C-1** shall be substituted for and supersede the then current **Rider C-1**, which revised **Rider C-1** shall be attached to the Agreement and made a part thereof.

RIDER C-2

SUBLEASED PROPERTY ALTERATIONS PROTOCOL

It is the common desire of both the Grantors and District that timely initiatives for the renewal, replacement, enhancement, addition and expansion of water production and treatment capacity, sewer treatment and disposal capacity, reuse water production and distribution capacity, customer service and billing operations be commenced so that there is always present within the System sufficient water production and treatment capacity, sewer treatment and disposal capacity and reuse water production and distribution capacity and administrative capacity to serve existing customers and permit new connections for water, sewer and reuse services to occur in conformance with applicable ordinances, laws and regulations regardless of the growth experienced within the Community;

Accordingly, the Parties agree to the following protocol for constructing alterations to the Subleased Property:

SECTION 1. PURPOSE AND DEFINITION. All capitalized words and terms not otherwise defined herein shall have the meaning set forth in the Sublease Agreement unless the content implies or infers a contrary or different meaning. The following terms shall have the meanings as defined herein unless the context requires otherwise:

"Alterations Protocol" shall mean this Rider C-2 to the Sublease Agreement, including any amendments and supplements executed and delivered in accordance with its terms.

"Annual Report" means the annual report required to be supplied to the Grantors by the District projecting the capacity requirement for development within the Community for each Fiscal Year during the Term of the Sublease and all extensions thereto.

"Build-Out" shall mean the total number of residential, commercial and industrial units, lots and parcels that can be built within the Community based upon applicable comprehensive plans, land use and zoning designations, and approved development plans, all as amended from time to time.

"Build-Out Capacity" shall mean the estimated thirty-six thousand (36,000) ERCs of water and sewer capacity and corresponding reuse water capacity needed to provide utility service within the Community at Build-Out, together with such other ERCs of water, sewer and reuse water capacity requested from outside the Community during the term of the Sublease Agreement, as extended from time to time, which requests are agreed to by Grantors and District.

"Capacity Expansion Project" shall mean a means a project, program, upgrade or improvement to acquire, improve, expand or construct incremental capacity increases in water production and treatment capacity, wastewater treatment and disposal capacity, and reclaimed water production facilities, including real and personal, tangible and intangible property improvements and additions.

"Community" shall mean the District service area, as revised from time to time.

"Construction Costs" means the costs of construction financing, labor, materials, equipment, supplies, tangible and intangible personal property, professional and design services associated with the design, permitting, construction, construction management, installation, inspection and testing of a Project, and associated legal, accounting and allocated overhead costs.

"Contractor" means a qualified utility contractor.

"County" means Marion County, Florida.

"DEP" shall mean the Florida Department of Environmental Protection, and delegate of the Florida Department of Environmental Protection, or any successor thereto.

"Domestic Wastewater" shall have the meaning found in Rule 62-600.200(25), Florida Administrative Code, as it may be amended from time to time.

"Equivalent Residential Connection" or "ERC" means a standard unit used in this Alterations Protocol to calculate the capacity of a Capacity Expansion Project.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next September 30th.

"District Capacity Requirement" shall mean the additional capacity to be included in any Capacity Expansion Project proposed by Grantors that may be requested by District, within its discretion, as provided in Section 5(B).

"Local Distribution and Collection Facilities" shall mean, by way of example and not limitation, water, sewer, and reuse distribution mains, collection mains, force mains, lift or pump stations and service lines required to provide water, sewer and reuse water service to an individual development or subdivision and which primarily serve such individual development or subdivision. The term Local Distribution and Collection Facilities shall not include Capacity Expansion Projects.

"MGD" is an abbreviation for the term "million gallons per day."

"Operating Policies and Procedures" shall mean such policies and procedures, as may be adopted by the District, from time to time, to govern the provision of water, sewer and reuse water service by the District, which policies and procedures shall be subordinate to the provisions of this Alterations Protocol, the Sublease Agreement, and the Agreement in the event of a conflict between their terms.

"Permit Criteria Manual" shall mean the construction, engineering and technical standards and guidelines for the construction, acquisition and design of improvements and additions to the System as provided in the Permit Criteria Manual adopted by District, as amended from time to time with the mutual agreement of Grantors and District, and which shall be incorporated herein by reference.

"Plant Facilities" shall mean, by way of example and not limitation, water supply wells, water and sewer treatment plants, major pumping facilities, and production, treatment and disposal facilities, supervisory control and data acquisition ("SCADA") systems, monitoring software and hardware, equipment, vehicles, and major water transmission, sewer collection and reclaimed water distribution lines (not including Local Distribution and Collection Facilities) which provide water supply, water and sewer treatment, distribution and transmission of water, sewer and reuse water to the Community and the administration of the utility, and the Real Property upon which such facilities are located.

"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 Rule 62-550, Florida Administrative Code, as it may be amended from time to time.

"Project" shall mean a Capacity Expansion Project or an R&R Project.

"Reuse Water" shall mean treated Domestic Wastewater, which is intended for "reuse," as such term is defined by Rule 62-610.200(49), Florida Administrative Code, as it may be amended from time to time.

"R & R Project" shall mean a means a project, program, upgrade or improvement to renew, replace or enhance the then existing Plant Facilities.

"State" shall mean the State of Florida.

"System" means all of the Subleased Property, including real and personal, tangible and intangible property.

"Utility Service" means Water, Sewer and Reuse Water Service, as a combined or individual service.

"Utility Standards" shall mean the Permit Criteria Manual and such other construction, engineering and technical standards and guidelines for the design and construction, acquisition and installation of System facilities established by the District, and amended from time to time.

SECTION 2. RIGHT TO PROVIDE R&R PROJECTS AND CAPACITY EXPANSION PROJECTS.

(A) The District shall prepare and update annually at the first preliminary budget meeting of the District Board of Supervisors in each fiscal year during the Term a five (5) year (by Fiscal Year) capital improvement plan ("CIP"), setting forth the anticipated five (5) year utility system flows, the plant and line capacity required to serve the Community, and anticipated Plant expansion improvements. On or before June 1 of each year during the Term, the District and Grantors shall jointly meet to review and comment upon the next draft annual update to the CIP (the "Review Meeting").

(B) During the Term, Grantors have the right, but not the obligation, to undertake Capacity Expansion Projects as set forth on the CIP approved by the District, pursuant to the provisions of Section 3 below.

SECTION 3. GRANTORS PROJECTS.

(A) At the Review Meeting, Grantors shall identify and propose the specific Projects that Grantors elect to provide pursuant to Section 2 above, and the estimated project construction commencement date for each Project in the ensuing Fiscal Year (the "Grantors' Projects").

(B) With respect to any Grantors' Projects, the District shall have the right to (i) reject any of the Grantors' Projects that the District determines not to be in the public interest; and (ii) to require Grantors to upsize, expand or reconfigure any proposed specific Grantors' Project to provide District capacity in addition to that proposed by Grantors.

(C) For each Capacity Expansion Project, Grantors and the District shall determine the capacity of the Plant Facilities constructed, expressed in ERCs.

(D) Grantors shall coordinate and receive the written approval of the District in all matters relating to the preliminary design, location, specifications, permitting and final design and estimated Construction Costs prior to commencing construction on any Project. Grantors shall obtain at least three cost quotations for any Project and obtain the approval of the District prior to commencement of construction. Grantors shall obtain the approval of the District for any change orders or work change directives during construction.

(E) Upon the completion of construction of each Project, Grantors shall submit the final Construction Costs for review and approval by the District (the "Final Costs"). Upon receipt of final approval of the DEP that the Project can be placed into service, the Project facilities shall be added to and incorporate into the Subleased Property based upon the Final Costs, subject to the terms of the Sublease Agreement. Projects constructed by the District shall not be incorporated into the Subleased Property and shall not be subject to the terms of the Sublease Agreement.

(F) The District may plan, design, permit and construct any Local Distribution and Collection Facilities that it chooses, provided it coordinates with Grantors in the event such facilities will be connected to Subleased Property.

(G) Grantors and District may collaborate and enter into one or more agreements to provide for planning, designing, permitting or constructing any System facilities or Local Distribution and Collection Facilities, whether or not such activity is contemplated by this Alterations Protocol.

SECTION 4. DESIGN, CONSTRUCTION AND CONVEYANCE OF PROJECTS.

(A) Grantors shall submit in writing to District, for its review for consistency with the Utility Standards prior to the commencement of construction, all drawings, plans and specifications required for the construction of any Project. District shall review such drawings, plans and specifications and provide Grantors with a list of changes and deficiencies within ten (10) business days of submittal. Any items not set forth on the list shall be deemed approved. Failure to provide a list of changes and deficiencies identified to such drawings, plans and specifications within such ten (10) day period shall be deemed approval of the drawings, plans and specifications.

(B) Grantors shall submit to and receive acknowledgement from District for the Contractor's final bid price for the Construction Costs for each Project. District shall review such bid price and provide a list of changes and deficiencies within ten (10) business days of submittal. Any items not set forth on the list shall be deemed approved by District. Failure of District to provide a list of changes and deficiencies within such (10) day period

**Bay Laurel Center CDD Sublease/Option
Exhibit C**

shall be deemed approval of the bid price. Any change order or modification to the Contractor's final bid price for the Construction Costs shall be subject to the review of District within ten (10) business days of submittal in accordance with the same procedure as for the final bid price. Grantors shall use their best efforts to secure Construction Costs competitive with like/kind projects in the vicinity of the Community.

(C) Grantors shall obtain all necessary federal, State and local permits or approvals required for the construction of each Project it undertakes. If required by the issuing authority or if necessary to expedite permit processing, District shall join in and execute any such applications and documents reasonably required in order to seek any such approvals or permits. Grantors shall provide District with copies of all written permits and approvals received.

(D) Grantors will require its Contractors to warrant that all Projects are constructed in accordance with the approved plans and specifications, and also in accordance with all other applicable federal, State and local laws.

(E) Grantors shall not be required to pay review or inspection fees set by District for development review or inspection of any Project.

SECTION 5. COMPLETION OF CONSTRUCTION. Upon completion of construction by Grantors of any Project, Grantors shall furnish District one (1) set of "record" drawings showing the Project facilities as finally constructed and other appropriate details as certified by the engineer of record. In addition, Grantors shall provide District with all manuals provided to Grantors for the operation of any Plant Facilities and any warranties on the Plant Facilities, as applicable. In addition, Grantors shall provide to District with a schedule of the actual Construction Costs of the Plant Facilities constructed or installed by Grantors.

SECTION 6. ADDITIONAL RENT TO GRANTORS RELATED TO PROJECTS.

(A) Pursuant to Section 3 of this **Rider C-2**, Section 4 of the Sublease Agreement, and **Rider C-1** of the Sublease Agreement, District shall begin paying Rent on each Project that is part of the Subleased Property in the month after such Project is added to the Subleased Property, subject to the Used and Useful provisions of **Rider C-1 (II)**. As Additional Rent thereto with respect to such a Project, and until such time as new ERCs are connected to or the capacity in a Project is utilized, Grantors shall be entitled to receive from District an allowance for funds prudently invested ("AFPI") for all unused capacity in such Project. AFPI recognizes that Grantors have agreed to temporarily bear the carrying cost of unused capacity in a Project which has been constructed for the benefit of the District until such capacity is utilized or retired by the District, but which carrying costs are not included in the calculation of Base Rent.

(B) AFPI related to a particular Project shall be paid by District to Grantors if, as and when new ERCs are connected to the Project or the Project's capacity is otherwise utilized or retired by the District. With respect to a particular Project, AFPI shall be calculated on a per ERC/per month basis from the date of completion of a Project to the date of utilization or retirement of the capacity of such Project. District's rate consultant shall calculate appropriate AFPI charges from time to time, and District shall adopt and amend such AFPI charges from time to time. For each new ERC connected to the System, District shall levy and collect the required AFPI from the new customer at the time of connection to the System. District may utilize the AFPI collected from new customers to fund AFPI payments to Grantors, or in lieu thereof, District can fund AFPI payments to Grantors from other available District funds. District shall remit all AFPI accruing to a Project on a monthly basis.

(C) Upon acquisition by the District of title to any Project as provided in Section 2 of the Sublease Agreement, the District shall pay Grantors all accrued AFPI for unused capacity in such Project from available District funds, such payment to be made simultaneously with the closing of the transfer to the District as the final Additional Rent payment for such Project. In the event District determines insufficient funds exist to make such a final Additional Rent payment to Grantors, then the balance of any final Additional Rent payment due Grantors may be payable in the form of a taxable promissory note or notes from the District to Grantors, in such denominations and maturities as reasonably determined by the District, which note or notes shall be freely tradable by the Grantors, with the same bondholder pledges, security, rights and privileges as provided for in any District Revenue Bonds, with such covenant protections as provided in any District bond resolutions, but with such note or notes subordinate to any such District Revenue Bonds. The following sets forth an example of the calculation of AFPI due Grantors on acquisition of title to a Project by the District:

Appendix C

Bay Laurel Center CDD Sublease/Option
Exhibit C

EXAMPLE OF ACCRUED AFPI PAYMENT ON DISTRICT ACQUISITION OF PROJECT

Project: Wastewater Treatment Plant X	Total Capacity of Project	8,500 ERCs
	Current Capacity Utilized	5,525 ERCs
	Unused Capacity at Acquisition	2,975 ERCs
	<u>Water</u>	<u>Sewer</u>
Current AFPI Per ERC	\$1,470	\$1,975
ERCs Upon Conversion or Acquisition of WWTP #1	<u>0 ERCs</u>	<u>2,975 ERCs</u>
AFPI Payment to Grantors re WWTP X at Closing	\$0	\$5,875,625

(D) In lieu of requiring the District to pay Rent and Additional Rent on a Project as provided in above, Grantors and the District may agree that Grantors submit all or any portion of a Project to District for reimbursement of Grantors' actual costs incurred (a "Reimbursement Project"). A Reimbursement Project shall not be included as Subleased Property for purposes of Rent calculation pursuant to **Rider C-1** of the Sublease Agreement, but shall be considered Subleased Property for all other purposes.



200 South Orange Avenue, Suite 1550
Orlando, FL 32801

Phone: 407.872.2467 | Fax: 888.326.6864
www.willdan.com

SECTION 2

RESOLUTION 2022-03

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT PURSUANT TO SECTION 190.025, FLORIDA STATUTES, AS AMENDED, DETERMINING THAT ENTERING INTO A PURCHASE AGREEMENT FOR THE ACQUISITION OF CERTAIN POTABLE WATER SUPPLY AND TREATMENT FACILITIES (THE "WATER SYSTEM") AND VARIOUS TRANSMISSION AND DISTRIBUTION SYSTEM FACILITIES AND ANCILLARY FACILITIES RELATED THERETO (TOGETHER WITH THE POTABLE WATER SYSTEM, THE "UTILITIES SYSTEM") CURRENTLY OWNED BY ON TOP OF THE WORLD COMMUNITIES, INC. AND SIDNEY COLEN & ASSOCIATES, LTD IS IN THE PUBLIC INTEREST; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "Board") of the Bay Laurel Center Community Development District (the "District") is considering whether to undertake the financing, acquisition, enlargement or extension, equipping, operation, and maintenance of certain potable water supply and treatment facilities (the "Project") from On Top of the World Communities; and,

WHEREAS, Section 190.0125, Florida Statutes, provides, in pertinent part, that the District may not purchase or enter into a privatization contract for a utility system such as the Utilities System until the governing body of the District has held a public hearing on the proposed purchase and/or privatization contract and made a determination that the same is in the public interest; and

WHEREAS, said Section 190.0125, Florida Statutes, provides, in pertinent part, that, in determining if the purchase and privatization is in the public interest, the Board shall consider at a minimum, the following factors:

- (1) The most recent income and expense statement for the utility;
- (2) The most recent available balance sheet for the utility, listing assets and liabilities and clearly showing the amount of contributions-in-aid-of-construction and the accumulated depreciation thereon;
- (3) A statement of the existing rate base of the utility for regulatory purposes;
- (4) The physical condition of the utility facilities being purchased;
- (5) The reasonableness of the purchase price and terms;
- (6) The impacts of the purchase on utility customers, both positive and negative;
- (7) Any additional investment required and the willingness of the purchaser to make that investment;

- (8) The alternatives to the purchase and the potential impact on utility customers if the purchase is not made;
- (9) The ability of the purchaser to provide and maintain high quality and cost effective utility service; and;

WHEREAS, the firm of Willdan Financial Services prepared a report dated April, 2022 (“Consultant’s Report’) as required by Section 190.0125, Florida Statutes (attached hereto as **Exhibit A**), including the required factors set forth in Section 190.0125, Florida Statutes; and

WHEREAS, the Board caused a notice of public hearing to be published on _____, in the _____, a newspaper of general circulation within the District advising members of the public that a public hearing would be held at the location within the District set forth and at the date and time specified therein, at which the Board would consider the Project and further advising members of the public of their right to attend the hearing and to address the Board on the advisability of the Project (a copy of such notice being attached here as **Exhibit B**); and

WHEREAS, on April 27, 2022, the Board held the aforesaid public hearing (the “Public Hearing”) at the place, and at the date and time set forth in the notice.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors as follows:

Section 1. Findings and Determinations. Having considered the Consultant’s Report, the testimony of professionals on the staff of the Consultant brought forth at the Public Hearing and the comments of members of the public at the Public Hearing, and having considered each of the factors required to be considered by Section 190.0125, Florida Statutes, as set forth in pertinent part above, the Board hereby finds and determines as follows:

(a) That each of the applicable factors required to be considered by Section 190.0125, Florida Statutes, has been addressed by any or all of the following: (i) the Consultant’s Report, (ii) the testimony of the professionals on the staff of the Consultant and the District staff, and (iii) the comments of members of the public; and

(b) That the information provided to the Board by the Consultant’s Report and the Consultant’s Report, the testimony of the professionals on the staff of the Consultant and the District’s staff, and the comments of members of the public is sufficient to enable the Board to make the determination that the Project is in the public interest; and

(c) That based on the foregoing, the Project is in the public interest.

Section 2. Statement required by Section 190.0125, Florida Statutes. This Resolution shall constitute the statement required by Section 190.0125, Florida Statutes, providing (in pertinent part) that the District shall prepare a statement that the purchase is in the public interest, including a summary of the purchaser’s experience in water, sewer, or wastewater reuse utility operation and a showing of financial ability to provide the service. In compliance

therewith, and based upon the findings and determinations set forth above, the Board states as follows:

(a) That the Project is in the public interest; and

(b) That based on the information provided to the Board by the Consultant’s Report, the testimony of the professionals on the staff of the Consultant and the District staff, and the comments of members of the public, and the District’s direct experience with its existing utility systems, the District has the necessary experience in water, sewer, or irrigation utility operation to undertake the Project.

(c) That based on the information provided to the Board by the Consultant’s Report, the testimony of the professionals on the staff of the Consultant and other professionals retained by the District, including its Underwriters, and the comments of members of the public, the District has the financial ability to provide the services of the Project.

Section 3. Effective Date. This resolution shall take effect immediately upon its adoption, and any provisions of any previous resolutions in conflict with the provisions hereof are hereby superseded.

PASSED AND ADOPTED in Public Session of the Board of Supervisors of the Bay Laurel Center Community Development District this ____ day of _____, 2022.

Attest:

**BAY LAUREL CENTER COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

EXHIBIT A
Consultant's Report

EXHIBIT B
Affidavit of Publication for Notice

SECTION B

To: Bay Laurel Center CDD and Indigo East CDD

From: Bay Laurel Center CDD Financing Team

Re: Potential Tax-Exempt Financing and Refinancing of Bay Laurel Center CDD's Water and Sewer Revenue Bonds

The current municipal market tone is dramatically different from what was experienced during the second half of 2020 and most of 2021. Inflationary pressures and the anticipation of the Fed's continued actions regarding interest rate hikes has caused several headwinds in the market. Benchmark interest rates, both tax-exempt and taxable are trending notably higher.

As a result of the substantial increases in rates, the debt service savings associated with a **taxable** refunding of all the outstanding Bay Laurel Center CDD's (the "District") Series 2011 Water and Sewer Revenue Bonds has completely diminished. Furthermore, the cost of financing the District's Utility System Series 2022 new money issuance on a **taxable** basis has increased considerably.

Despite increases in tax-exempt rates, we have identified an opportunity to use tax-exempt financing with incrementally better results than both the taxable refunding and the taxable new money financings. Substantial debt service savings may be realized if Indigo East CDD issued the District's proposed bonds on a tax-exempt basis. Below we have highlighted the significant differences between issuing the refunding and new money on a taxable basis, versus tax-exempt. **Issuing new money bonds on a tax-exempt basis saves the District's utility customers \$22.21 million in debt service costs when compared to a taxable new money issuance.** We anticipate rates will continue rising in the near future and moving expeditiously through this process will help the District mitigate additional debt service costs and generate the greatest debt service savings for the benefit of its utility customers.

Refunding	Tax-Exempt	Taxable	New Money	Tax-Exempt	Taxable
Par Amount Refunded	\$29,465,000	\$29,465,000	Par Amount	\$114,660,000	\$126,860,000
Net Present Value \$ Savings	\$1,804,026	(\$920,433)	Interest	\$110,725,100	\$120,731,885
Net Present Value % Savings	6.12%	(3.12%)	Total Debt Service	\$225,385,100	\$247,591,885
Gross Savings	\$4,135,667	\$239,631	All-In TIC	4.24%	5.04%

According to Bond Counsel's review, under current Federal tax law, Bay Laurel CDD can only issue taxable bonds, whereas Indigo East CDD can issue tax-exempt bonds. The IRS has taken the position since 2013 that a special district such as a CDD is not qualified to issue tax-exempt bonds unless its Board of Supervisors is or will be elected by registered voters, rather than landowners based on acreage. Under Florida law, CDD supervisors are elected by landowners until after 6 years and when there are at least 250 registered voters residing in the CDD. At that point vacancies are filled by registered voters in general elections. Indigo East CDD has fully transitioned to registered voter status and can thus issue tax exempt bonds, either for its own district public infrastructure improvements, or by interlocal agreement with another government for public infrastructure improvements in another district. Bay Laurel CDD does not have the requisite number of registered voters, so its landowners continue to elect Board members on the basis of acreage. Thus, Indigo East CDD bonds would be tax-exempt; Bay Laurel CDD bonds would be taxable.

Bay Laurel's financing team is on standby to prepare an interlocal agreement and related documents that **would allow Indigo East CDD to issue tax-exempt bonds to refinance Bay Laurel's outstanding utility bonds and fund the new utility projects, without adding liability to Indigo East.** This structure would save the District over \$26 million under present market conditions, benefitting all utility customers. Furthermore, this interlocal agreement would pledge all revenues for the debt service on the proposed bonds which would come from Bay Laurel. Indigo East would simply serve as a conduit issuer to achieve maximum savings on the utility system for the benefit of the community.

SECTION C



ENGINEER'S REPORT FOR BOND FINANCING

APRIL 2022

Prepared for:

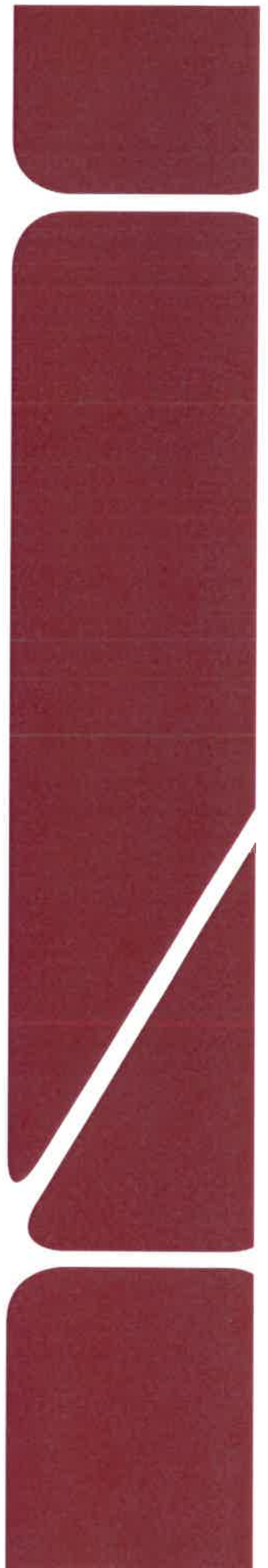
Bay Laurel Center Community Development District



Prepared by:

Kimley-Horn and Associates, Inc.

Kimley»Horn



ENGINEER'S REPORT FOR BOND FINANCING

APRIL 2022

Prepared for:

Bay Laurel Center Community Development District

Prepared by:

Kimley-Horn and Associates, Inc.

142837004

April 2022

© Kimley-Horn and Associates, Inc.
101 E. Silver Springs Blvd, Suite 400
Ocala, FL 34470
352-438-3000

THIS IS TO CERTIFY THAT THE ENCLOSED
ENGINEERING CALCULATIONS WERE
PERFORMED BY ME OR UNDER MY DIRECT
SUPERVISION.

MALCOLM LEWIS BRYANT, P.E.

FLORIDA REGISTRATION NUMBER 65582

KIMLEY-HORN REGISTRY NUMBER 696

Date: _____

Kimley»»Horn

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DRAFT

1.0 INTRODUCTION

The Bay Laurel Center Community Development District (District) owns, operates, and maintains utility infrastructure within and surrounding the "On Top of the World" (OTOW) community, providing utility service to approximately 8,680 residential accounts. The District issued Series 2011 Water and Sewer Revenue Bonds to purchase water, wastewater and reclaimed water assets that were previously leased. While the District has always provided water, wastewater and reclaimed water service to its residents/clients, the District had not previously owned the assets.

The District was created on May 7, 2002, by Marion County Ordinance 02-11, pursuant to the Uniform Community Development District Act of 1980 (Act), also known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established, among other reasons, for the purpose of financing, planning, management, maintenance and operation of a water, wastewater, and reclaimed water system within the District in accordance with powers established by Florida Statute, Chapter 190.

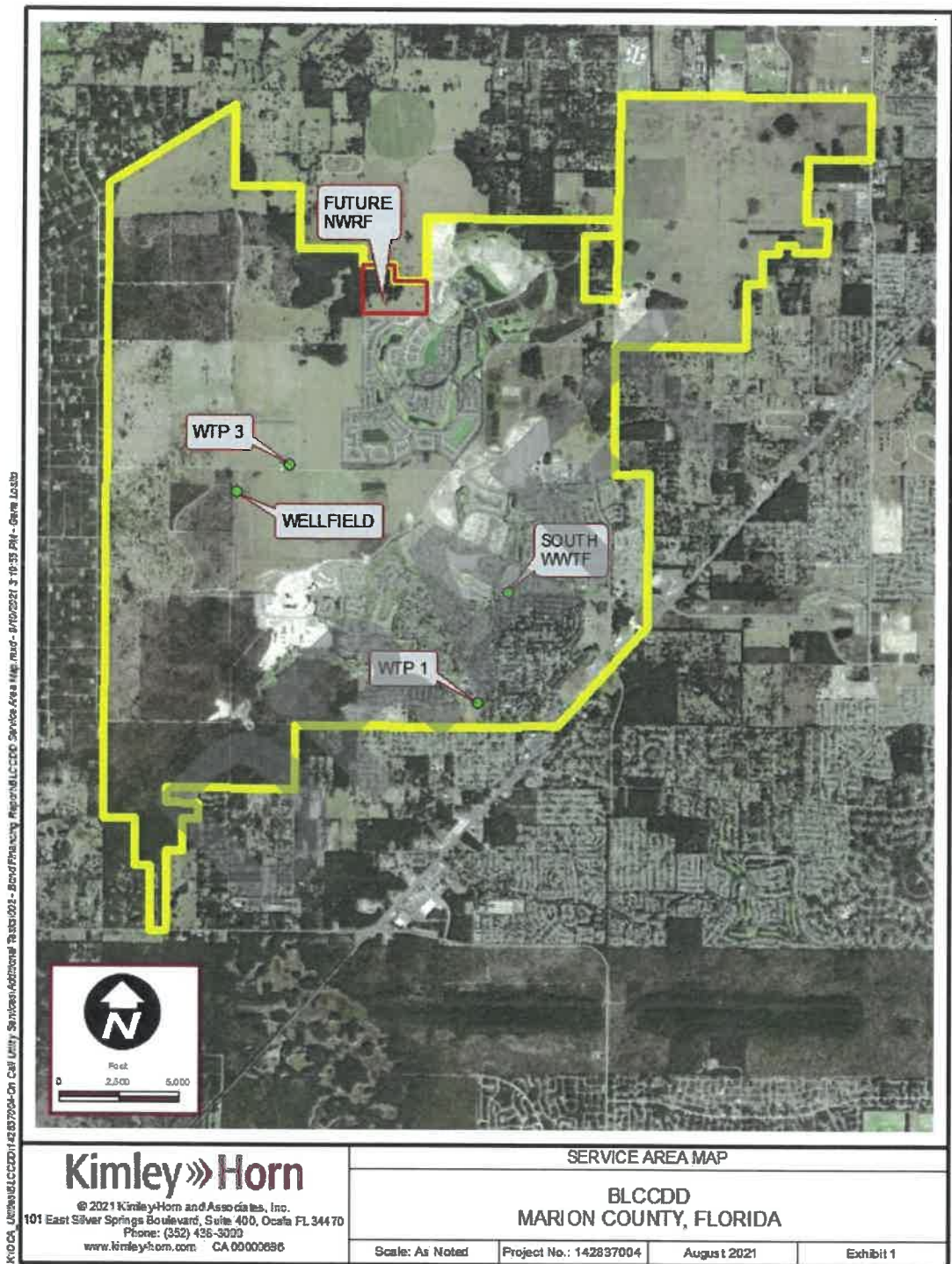
The District's System provides service to all of the residents and businesses of the OTOW Community and adjacent properties near SR 200 located in Marion County, Florida. The System also provides service to the residents and businesses located within the Indigo East Community Development District, the Candler Hills East Community Development District and to Stone Creek, a nearby Del Webb community. At build-out, the District's service area will be 13,150 acres. A service area map is provided in Figure 1.1.

1.1 PURPOSE OF REPORT

This Consulting Engineer's Report (the "Report") provides an overview of the existing System, regulatory compliance information, water demand and wastewater flow projections, the planned construction of the new North Water Reclamation Facility (WRF), decommissioning of the On Top of the World (OTOW) South Wastewater Treatment Facility (WWTF), miscellaneous system improvements, and purchase of the OTOW Water Treatment Plant No. 3 (WTP No. 3). This Report is provided to the District inclusion in the Official Statement associated with the issuance of the Utility System Revenue Bonds, Series 2022 (Series 2022 Bonds). The Series 2022 Bonds are being issued to obtain a portion of the funds needed to design, construct, and acquire the 2022 Projects. The 2022 Projects will begin construction in 2022 and will reach substantial completion by the third quarter of 2024. Final completion and start-up is scheduled for the fourth quarter of 2024. The 2022 Projects are further described in Section 6.0 of this Report.

Some information utilized in this report was included in the GAI Consultants, Inc. Consulting Engineer's Annual Report 2020-2021 provided to Kimley-Horn for use by the District.

Figure 1.1: Service Area Map



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Kimley»Horn
 © 2021 Kimley-Horn and Associates, Inc.
 101 East Silver Springs Boulevard, Suite 400, Ocala FL 34470
 Phone: (352) 436-3000
 www.kimleyhorn.com CA 00000686

SERVICE AREA MAP			
BLCCDD MARION COUNTY, FLORIDA			
Scale: As Noted	Project No.: 142837004	August 2021	Exhibit 1

2.0 SYSTEM OVERVIEW

This section provides a general description of the System including its utility management, summary of applicable regulations, and overview of the treatment facilities.

2.1 SYSTEM UTILITY MANAGEMENT

The District was established in 2002 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The District was established, among other reasons, for the purpose of financing and managing the planning, maintenance and operation of a water, wastewater and reclaimed water systems within the District.

The District is governed by the Board of Supervisors (the Board) which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board of Supervisors exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. The Board has the final responsibility for assessing and levying maintenance taxes, approving budgets, control over facilities and properties, controlling funds, key personnel, and financing improvements.

The District Manager reports to the Board and oversees the District staff, including the office and operations staff. The operations staff consists of water and wastewater groups, along with a distribution and collections group.

The District employs a seasoned and competent utility operations staff. The System is operated effectively and there are no indications of non-compliance issues. The staff is diligent regarding performing necessary repairs and maintenance as evidenced by the condition of the System.

The District also continues to provide operations staff with the necessary tools to operate more efficiently. This includes continued improvements to the Supervisory Control and Data Acquisition (SCADA) system, allowing for enhanced monitoring capabilities. Other tools and equipment are sufficiently provided, with staff able to perform necessary routine maintenance.

2.2 REGULATION OF WATER AND WASTEWATER UTILITIES

The District must conform to all applicable laws and statutes. The Florida Legislature enacted the Florida Safe Drinking Water Act, Section 403.850-403.864, Florida Statutes, and the Florida Air and Water Pollution Control Act, Section 403.021(2), Florida Statutes, for the purpose of acquiring and maintaining primacy for Florida under the Federal Safe Drinking Water Act (SDWA) and the Federal Clean Water Act (CWA), all of which regulate water and wastewater service to a quality pursuant to regulations set forth to protect public health and the environment. These policies are regulated by FDEP, which was delegated authority by the United States Environmental Protection Agency (USEPA) to administer the regulatory requirements under the SDWA and CWA.

Chapter 62-610, Florida Administrative Code (FAC), provides for the regulation of both the disposal and reuse of reclaimed water (treated wastewater effluent). The rule also contains specific use and land application requirements for reclaimed water. The regulations require that operators of wastewater treatment plants submit monthly discharge monitoring reports. The reports include information concerning effluent quality (for example, total suspended solids, bio-chemical oxygen demand, fecal coliform, and nitrates) and daily operating data (such as flow, chlorine residual, pH, and staffing time). Other parts of FAC, Chapter 62, regarding the regulation of potable water, wastewater, and reclaimed water facilities also must be followed.

The Southwest Florida Water Management District (SWFWMD), one of five water management districts in the State of Florida, has issued the water use permit (WUP) for potable water usage while protecting the environmental resources. Authority given to SWFWMD to issue WUPs is through Chapter 373, Florida Statutes. The treatment facilities are located in Marion County and are subject to County regulations concerning water and wastewater systems.

The System is active, fully operational and is permitted for operations by the Florida Department of Environmental Protection (FDEP) and the Southwest Florida Water Management District (SWFWMD) for water use permits. The System's WUP was renewed on February 23, 2021 and valid until February 23, 2041. The District renewed its Domestic Wastewater Permit on October 28, 2013. The current permit is set to expire on October 27, 2023. The District's water treatment system is comprised of one owned water treatment plant (WTP No. 1) and a second leased water treatment plant (WTP No. 3).

2.3 OVERVIEW OF EXISTING SYSTEM

As of February 2022, the District provides service to 10,461 active water connections and 9,992 active wastewater connections. These equate approximately to Equivalent Residential Connection (ERC) values as noted in **Table 2.1**.

Table 2.1: Number of ERC's	
Water	Wastewater
10,461	9,992

The District's water treatment system consists of two WTPs which supply water to the utility distribution system. The District owns and operates WTP No. 1. WTP No. 3 is leased via an agreement with Sidney Colen & Associates, LTD.

The District's wastewater treatment system includes one Wastewater Treatment Facility (South WWTF), along with 32 wastewater lift stations and the associated gravity sewer and force main network. The system also includes reclaimed water pumping and distribution, primarily to non-residential accounts.

3.0 WATER SYSTEM

The following sections describe the District's existing water distribution and treatment system.

3.1 HISTORICAL WATER PRODUCTION AND WATER DEMAND PROJECTIONS

Based on Monthly Operating Report data, the Water Supply System produced 3.38 MGD annual average daily flow in 2021 with a max day demand peaking factor of 2.15. Annual average daily water demand projections were developed using development projections based on historical growth rates and developer data. **Table 3.1** presents the projected average annual daily and maximum day demands through 2026 for the Community.

Table 3.1: Historical Potable Water Demand and Future Projections						
	Actual	Projected				
	2021	2022	2023	2024	2025	2026
Annual Average Daily Demand (MGD)	3.38	3.58	3.80	4.03	4.27	4.52
Maximum Day Demand (MGD) ⁽¹⁾	7.27	7.70	8.16	8.65	9.17	9.72
Notes: (1) Maximum day demand estimated using 2.15 maximum day to average annual demand peaking factor.						

3.2 RAW WATER SUPPLY

The District's water system uses treated groundwater from the Upper Floridan Aquifer to supply demands within the service area. There are seven supply wells operating under SWFWMD WUP No. 20 001156.013, which expires on February 23, 2041. The current WUP allows a total system withdrawal of 7,560,900 gallons per day on an annual average day flow basis with 10,509,600 gallons per day on maximum monthly allocation. The existing raw water supply has a total capacity of 13,785 gallon per minute (gpm) with a firm capacity of 11,685 gpm with the largest well out of service.

3.3 WATER TREATMENT FACILITY

The District's water treatment system consists of two WTPs which supply water to the utility distribution system. The District owns and operates WTP No. 1 and leases and operates WTP No. 3.

WTP No. 1 consists of a 2.0 million-gallon (MG) ground storage tank (GST), a 20,000-gallon hydro-pneumatic tank, five high service pumps (HSP) and a gas chlorination system. WTP No. 1 is supplied from four public supply wells (No. 7, No. 23, No. 29, and No. 30). All wells are located at/near the WTP facility site. Overall, this facility is in good operating condition. The building at this plant also serves as a main hub for the SCADA system, along with storage for parts, equipment, record drawings and other operation and maintenance items. The wells continue to operate in good condition. The raw water wells and finished water pipes are repainted. The GST was recently inspected, and no deficiencies were found. HSP Nos. 1, 2 and 3 were upgraded in 2017 to increase efficiency and reduce maintenance. There are spare motors for each

high service pump motor size, totaling three. The fence and the gate were replaced. Other enhancements to the SCADA system continue to occur, providing additional operational and security features for the system.

WTP No. 3 consists of two 2.75 million-gallon (MG) ground storage tanks (GSTs) with a total capacity of 5.5 MG, a 25,000-gallon hydro-pneumatic tank, six high service pumps (HSP) and a sodium hypochlorite chlorination system. WTP No. 3 is supplied from three public supply wells (No. 47, No. 46, and No. 57). All wells are located at an offsite wellfield near the WTP facility site. Overall, this facility is in excellent operating condition. The wells continue to operate in excellent condition. The GSTs were inspected in 2018 and no deficiencies were found.

3.4 WATER TRANSMISSION AND DISTRIBUTION FACILITIES

The water distribution system ranges in size from 2-inch to 36-inch pipelines. The majority of the distribution system is 6-inch and 8-inch pipeline. The majority of the utility system was constructed between the 1980's to present, making this a relatively young system. Based on the age, material and good operational history, the system is anticipated to remain reliable in the foreseeable future.

The overall system is sufficiently looped, with proper fire hydrants, valves, and arrangement, making the system reliable with necessary redundancy/backup options. Fire protection and flows throughout the system appear to be adequate, based on historical flow testing. With additional development currently in progress, the water distribution system continues to expand in size.

3.5 PERMITS AND REGULATORY COMPLIANCE STATUS

The SDWA was passed by Congress in 1974, which directed the USEPA to establish minimum drinking water standards. These standards are divided into two categories: primary regulations (those required for public health) and secondary regulations (those recommended for aesthetic qualities). The State of Florida has adopted the secondary regulations as enforceable standards. FDEP has the primary role of regulating public water systems in Florida as derived from Chapter 403, Part IV, Florida Statutes, and by delegation of the federal program from the EPA. FDEP has promulgated rules within the FAC Chapter 62 for regulation of public water supplies.

The District regularly monitors water quality and comprehensive water quality tests are performed annually using an independent laboratory. In accordance with the SDWA requirements, the District publishes and distributes a Consumer Confidence Report annually outlining the System's compliance with the water quality standards established by USEPA. The System has no outstanding compliance issues.

4.0 WASTEWATER SYSTEM

The following sections describe the District's existing wastewater collection, treatment, and reclaimed water distribution system.

4.1 HISTORICAL WASTEWATER FLOWS AND WASTEWATER FLOW PROJECTIONS

Based on Discharge Monitoring Report data, the Wastewater Collection System treated 0.73 MGD annual average daily flow in 2021 with a max month peaking factor of 1.26. Annual average daily flow demand projections were developed using development projections based on historical growth rates and developer data. **Table 4.1** presents the projected annual average daily flow and maximum monthly flow demands through 2026 for the Community.

To treat future flows, the District is constructing the 2022 Project to decommission the South WWTF and construct the new North WWTF. The North WRF is planned to reach substantial completion by the third quarter of 2024 and be online by the fourth quarter of 2024.

Table 4.1: Historical Wastewater Flow and Future Projections						
	Actual	Projected				
	2021	2022	2023	2024	2025	2026
Annual Average Daily Flow (MGD)	0.73	0.78	0.82	0.88	0.93	0.99
Maximum Monthly Flow (MGD) ⁽¹⁾	0.92	0.98	1.04	1.10	1.17	1.25
Notes: (1) Maximum monthly flow estimated using 1.26 maximum month to average annual flow peaking factor.						

4.2 WASTEWATER COLLECTION

The wastewater collection system ranges in size from 6-inch to 18-inch piping. In addition to the gravity network, there are 32 wastewater pump stations and force main ranging from 4-inch to 20-inch pipeline.

The wastewater collection system mainly consists of PVC material, with some high-density polyethylene pipe and DIP. Like the water system, most of the utility system was constructed between 1980's to present, making this a relatively young system. Based on the age, material and good operational history, the system is anticipated to remain reliable in the foreseeable future.

The overall wastewater collection system provides sufficient capacity, with alternate flow patterns in the force main network and sufficient valves and air releases. The lift stations are well maintained, with backup pumps, pump outs, valves, and permanent generators for 28 out of 32 lift stations with all having redundant generator receptacles for use with portable generators. Three new lift stations were placed into operation between 2020 and 2021.

The District continues to implement permanent backup generators on new stations. These items enhance the System's reliability with redundancy/backup options. The installation of a permanent backup generator is required for all new lift stations.

4.3 WASTEWATER TREATMENT

The District's South WWTF is located at 8851 SW 90th Street. The South WWTF is comprised of two plants at one location that operate in parallel. The South WWTF operates under FDEP Permit No. FLA012683, issued October 28, 2013 with an expiration date of October 27, 2023 and a permitted capacity of 1.25 MGD (annual average daily flow). These facilities are extended aeration activated sludge treatment systems.

WWTF No. 1, originally constructed in 1981, consists of five aeration basins, totaling 577,000 gallons, a clarifier, a chlorine contact basin and a digester. WWTF No. 2, originally constructed in 1988, consists of three aeration basins, totaling 495,000 gallons, two clarifiers, chlorine contact basin and digester. The facilities share a cloth media filter, disinfection system, a chlorine contact chamber and reuse storage.

4.4 BIOSOLIDS MANAGEMENT

Biosolids generated at the WWTF are lime stabilized and land applied for agricultural use at the Circle Square Field 2 biosolids land application site permitted under the South WWTF FDEP Operating Permit No. FLA012683.

4.5 PERMITS AND REGULATORY COMPLIANCE STATUS

Wastewater regulations are set forth in FAC Chapter 62 and the FDEP sets minimum standards and specific requirements for regulation of domestic wastewater treatment facilities. The District's South WWTF was reviewed for compliance with Chapter 62-620 FAC. The current permit (FLA012683) was issued by the FDEP Central District Office on October 28, 2013 and expires on October 27, 2023. The System has no outstanding compliance issues.

5.0 IRRIGATION QUALITY (RECLAIMED) WATER SYSTEM

This section describes the irrigation quality (reclaimed) water system, which is used to supply irrigation demands throughout the District.

5.1 GENERAL

To reduce groundwater withdrawals, the District has installed a reclaimed water pump station and distribution system for irrigation supply. The reclaimed facilities are co-located with the South WWTF site, including a pump station, a 2.5 MG GST, a turbidity meter and associated ancillary items. The pump station consists of three main pumps with one jockey pump for low flows.

Primary effluent disposal is to the public access reclaimed water distribution system which serves three golf courses, community common areas, and road rights-of-way. Restricted Access reclaimed water, which provides beneficial water for the purpose of irrigation used in the agricultural operation for Circle Square Ranch, is the second alternative with on-site rapid infiltration basins (RIBs) providing an additional backup alternative. Should water quality temporarily not meet reclaimed standards, the flows will automatically be diverted from the reclaimed water distribution system to the restricted access reclaimed water system. RIBs are provided as an emergency disposal method in the event the other reclaimed water sites are unable to take any additional flows.

The public access reuse reclaimed water distribution system consists of more than 2 miles of reclaimed water transmission mains, ranging from 12-inch to 20-inch in size. The distribution system primarily provides flow for irrigation purposes to golf courses and common landscape areas throughout the service area.

6.0 THE 2022 PROJECTS

To meet future potable water demands and wastewater flow projections, the District is planning to design and construct the 2022 Projects. The 2022 Projects will commence construction in 2022 and are anticipated to reach substantial completion by the third quarter of 2024, with final completion and start-up in the fourth quarter of 2024. The 2022 Projects are described in more detail below.

6.1 NEW NORTH WRF

The District will construct a new North WRF on undeveloped property located generally on the north west side of existing OTOW development. See **Figure 1.1** for the North WRF location. The North WRF will be designed to treat an initial total flow of 2.5 million gallons per day (MGD) average annual daily flow (AADF) with provisions for future expansion to a buildout capacity of 5.0 MGD. The facility will be designed as a 4-stage Bardenpho process capable of producing an effluent that meets advanced treatment standards of 5 mg/l BOD, 5 mg/l TSS, 3 mg/l TN, and 1 mg/l TP (5/5/3/1) but permitted to the current FDEP operating permit limits. The design will incorporate the capability of future conversion to a 5-stage Bardenpho process as may be required to reduce effluent total phosphorous (TP) concentrations to less than 1 mg/l.

Once the North WRF is operational, the District will decommission the existing South WWTF. See **Figure 1.1** for the South WWTF location. Existing reclaimed water components located at the South WWTF will be converted to a reclaimed water re-pump station. The re-pump station will receive flow from the new North WRF and re-pump flow to serve the existing customers of the District.

The North WRF project will include new facilities, decommissioning the South WWTF and conversion to a reclaimed re-pump station, and system modifications as summarized below.

Facilities located at the new North WRF will consist of the following:

- Headworks – consisting of screening, grit removal, and odor control.
- Flow Equalization Tank – sized to reduce peak loadings to potentially include additional volume for reject water storage
- Biological Treatment – 4-Stage Bardenpho oxidation ditch with automated process control
- Secondary Clarification Facilities – consisting of circular scraper type secondary clarifiers with dual skimmers and full radius scum removal, return activated and waste activated sludge (RAS and WAS) pumping systems, and scum pumps
- Disc Filtration System – consisting of filtration and controls
- High Level Disinfection – consisting of liquid sodium hypochlorite (NaOCl) and metering pumps, dual chlorine contact chambers, and effluent pre-stressed ground storage tank and effluent transfer pumps
- Plant Drain
- Reject Storage – covered pre-stressed concrete tank sized to meet the required storage volume
- Wet Weather Storage – covered pre-stressed concrete tanks sized to meet the required storage volume
- Biosolids Treatment – consisting of aerobic digestion and mechanical dewatering equipment
- On-site Buildings:
 - Operations Office - with laboratory, restrooms, break area, and storage

- Chemical Building – with storage and chemical feed systems for liquid sodium hypochlorite, supplemental carbon, and alum
- Biosolids Treatment Building – with enclosed blowers, electrical, controls, covered dewatering area, and emergency generator
- Motor Control Center Building – with emergency generator
- Site Design:
 - Grading, drainage, and pavement plans
 - Landscaping, irrigation, and fencing
 - Site lighting, surveillance, and gate access

Work at the South WWTF will include decommissioning and conversion to reclaimed re-pump station project consist of the following:

- Removal of all unnecessary buildings, tankage, and equipment
- Necessary fill valves and controls to the existing 2.5 MG reclaimed storage tank
- Conversion of master Lift Station No. 6 to a master reclaimed re-pump station
- Relocate the existing 400kW generator to the reclaimed re-pump station
- Final grading, landscaping, and site restoration

The additional system modifications will consist of the following:

- Lift Station 6 upgrades
- Triplex master lift station with odor control
- Approximately 14,500 linear feet (LF) of 24" force main (FM)
- Approximately 10,000 LF of 20" and 3,300 LF of 16" reclaimed water main (RCW)

6.2 PURCHASE OF OTOW WTP NO. 3

The District currently leases the OTOW WTP No. 3 from Sidney Colen & Associates, LTD. Currently, the OTOW WTP No. 3 has a FDEP permitted max day capacity of 9.07 MGD. The raw water source is ground water from the upper Floridan aquifer. Ground water is pumped into the plant by three ground water wells. Treatment is provided by sodium hypochlorite disinfection. Treated water is distributed to customers by the pumping facilities listed in Table 6.1 below. The District intends to acquire the OTOW WTP No. 3 to be able to continue to serve the customers within the District's utility service area. According to the Water and Sewer System and Reuse Water System sublease/Option to Purchase Agreement (between the District and Sidney Colen & Associates, LTD.) Exhibit B, Rider B-1, four options are provided to determine the purchase price of the OTOW WTP No. 3. The acquisition cost of OTOW WTP No. 3 was determined by the Water Treatment Plant #3 Appraisal for the Purposes of System Integration report prepared by Willdan Financial Services dated March 2, 2022.

Table 6.1: On Top of the World WTP No. 3 WTP HSP Pump Capacities

Pump Number	Pump Type	Horsepower	Capacity (gpm)
HSP 1 (Jockey)	Centrifugal	125	1,800
HSP 2 (Jockey)	Centrifugal	125	1,800
HSP 3	Centrifugal	300	5,160
HSP 4	Centrifugal	300	5,160
HSP 5	Centrifugal	300	5,160
HSP 6	Centrifugal	300	5,160

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7.0 2022 PROJECT OPINION OF PROBABLE COSTS

The total opinion of probably costs for the 2022 Project is as summarized in **Table 7.1** below.

Item No.	Item	Total
1	New North WRF Phase 1 (2.5 MGD Capacity)	\$124,000,000
2	Acquisition of OTOW WTP No. 3	\$35,700,000
Total 2022 Project Costs		\$159,700,000

The actual cost of construction, final engineering design, planning, approvals, and permitting may vary from the opinions of probably costs presented. The Consultant has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to Consultant at this time and represent only the Consultant's judgment as a design professional familiar with the construction industry. The Consultant cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

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8.0 FINDINGS AND CONCLUSIONS

The following conclusions are made based on the assumptions, study results, and considerations summarized in this Report. These conclusions represent judgments based all of the information presented within this Report and as referenced herein.

- The existing System facilities are in good operating condition.
- The System facilities appear to be adequately operated and maintained, and the District is taking necessary steps to continue prudent utility practice as described throughout this report. Therefore, the District appears to be capable of providing sufficient and reliable water, wastewater, and irrigation system service to its customers.
- The District should be able to retain and renew current permits for the water, wastewater, and reclaimed water systems so long as operations, maintenance, and permit reporting continue as in past history.
- To Kimley-Horn's knowledge, the District is in compliance with all federal and state regulatory requirements relating to the provisions of water and wastewater services and there are no outstanding orders requiring corrective actions issued by any regulatory agency relating to any component of the System.
- The 2022 Projects are necessary and adequate to provide reliable water, wastewater, and irrigation capacity for the anticipated growth in the District's customer base discussed in this report.
- Based on the capacity upon completion of the 2022 Projects and the anticipated water demands in this report, the District has sufficient water supplies to meet its anticipated service needs through a planned 5-year period.
- Based on the capacity upon completion of the 2022 Projects and the wastewater flow projections, the District will have sufficient wastewater treatment capacity to treat anticipated flows through at least a planned 5-year period.
- The reclaimed water produced at the District, in combination with supplemental water from the irrigation WUPs within the service area, will have sufficient capacity to meet projected irrigation demands through a planned 5-year period.

9.0 REFERENCES

GAI Consultants, Inc. 2021. GAI Consultants, Inc. Consulting Engineer's Annual Report 2020-2021; Bay Laurel Center Community Development District, Ocala, FL.

Willdan Financial Services, 2022. Water Treatment Plant #3 Appraisal for the Purposes of System Integration

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SECTION D



April 13, 2022

Board of Supervisors
Bay Laurel Center Community Development District
8470 SW 79th Street Road, Suite 3
Ocala, FL 34481

Subject: FINANCIAL FEASIBILITY REPORT REGARDING WATER AND SEWER REFUNDING AND REVENUE BONDS, SERIES 2022

Dear Board Members:

Willdan Financial Services (Willdan) has been engaged by the Bay Laurel Center Community Development District (District) in its capacity as a Consultant to prepare this Financial Feasibility Report (Report) for inclusion in both the Preliminary Official Statement and Official Statement for the above referenced revenue bonds (referred to herein as the Series 2022 Bonds or the Bonds). This Report addresses the current fiscal year ending September 30, 2022 (Budget Year) and the projected period ending September 30, 2026, hereinafter referred to as the Projection Period).

The Series 2022 Bonds are being issued pursuant to the Act and a Trust Indenture dated as of October 1, 2011, between the District and U.S. Bank Trust Company, National Association, successor to U.S. Bank, National Association, Orlando, Florida (Trustee) (Indenture). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Trust Indenture. The proceeds of the Series 2022 Bonds will be applied to (a) refund all the District's outstanding Water and Sewer Revenue Bonds, Series 2011; (b) pay for certain improvements to the Utilities System as more particularly described in the Consulting Engineer's Report, (as hereinafter defined); and (c) pay costs of issuance of the Series 2022 Bonds, including, without limitation, the costs of municipal bond insurance.

The information contained herein with respect to the cost and operation of the Utilities System; the planned capital improvements, additions, renewals and replacements; the Series 2022 Bonds; and the project construction costs and schedule has been obtained from periodic reports, records of operation, annual reports, monthly and annual financial reports and data and information supplied by the District, its consultants and Underwriter, together with information obtained from other sources. While Willdan utilized such data and information in this Report, and Willdan believes such information to be reliable, no attempt was made to independently verify the accuracy thereof, and Willdan offers no assurances with respect thereto. The projections set forth herein are subject to change based upon indeterminate future events that could include changes in operating, capital, financing, and other costs of the Utilities System. Any such adverse changes would likely result in a change in the projected costs of operation of the Utilities System.

The scope of Willdan's engagement by the District with regard to the Utilities System did not include, among other things, a physical inspection of any of the facilities, reviews of matters related to regulation, safety, security, insurance, design or operation and maintenance, or review of any of the proposed capital improvements with regard to cost, schedule or any other factors. Accordingly, except as specifically noted herein, nothing contained in this Report is intended to indicate conditions with respect to the internal physical conditions of the facilities, as to safety, or as to conformance of the Utilities System with agreements, codes, permits, rules or regulations of any party having jurisdiction with respect to construction, security, operation and maintenance of the Utilities System. Further information regarding such matters is available from the District. This Report summarizes Willdan's work as of its date.

PURPOSE OF THE SERIES 2022 BONDS

The Series 2022 Bonds are being issued to (1) refund the Series 2011 Bonds, (2) finance a portion of the cost of the Series 2022 Projects (as described herein), and (3) pay the costs of issuance of the Series 2022 Bonds. In addition to the bond funds, the District has received the Federal Wastewater Grant (WG028) for \$26.1 million from the Florida Department of Environmental Protection (FDEP) for use towards the design and construction of the North Water Reclamation Facility. In addition, the District plans to use \$16.55 million from the Surplus fund towards the 2022 Projects.

The estimated sources and uses of funds for the Series 2022 Bonds are summarized in **Table 1**.

Table 1 – Estimated Funding Sources and Uses ⁽¹⁾⁽²⁾

Description	Series 2022A Refunding Bonds	Series 2022B New Money Bonds	Total
Estimated Sources of Funds			
Par Amount	\$29,045,000	\$126,410,000	\$155,455,000
Debt Service Reserve Fund Release	\$1,168,850	\$-	\$1,168,850
Total Sources of Funds	\$30,213,850	\$126,410,000	\$156,623,850
Estimated Uses of Funds			
<u>Project Fund Deposits</u>			
Acquisition Cost of WTP #3	\$-	\$35,700,000	\$35,700,000
North WRF Phase 1	\$-	\$84,400,000	\$84,400,000
Total Project Fund Deposits	\$-	\$120,100,000	\$120,100,000

Description	Series 2022A Refunding Bonds	Series 2022B New Money Bonds	Total
<u>Refund Escrow Deposits</u>			
Cash Deposit	\$1	\$-	\$1
SLGS Purchases	\$29,846,623	\$-	\$29,846,623
Total Refund Escrow Deposits	\$29,846,624	\$-	\$29,846,624
<u>Delivery Date Expenses</u>			
Cost of Issuance	\$65,394	\$284,806	\$350,000
Underwriter's Discount	\$117,479	\$511,293	\$628,771
Bond Insurance	\$160,777	\$899,734	\$860,511
Surety	\$22,398	\$97,480	\$119,878
Total Delivery Date Expenses	\$366,047	\$1,593,114	\$1,959,161
<u>Other Fund Deposits:</u>			
Capitalized Interest for WRF	\$-	\$4,712,069	\$4,712,069
Total Other Fund Deposits	\$-	\$4,712,069	\$4,712,069
<u>Other Uses of Funds</u>			
Additional Proceeds	\$1,179	\$4,817	\$5,997
Total Other Uses of Funds	\$1,179	\$4,817	\$5,997
Total Uses of Funds	\$30,213,850	\$126,410,000	\$156,623,850
Notes:			
[1] As provided by the District's Underwriter. See the "Principal Assumptions and Considerations" section of this Report for the assumptions.			
[2] Preliminary and subject to change.			
[3] See "The 2022 Project" section of this Report for a detailed description of the System improvements to be funded with the Series 2022 Bonds.			
[4] Includes legal fees; initial Trustee's and Escrow Agent fees Verification Agent's, Underwriter's and Willdan's fees, printing costs, rating agency fees; and other costs of issuance of the Series 2022 Bonds.			

THE DISTRICT

The Bay Laurel Center Community Development District owns, operates, and maintains utility infrastructure within and surrounding the On Top of the World (OTOW) community, providing utility service to approximately 10,461 water connections and 9,992 wastewater connections.

The District issued Series 2011 Water and Sewer Revenue Bonds to purchase water, wastewater, and reclaimed water assets that were previously leased. While the District has always provided water, wastewater, and reclaimed water service to its residents, the District had not previously owned the assets.

The District was created on May 7, 2002, by Marion County Ordinance 02-11, pursuant to the Uniform Community Development District Act of 1980 (Act), also known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established, among other reasons, for the purpose of financing, planning, management, maintenance and operation of a water, wastewater, and reclaimed water system within the District in accordance with powers established by Florida Statute, Chapter 190.

Management and Organization

The District is governed by the Board of Supervisors (the "Board") which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board of Supervisors exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. The Board has the final responsibility for:

1. assessing and levying maintenance taxes,
2. approving budgets,
3. control over facilities and properties,
4. controlling funds, key personnel, and
5. financing improvements.

The District Manager reports to the Board and oversees the District staff, including the office and operations staff. The operations staff consists of water and wastewater groups, along with a distribution and collections group. The current members of the Bay Laurel Center Community Development District Board of Supervisors and the term of each member are set forth below in **Table 2**:

Table 2 – Current Board Members and Term

Name	Title	Term Expires
Kenneth D. Colen	Chairman	November 2022
Richard Belz	Vice Chairman	November 2024
Paul Brunner	Assistant Secretary	November 2022
Jo Layman	Assistant Secretary/Assistant Treasurer	November 2024
William D. McLeod Jr.	Assistant Secretary	November 2022

Demographics

As mentioned herein, the population of the City of Ocala and Marion County is estimated to be 61,810 and 378,613, respectively. Historical population for the City and the County is reported to be as presented below in **Table 3** and **Figure 1**. As shown, the City and the County have experienced moderate growth over the ten-year period 2012 through 2021. Specifically, the compound average annual growth in population for City and the County is 0.93% and 1.32%, respectively. Additionally, the population provided utility service with the District's service area is shown below. During the same time period, the average annual growth for the population served within the utilities service area was 5.44%.

Table 3 – Historical CDD, City, and County Population

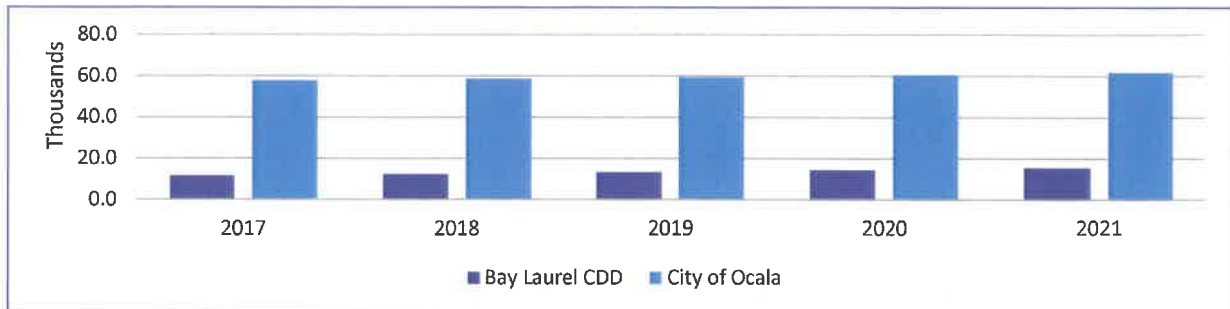
Fiscal Year	Bay Laurel Center CDD ^[1]		City of Ocala ^[2]		Marion County ^[2]	
	Population	Annual Growth	Population	Annual Growth	Population	Annual Growth
2012	9,331	2.20%	56,598	0.39%	333,873	0.48%
2013	9,564	2.50%	56,828	0.41%	335,083	0.36%
2014	9,918	3.70%	56,918	0.16%	338,005	0.87%
2015	10,375	4.60%	57,209	0.51%	342,182	1.24%
2016	10,945	5.50%	57,873	1.16%	347,469	1.55%
2017	11,558	5.60%	57,812	-0.11%	353,339	1.69%
2018	12,372	7.04%	58,598	1.36%	359,062	1.62%
2019	13,347	7.88%	59,267	1.14%	365,579	1.82%
2020	14,304	7.17%	60,539	2.15%	372,096	1.78%
2021	15,484	8.25%	61,810	2.10%	378,613	1.75%

Note:

[1] Information provided by the District based on 1.74 persons per household. This is the population served within the District's utilities service area.

[2] Information for City of Ocala and Marion County taken from United States census data and 2020 and 2021 data is projected.

Figure 1 – Historical Population



THE UTILITIES SYSTEM

The following description of the Utilities System is derived from information received, provided by the District and its advisors including, but not limited to, the GAI Consultants, Inc. Consulting Engineer's Annual Report 2020-2021 (CE Annual Report) and the Kimley-Horn Engineer's Report for Bond Financing (CE Bond Financing Report). Willdan has not validated this information and includes it herein for informational purposes only.

As of February 2022, the District provides service to 10,461 active water connections and 9,992 active wastewater connections. The Utilities System is active, fully operational and is permitted for operations by the FDER and the Southwest Florida Water Management District (SWFWMD) for consumptive use permits. The Utilities System's water use permit (WUP) was renewed on February 23, 2021, and valid until February 23, 2041. The District renewed its Domestic Wastewater Permit on October 28, 2013. The current permit is set to expire on October 27, 2023. The District's current water treatment system is comprised of one owned water treatment plant (WTP No. 1) and a second leased water treatment plant (WTP No. 3).

Service Area

The District's Utilities System provides service to all of the residents and businesses of the OTOW Community and adjacent properties near SR 200 located in Marion County, Florida. The System also provides service to the residents and businesses located within the Indigo East Community Development District, the Candler Hills East Community Development District and to Stone Creek, a nearby Del Webb community. In addition to these communities, known as the On Top of the World DRI (OTOW DRI), the Utilities System will provide service to three recently approved development projects including the Calesa Planned Development and two mixed use employment centers (Earl Employment Center and South Employment Center) that will include multifamily development. At build-out, the District's service area will be approximately 13,150 acres.

Each of these development projects are unique in terms of their housing products and targeted market. The OTOW DRI is comprised of age-restricted communities, which requires that one member of the household must be age 55 or older. In contrast, the approved Calesa Planned Development is not age-restricted and is instead targeted toward families. Calesa is fully entitled as a vested development through BLIM 2018-DM05 and has been approved as a Planned Development with 4,500 single-family units, 500 multifamily units, and three commercial centers. The Earl Employment Center, located immediately east of Calesa, has been approved as a mixed use development, comprised of employment uses, multifamily, and amenities to serve residents in Calesa and within the Earl Employment Center. The SR 200 Employment Center has been planned as a mixed-use development that will include employment uses, assisted/independent living, nursing homes, and multifamily housing.

Water System

Water Supply

The District water system uses treated groundwater from the Upper Floridan Aquifer to supply demands within the service area. There are seven supply wells operating under SWFWMD WUP No. 20 001156.013, which expires on February 23, 2041. The current WUP allows a total system withdrawal of 7,560,900 gallons per day (gpd) on an annual average day flow basis with 10,509,600 gpd on maximum monthly allocation. The existing raw water supply has a total capacity of 13,785 gallons per minute (gpm) with a firm capacity of 11,685 gpm with the largest well out of service.

Water Treatment

The District's water treatment system consists of two water treatment plants (WTP) which supply water to the utility distribution system. The District owns and operates WTP No. 1. WTP No. 3 is currently leased via an agreement with Sidney Colen & Associates, LTD.

WTP No. 1 consists of a 2.0 million-gallon (MG) ground storage tank (GST), a 20,000-gallon hydro-pneumatic tank, five high service pumps (HSP) and a gas chlorination system. WTP No. 1 is supplied from four public supply wells (No. 7, No. 23, No. 29, and No. 30). All wells are located at/near the WTP facility site. The CE Annual Report indicates that, overall, this facility is in good operating condition. The building at this plant also serves as a main hub for the Supervisory Control and Data Acquisition (SCADA) system, along with storage for parts, equipment, record drawings and other operation and maintenance items. The wells continue to operate in good condition. The raw water wells and finished water pipes were recently repainted. The GST was recently inspected, and no deficiencies were found. There are spare motors for each high service pump motor size, totaling three. The fence and the

gate were replaced. Other enhancements to the SCADA system continue to occur, providing additional operational and security features for the system.

Water Distribution System

The water distribution system ranges in size from 2-inch to 36-inch pipelines. The majority of the distribution system is 6-inch and 8-inch pipeline. The majority of the water utility system was constructed between the 1980s to present, making this a relatively young system. Based on the age, material and good operational history, the system is anticipated to remain reliable in the foreseeable future.

The overall system is sufficiently looped, with proper fire hydrants, valves, and arrangement, making the system reliable with necessary redundancy/backup options. Fire protection and flows throughout the system appear to be adequate, based on historical flow testing. With additional development currently in progress, the water distribution system continues to expand in size.

Wastewater System

Wastewater Treatment

The District's South Wastewater Treatment Plant (WWTP) is located at 8851 SW 90th Street. The WWTP is two plants at one location that operate in parallel. The WWTP operates under FDEP permit no. FLA012683, issued October 28, 2013 with an expiration date of October 27, 2023 and a permitted capacity of 1.25 MGD (annual average daily flow). These facilities are extended aeration activated sludge treatment systems.

WWTP No. 1, originally constructed in 1981, consists of five aeration basins, totaling 577,000 gallons, a clarifier, a chlorine contact basin and a digester. WWTP No. 2, originally constructed in 1988, consists of three aeration basins, totaling 495,000 gallons, two clarifiers, chlorine contact basin and digester. The facilities also share a cloth media filter, a chlorine contact chamber and reuse storage. Upgrades to the facility have occurred, including replacement of the flow meters, headworks screening equipment (2015), odor control systems (2020), dissolved oxygen control systems (2017), cloth media fabric replacement (2018), and Shade Balls installed at Chlorine Contact Chamber (2018) to reduce chemical usage and stabilize chlorine residual.

Wastewater Collection and Pump Stations

The wastewater collection system ranges in size from 6-inch to 18-inch piping. In addition to the gravity network, there are 32 wastewater pump stations and force main ranging from 4-inch to 20-inch pipeline.

The system mainly consists of PVC material, with some high-density polyethylene pipe and DIP. Similar to the water mains, the majority of the wastewater utility system was constructed between 1980s to present, making this a relatively young system. Based on the age, material and good operational history, the CE Annual Report indicates the system is anticipated to remain reliable in the foreseeable future.

The overall wastewater system is reported to provide sufficient capacity, with alternate flow patterns in the force main network and sufficient valves and air releases. The lift stations include backup pumps, pump outs, valves, and portable backup power connections. Three new lift stations were placed into operation between 2020 and 2021.

28 out of 32 active lift stations also include permanent on-site backup power generators. The District continues to implement permanent backup generators on new stations. These items enhance the system's reliability with redundancy/backup options. Permanent backup generator is required for all new lift station design.

Reclaimed/Disposal

In order to reduce groundwater withdrawals, the District has installed a reclaimed pump station and distribution system for irrigation supply. The reclaimed facilities are co-located with the WWTP site, including a pump station, a 2.5 MG GST, a turbidity meter and associated ancillary items. The pump station consists of three main pumps with one jockey pump for low flows. Primary effluent disposal is to the reclaimed distribution system. Restricted Access reclaimed water, which provides beneficial water for the purpose of irrigation used in the agricultural operation for Circle Square Ranch, is the second alternative with on-site rapid infiltration basins (RIBs) providing an additional backup alternative. Should water quality temporarily not meet reclaimed standards, the flows will automatically be diverted from the reclaimed water distribution system to the restricted access reclaimed water system. RIBs are provided as an emergency disposal method in the event the other reclaimed water sites are unable to take any additional flows.

The public access reuse reclaimed water distribution system consists of more than 2 miles of reclaimed water transmission mains, ranging from 12-inch to 20-inch in size. The distribution system primarily provides flow for irrigation purposes to golf courses and common landscape areas throughout the service area.

CAPITAL IMPROVEMENT PLAN

The District's capital improvement program provides a process for identifying and prioritizing major facility needs and identifying fiscal resources to be utilized to implement the various capital projects. As a part of its planning process, the District develops a multi-year capital

plan which sets forth planned capital expenditures and projected funding sources from FY 2022 through FY 2030. The capital improvement plan (CIP) identifies planned upgrades, improvements, renewals, and replacements to the Utilities System. The CIP includes:

- o expenditures for capital projects budgeted in prior years which are still active and are to be completed during the Projection Period; and
- o expenditures budgeted for the current and future Fiscal Years which may include certain expenditures that have already been incurred by the District as of the date of this Report.

It is important to note the CIP attempts to predict capital needs over a multi-year period and represents the best judgment of the District. However, it is possible that additional Utilities System needs not contemplated in the current CIP could present themselves during the Projection Period.

The District's CIP includes the projects proposed for funding from the Series 2022 Bonds, as well as projects anticipated in future years and to be paid for either through future revenue bonds or available fund balance. For this Report, it is assumed that all projects are funded in accordance with the timing and funding sources provided in the CIP. **Exhibit 1** provides a summary of the estimated CIP expenditures by project and year, as well as by funding source.

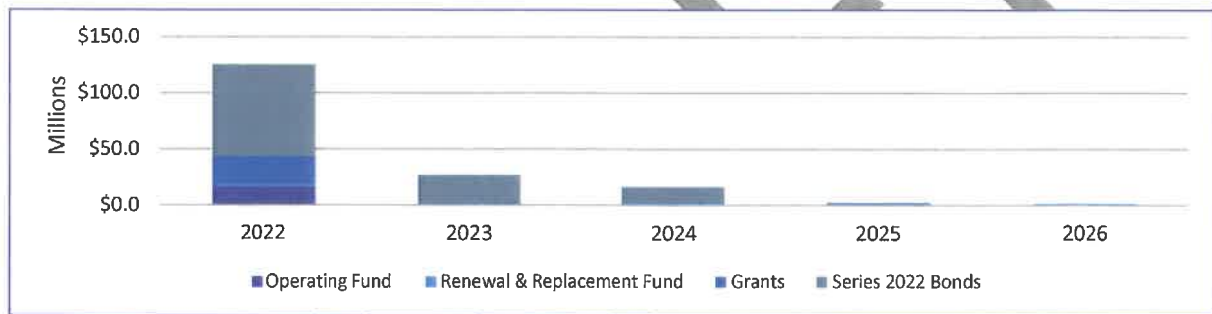
The projected capital expenditures are summarized below in **Table 4**, as well as in **Figure 2**.

Table 4 – Projected Capital Expenditures and Sources of Funding (\$1,000s)

Description	2022	2023	2024	2025	2026	5-Yr Total
Capital Expenditures						
<u>Water System</u>						
Treatment	\$35,891	\$97	\$1,113	\$81	\$459	\$37,641
Distribution	564	378	357	1,829	459	3,587
Total Water System	\$36,455	\$476	\$1,470	\$1,909	\$918	\$41,228
<u>Wastewater System</u>						
Treatment	\$88,699	\$26,013	\$14,395	\$81	\$89	\$129,276
Collection	132	205	179	128	138	782
Total Wastewater System	\$88,831	\$26,218	\$14,574	\$209	\$227	\$130,059
Vehicles and Administration	120	160	165	171	176	792
Administration	140	67	35	37	40	319
Total Capital Expenditures	\$125,546	\$26,920	\$16,244	\$2,326	\$1,361	\$172,398

Description	2022	2023	2024	2025	2026	5-Yr Total
Funding Sources						
Operating Fund	\$16,816	\$521	\$385	\$1,701	\$690	\$20,113
Renewal & Replacement Fund	1,806	1,011	1,971	625	671	6,085
Grant	25,324	388	388	-	-	26,100
Series 2022 Bonds	81,600	25,000	13,500	-	-	120,100
Future Revenue Bonds	-	-	-	-	-	-
Total Funding Sources	\$125,546	\$26,920	\$16,244	\$2,326	\$1,361	\$172,398
Note:						
[1] Information provided by the District.						

Figure 2 – Projected Funding Sources



THE SERIES 2022 PROJECT

A portion of the proceeds from the Series 2022 Bonds will be used to fund the design and construction of certain capital projects deemed necessary to meet future water and wastewater demands. These projects (2022 Projects) will commence construction in 2022 and are expected to be complete by the third quarter of 2024, with final completion and start-up in the fourth quarter of 2024. Below is a brief description of the 2022 Projects. For more detail on the 2022 Projects, see the CE Bond Financing Report.

- o **New North Water Reclamation Facility**

The District will construct a new North Water Reclamation Facility (WRF) on undeveloped property located generally on the north west side of existing OTOW development. The North WRF will be designed to treat an initial total flow of 2.5 MGD average annual daily flow (AADF) with provisions for future expansion to a buildout capacity of 5.0 MGD. The facility will be designed as a 4-stage Bardenpho process capable of producing an effluent that meets advanced treatment standards of 5 mg/l BOD, 5 mg/l TSS, 3 mg/l TN, and 1 mg/l TP (5/5/3/1) but permitted to the current

FDEP operating permit limits. The design will incorporate the capability of future conversion to a 5-stage Bardenpho process as may be required to reduce effluent total phosphorous (TP) concentrations to less than 1 mg/l.

The North WRF project will include new facilities, decommissioning the South WWTP, and other miscellaneous system modifications as summarized below.

Facilities located at the new North WRF will consist of the following:

- Headworks – consisting of screening, grit removal, and odor control.
- Flow Equalization Tank – sized to reduce peak loadings to potentially include additional volume for reject water storage.
- Biological Treatment – 4-Stage Bardenpho oxidation ditch with automated process control
- Secondary Clarification Facilities – consisting of circular scraper type secondary clarifiers with dual skimmers and full radius scum removal, return activated and waste activated sludge (RAS and WAS) pumping systems, and scum pumps
- Disc Filtration System – consisting of filtration and controls
- High Level Disinfection – consisting of liquid sodium hypochlorite (NaOCl) and metering pumps, dual chlorine contact chambers, and effluent pre-stressed ground storage tank and effluent transfer pumps
- Plant Drain
- Reject Storage – covered pre-stressed concrete tank sized to meet the required storage volume
- Wet Weather Storage – covered pre-stressed concrete tanks sized to meet the required storage volume
- Biosolids Treatment – consisting of aerobic digestion and mechanical dewatering equipment
- On-site Buildings
 - Operations Office - with laboratory, restrooms, break area, and storage
 - Chemical Building – with storage and chemical feed systems for liquid sodium hypochlorite, supplemental carbon, and alum
- Biosolids Treatment Building – with enclosed blowers, electrical, controls, covered dewatering area, and emergency generator
- Motor Control Center Building – with emergency generator
- Site Design:
 - Grading, drainage, and pavement plans
 - Landscaping, irrigation, and fencing
 - Site lighting, surveillance, and gate access

The South WWTF decommissioning project will consist of the following:

- Removal of all unnecessary buildings, tankage, and equipment
- Modification of master Lift Station No. 6 to a master re-pump station
- Necessary fill valves and controls to the existing reclaimed storage tank
- Relocate the existing 400kW generator to the reclaimed water pump station
- Final grading, landscaping, and site restoration

The additional system modifications will consist of the following:

- Lift Station 6 upgrades
- Triplex master lift station with odor control
- Approximately 14,500 linear feet (LF) of 24" force main (FM)
- Approximately 10,000 LF of 20" and 3,300 LF of 16" reclaimed water main (RCW)

○ **Purchase of OTOW Water Treatment Plant No. 3**

The District currently leases the OTOW WTP No. 3 from Sidney Colen & Associates LTD. Currently, the OTOW WTP No. 3 has a FDEP permitted max day capacity of 9.07 MGD. The raw water source is ground water from the upper Floridan aquifer. Ground water is pumped into the plant by three ground water wells. Treatment is provided by sodium hypochlorite disinfection. Treated water is distributed to customers through six high service pumps located at the facility. The District intends to acquire the OTOW WTP No. 3 to be able to continue to serve the customers within the District's utility service area. According to the Water and Sewer System and Reuse Water System sublease/Option to Purchase Agreement (between the District and Sidney Colen & Associates, LTD) the District has the ability to purchase the WTP based on a water utility system valuation. This valuation considered the replacement cost approach, income approach, and market or comparable sales approach and were reconciled to an overall opinion of value by a Senior Accredited Appraiser.

HISTORICAL AND PROJECTED CUSTOMER STATISTICS

Willdan analyzed historical customer billing data for the period beginning October 2015 through February 2022. Included in this data were customer accounts and metered flows for customers in each rate code. An analysis of the billing data was conducted to obtain an understanding of the historical growth trends and usage characteristics for each rate class.

The System is largely comprised of residential customers. Residential water customers represent approximately 92.11% of the system's customers and approximately 92.45% of its billed consumption. Non-Residential water customers represent approximately 7.89% of the

system's customers and approximately 7.55% of its billed consumption. This information is summarized below in **Figure 3**.

Figure 3 – Number of Customers and Usage by Class



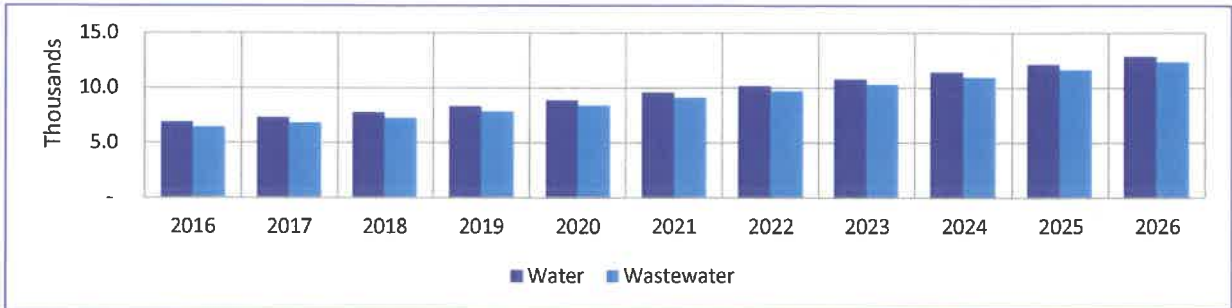
The historic and projected number of metered accounts for the System are summarized in **Table 5**, as well as in **Figure 4**. As can be seen, growth in metered accounts has continued to increase each year. Based on this and discussions with the District, this analysis assumes 6.0% growth per year in new accounts over the projection period.

Table 5 – Historical and Projected Number of Metered Accounts

Fiscal Year	Water				Wastewater			
	Residential	Non-Residential	Total	% Total Growth	Residential	Non-Residential	Total	% Total Growth
2016	6,162	748	6,909		6,162	278	6,439	
2017	6,547	770	7,317	5.90%	6,547	300	6,847	6.33%
2018	6,967	789	7,756	6.01%	6,967	320	7,287	6.44%
2019	7,529	792	8,320	7.27%	7,529	322	7,851	7.73%
2020	8,072	801	8,873	6.64%	8,072	331	8,403	7.03%
2021	8,791	814	9,606	8.26%	8,791	344	9,136	8.72%
2022	9,339	843	10,182	6.00%	9,339	373	9,712	6.31%
2023	9,918	873	10,792	5.99%	9,918	404	10,322	6.28%
2024	10,533	906	11,439	6.00%	10,533	436	10,969	6.27%
2025	11,184	940	12,125	6.00%	11,184	470	11,655	6.25%
2026	11,875	976	12,852	6.00%	11,875	507	12,382	6.24%

Note:
 [1] Historical information provided by the District.

Figure 4 – Historical and Projected Number of Connections



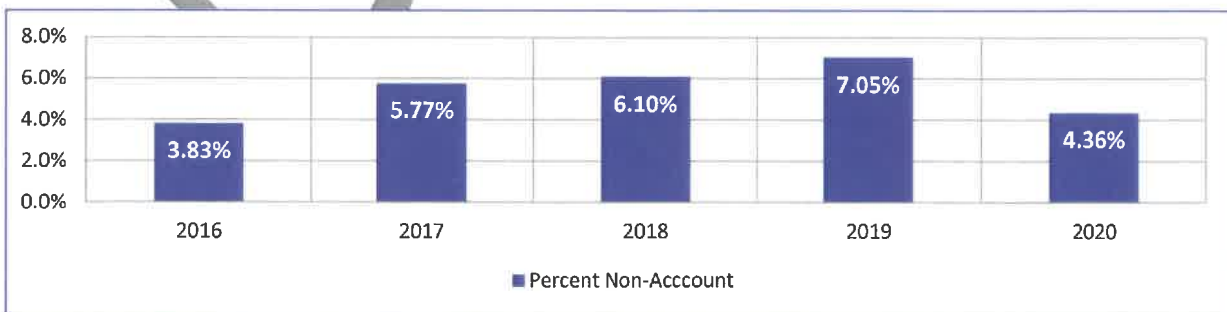
Usage patterns for projected customers is anticipated to be similar to the District's existing water and wastewater customers.

Non-Account Water

Non-account water is the difference between all water produced or purchased by a system less all water for which an account exists and/or the water is metered and billed. Non-account water can be in the form of “real losses” which are the result of water physically leaking from transmission or distribution mains, leakage or overflow of storage facilities, or leakage at the service connection. Non-account water can also result from inaccurate metering or accounting, unauthorized consumption, and theft of service. Non-account water resulting from these occurrences are referred to as “apparent losses.” Non-account water, whether real or apparent, results in non-revenue water. While every water utility system experiences some loss, the extent of losses varies widely from system to system and affects the cost of producing potable water.

The historic non-account water for the System is summarized in **Figure 5**. The information provided in **Figure 5** is provided for information purposes only and should not be construed as an assessment of the System's water infrastructure or billing and accounting practices.

Figure 5 – Historical Non-Account Water



Ten Largest Customers

For the Fiscal Year ended September 30, 2020, water sales revenues from the District's ten largest customers represented approximately 16.33% of its total sales revenues.

The consumption and revenues shown for each customer represent the total annual usage and revenues for all accounts of the respective customer.

Table 6 that follows, identifies the annual billed volumes and associated revenues of the District's ten largest customers compared to the total annual District sales (flows and revenues) for Fiscal Year ending September 30, 2020. **Figure 6** summarizes the billed revenues of the ten largest customers relative to the total District billed revenues.

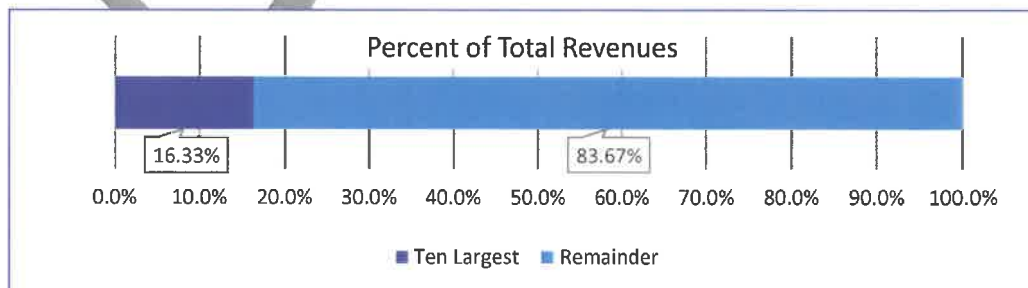
Table 6 – Ten Largest Customers Fiscal Year 2020 ^[1]

Account	Customer Type	Billed Usage ^[2]	Pct of Total Billed Usage	Billed Revenue	Pct of Total Billed Revenues
Stone Creek Community HOA	Residential Irrigation	189,826	5.55%	\$378,447	3.74%
OTOW Inventory	Residential	91,973	2.69%	\$281,027	2.77%
Stone Creek Community Association	Residential Irrigation	162,018	2.98%	\$240,345	2.37%
SCA Marion Amenities, LLC	Commercial	71,085	2.08%	\$145,008	1.43%
Pulte National Financial Services	Residential	33,600	0.98%	\$127,049	1.25%
SCA Marion Amenities, LLC - OTOW Golf Course	Reuse	124,259	3.64%	\$121,774	1.20%
Bridgewater Park Properties, LLC	Commercial	17,330	0.51%	\$106,760	1.05%
Stone Creek Community Assoc.	Commercial	49,351	1.44%	\$94,819	0.94%
OTOW Land Development	Construction Meters	19,590	0.57%	\$80,923	0.80%
Publix Supermarkets, Inc. #1201	Commercial	23,441	0.69%	\$78,130	0.77%
Total Top Ten Customers		722,473	21.14%	\$1,654,281	16.33%
Total System – FY2020		3,418,157		\$10,129,268	

Note:

- [1] Information obtained from billing data provided by the District.
- [2] Amounts shown are in 1,000 gallons.

Figure 6 – Ten Largest Customers Fiscal Year 2020



RATES FOR UTILITY SERVICE

Rates and charges are reviewed periodically by the District staff in preparation of the annual operating budget and, when necessary for recovery of operating and maintenance expenses, debt service, and capital expenditures, the District will implement rate adjustments.

In general, the existing rates for water, wastewater, and reclaimed services consist of monthly fixed charges based on meter size and volumetric charges. The following is a brief description of the Systems' rate structures.

Water and Wastewater User Rates

The existing water and wastewater rate structures each utilize three (3) components in the generation of monthly revenues consisting of:

- **Account Charge** – A fixed charge added to each bill, designed to recover at least a portion of the administrative costs associated with the billing process.
- **Base Charge** – Water base charges for residential single-family customers are calculated based on meter size equivalencies. All residential single-family wastewater connections are considered as one Equivalent Residential Connection, or ERC, irrespective of water meter size. Base charges for multi-family customers are based on 1 ERC per unit. An ERC is equal to 350 gallons per day for water and 250 gallons per day for wastewater. ERCs for master metered irrigation and non-residential water and wastewater connections are determined per meter by District staff per industry guidelines.
- **Volumetric Charges** – The water gallonage rates utilize an inclining block or conservation rate structure with six usage blocks; wherein, the cost per 1,000 gallons within each block increases as usage progresses into the next usage block level. Wastewater usage is charged at a single, or uniform, gallonage rate per 1,000 gallons of metered water, with the usage capped at 5,000 gallons per month per ERC for Residential class accounts.

The base charge is a fixed amount providing for revenue stability, whereas the gallonage rates allow for equitable cost recovery at various service levels while also promoting conservation of natural resources. Additionally, private irrigation wells are prohibited from being installed within the District, providing further stability to the water revenues.

Reclaimed Water Rates

Reclaimed water, the primary disposal method for wastewater, is currently available through bulk pressured service lines. Connections are served with no base charge, and at a single

gallage rate per 1,000 gallons of metered reclaimed water. However, for the purposes of this Study, there are two (2) primary types of reclaimed rates in the District: (1) retail reclaimed rates for residential and commercial customers, and (2) a bulk pressurized reclaimed water rate for use by certain pre-approved customers.

In preparation of the District's plans to offer expanded reclaimed water services to both residential and commercial customers in the near future for irrigation purposes, reclaimed water rate structure and rates were implemented that are familiar to current customers and promote conservation of natural resources. Since current residential and commercial irrigation classes of customers are billed using a monthly base charge and inclining block gallage rates per 1,000 gallons, this was an ideal structure to implement for reclaimed water as well. It was assumed that since all residential and commercial reclaimed water customers will also be water customers there was no need to charge an additional account charge. In order to promote use of the reclaimed water over the potable water for irrigation, it is common practice in Florida to offer reclaimed water at a reduced rate of that of potable water. Rates vary, but it is common to find them between 50% and 75% of the potable water rates. The District's reclaimed water rates are currently set to be approximately 50% of its potable water rate.

It is also a common practice for utilities in the State of Florida to offer a bulk rate to certain customers that meet specified qualifications and sign special supply and usage agreements with the District. These customers tend to be golf courses, sod farms, and other commercial or governmental entities who either use large quantities of reclaimed water, or whose needs vary depending on day, month, or season. Bulk rates can be offered for pressurized lines or non-pressurized lines, depending on the availability of on-site storage and pumping capabilities. Based on discussions with the District, it is expected that any customers that fit into the bulk category will likely need reclaimed water in consistent amounts but will not have onsite storage. Thus, a bulk pressurized rate was implemented, which is currently \$0.98 per 1,000 gallons. This rate falls between the first and second block gallage rates for the retail reclaimed water rate structure, as is typically expected. If, in the future, customers come online that require non-pressurized service, a rate can be designed at that time. Typically, this rate will be approximately half of that of the pressurized rate.

Existing User Rates and Charges for FY 2022

Rates provided below in **Table 7** are based on rates effective October 1, 2021.

Table 7 – Existing User Rates and Charges for FY 2022

Description	Water	Wastewater	Reclaimed
Residential – Single Family			
Customer Account Charge	\$2.96	\$1.59	\$-
Monthly Base Facility Charge			
5/8" meter	\$14.91	\$28.00	\$6.45
3/4" meter	\$22.37	\$28.00	\$9.68
1" meter	\$37.28	\$28.00	\$16.13
1 1/2" meter	\$74.56	\$28.00	\$32.25
2" meter	\$119.28	\$28.00	\$51.60
<i>(Over 2" based on demand as determined by District staff)</i>			
Gallonge charge (Per 1,000 gallons)			
First 7,500 gallons	\$1.66	\$6.54	\$0.68
Over 7,500 to 15,000 gallons	\$2.76	(Max 5,000 GPD)	\$1.18
Over 15,000 to 20,000 gallons	\$3.86	N/A	\$1.87
Over 20,000 to 25,000 gallons	\$7.31	N/A	\$2.54
Over 25,000 to 30,000 gallons	\$8.28	N/A	\$3.07
Over 30,000 gallons	\$11.04	N/A	\$3.56
Residential - Multi-Family			
Customer Account Charge (per connection)	\$2.96	\$1.59	\$-
Monthly Base Facility Charge (per unit and ERC)	\$10.65	\$25.20	\$4.61
Gallonge charge/1,000 gallons same as Single Family with each fee gallonage multiplied by the number of Units/ERCs			
Master-Metered Irrigation			
Customer Account Charge (per connection)	\$2.96	N/A	N/A
Monthly Base Facility Charge (per unit and ERC)	\$14.91	N/A	N/A
Gallonge charge (Per 1,000 gallons)			
First 15,000 gallons	\$2.76	N/A	N/A
Over 15,000 to 20,000 gallons	\$3.86	N/A	N/A
Over 20,000 to 25,000 gallons	\$7.31	N/A	N/A
Over 25,000 to 30,000 gallons	\$8.28	N/A	N/A
Over 30,000 gallons	\$11.04	N/A	N/A
Commercial/Non-Residential/Mixed-Use			
Customer Account Charge (per connection)	\$2.96	\$1.59	\$6.45
Monthly Base Facility Charge (per unit and ERC)	\$14.91	\$28.00	\$-
Gallonge charge (Per 1,000 gallons)			
First 6,000 gallons	\$1.66	\$6.54	\$0.68
Over 6,000 to 12,500 gallons	\$2.76	\$6.54	\$1.18
Over 12,500 to 17,500 gallons	\$3.86	\$6.54	\$1.87
Over 17,500 to 22,500 gallons	\$7.31	\$6.54	\$2.54
Over 22,500 to 27,500 gallons	\$8.28	\$6.54	\$3.07
Over 27,500 gallons	\$11.04	\$6.54	\$3.56
Reuse Rates (Gallonge charge/1,000 gallons)			
Bulk Pressured Reclaimed Rate	N/A	N/A	\$0.98
Fees Due at Meter Install Request ⁽¹⁾			
AFPI (Per ERC)	\$1,576.00	\$2,434.00	N/A
Notes:			
[1] An ERC is equal to 350 gallons per day for water and 250 gallons per day for sewer. A single-family customer with a 5/8" meter equals 1 ERC.			

Miscellaneous Fees and Charges

The District has established a schedule of miscellaneous fees and charges associated with various customer requested services, including but not limited to Miscellaneous Charges, Preliminary Charges, Service Charges, Administrative Charges, Other Miscellaneous Charges, Fire Protection Fees, and Labor Charges.

The District’s miscellaneous fees and charges, provided below in **Table 8, Table 9, Table 10, Table 11, Table 12,** and **Table 13,** are based on rates effective October 1, 2021.

Table 8 – Miscellaneous Charges

Description	Fee
Plan Review Fee ^[1]	\$183.00 + Cost*
Administrative Fee ^[2]	\$65.00 + Cost*
Construction Review Fee ^{[3][4]}	\$65.00 + Cost*
Cross-Connection Inspection Fee	\$65.00 + Cost*
Backflow Preventer Maintenance Charge	\$65.00 + Cost*
Construction Meters	Cost of Equipment
Inspection Fee and/or Reinspection Fee ^[5]	\$125.00
<u>Unauthorized Utility Service Use - (Fine plus actual usage)</u>	
First Offense	\$511.00
Repeated Offense	\$2,000.00
Notes:	
[1]	A minimum advance of \$183.00 to be applied to Cost due upon request for status letter, conceptual review, and each revision/amendment to the same with actual Cost invoiced periodically.
[2]	A minimum advance of \$500 to be applied to Cost due upon submission of Property Questionnaire with actual Cost invoiced periodically and final Cost balance due prior to initial meter installation.
[3]	Advance of \$150 to be applied to Cost due upon start of construction with actual Cost invoiced periodically with final payment due prior to initial meter installation.
[4]	Inspection Overtime Rate \$100/hour with a minimum cost of \$300 for up to 3 hours payable in advance.
[5]	Charge levied to defray the cost of administering and monitoring a new connection to the distribution system before service is required. Also applies to the inspection of taps, irrigation systems and sewer laterals.

Table 9 – Preliminary Charges

Description	Fee
<u>Customer Deposit</u>	
Residential Accounts ^[1]	\$150.00
Commercial Accounts ^[2]	Equivalent of 2.5 monthly statements based on the ERC
Rental Accounts	\$150.00
<u>Meter Installation</u>	
Residential Service 5/8" Meter ^[3]	\$550.31
Notes:	
[1]	Residential deposits may be waived at the time of application with an acceptable letter of reference from another utility.
[2]	ERC's are calculated at time the service is requested and the commercial deposit is based on the initial ERC determination.
[3]	The charge shall be increased to cost if the cost of the materials and labor exceeds the amount listed.

Table 10 – Service Charges

Description	Fee
Normal Disconnection of Service	\$54.00
Normal Reconnection of Service	\$54.00
After Hours Normal Reconnection of Service	\$138.00
Violation Disconnection of Service	\$73.00
Violation Reconnection of Service	\$73.00
After Hours Violation Reconnection of Service	\$156.00
Premises Visit (In Lieu of Disconnect)	\$48.00
Grease Trap Non-Compliance Reinspection Fee	\$60.00 + Cost ^[1]
Grease Trap Surcharge	\$5.00
Meter Re-Read / Leak Inspection Fee	\$48.00
Meter Bench Test Fee	\$121.00 + Cost ^[1]
Meter Change Out Fee	\$129.00 + Cost ^[1]
Meter Tampering Fee	\$511.00
Data Logger	\$60.00
Note:	
[1]	Cost means actual cost as invoiced to District by 3rd Party Provider/Vendor/Consultant.

Table 11 – Administrative Charges

Description	Fee
Account Transfer Fee	\$25.00
Late Payment Charge (Greater of fixed fee or 1.5% of unpaid balance)	\$30.00
Returned Check Charges	
Face Amount less than \$50	\$25.00
Face Amount greater than \$50 but less than \$300	\$30.00
Face Amount greater than \$300 (Greater of 5% of face amount or fixed fee)	\$40.00

Table 12 – Fire Protection Fees

Description	Fee
Stand-by fire flow/year line size:	
2"	\$119.33
4"	\$372.89
6"	\$745.79
8"	\$1,118.26
10"	\$1,730.22
12"	\$2,374.58
Consumption Charge (Per 1,000 Gallons)	\$2.76

Table 13 – Labor Charges

Description	Fee
Professional Personnel [1]	\$45.00 per hour
Administrative Personnel	\$25.00 per hour
Service Personnel [1]	\$25.00 per hour
Truck Charge [2]	Applicable IRS Rate
Supplies	At cost
Notes:	
[1]	Outside of regular operating hours labor will be charged at 1 1/2 times normal rate.
[2]	Charge levied in addition with Professional Personnel and/or Service Personnel labor charges.

Retail Rate Comparisons

This Report includes a comparison of the District's water rates with those of other government utility systems in Florida. The rates utilized for the other utilities were in effect as of January 2022 and are exclusive of local taxes, franchise fees, surcharges for outside service, if any, or other rate adjustments. For comparison purposes, monthly bills for all utilities were calculated

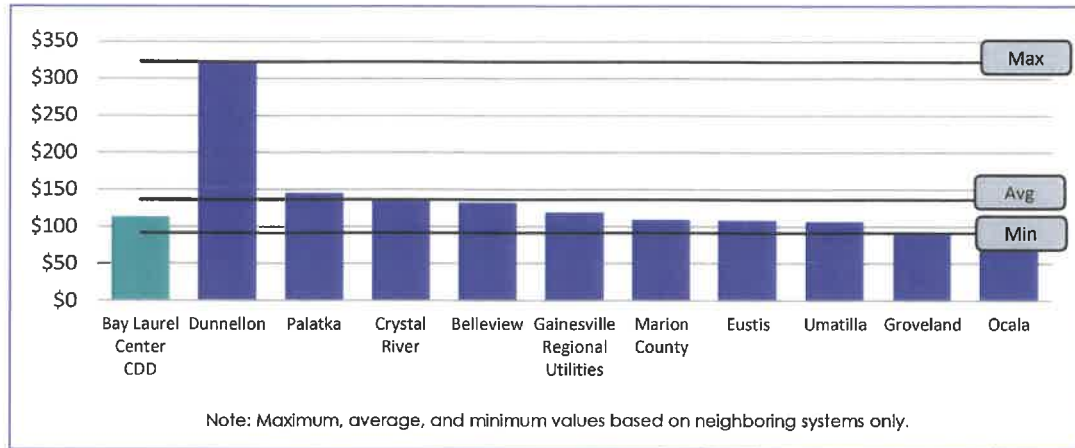
based on a residential customer using 15,000 gallons for both water and sewer. It should be noted that neither the District nor Willdan has any information related to the other systems reflected in the comparison group and their capital needs or utility rate history. Should any of them have utility rates that have remained stagnant for a period of time or if they are in need of significant future capital improvements, this may have a material impact on their utility rates.

A summary of the neighboring utility comparison is provided below in **Table 14**, as well as in **Figure 7**. As shown, both the System compare favorably to the neighboring utilities used in this comparison.

Table 14 – Comparison of Typical Residential Monthly Water Bill [1]

Description	Water	Sewer	Total
Bay Laurel Center CDD	\$51.02	\$62.29	\$113.31
Neighboring Utility Systems [2]			
Dunnellon	\$87.98	\$234.73	\$322.71
Umatilla	\$52.78	\$92.53	\$145.31
Belleview	\$54.35	\$84.17	\$138.52
Palatka	\$60.77	\$71.64	\$132.41
Crystal River	\$72.33	\$46.70	\$119.03
Groveland	\$50.23	\$58.63	\$108.86
Eustis	\$52.86	\$55.35	\$108.21
Gainesville Regional Utilities	\$60.80	\$45.97	\$106.77
Marion County	\$34.29	\$56.97	\$91.26
Average Typical Monthly Bill of Neighboring Utilities	\$55.41	\$81.01	\$136.42
Lowest Typical Monthly Bill of Neighboring Utilities	\$27.71	\$45.97	\$91.11
Highest Typical Monthly Bill of Neighboring Utilities	\$87.98	\$234.73	\$322.71
Note:			
[1]	Assumes a single-family residential customer with a 5/8 X 3/4-inch water meter using 15,000 gallons of combined service per month.		
[2]	The rates utilized for the other neighboring utilities shown were in effect as of January 2022 as reported by each respective local government.		

Figure 7 – Comparison of Typical Residential Monthly Bill



HISTORICAL OPERATING RESULTS

The District, as the owner of the Utilities System, will be responsible for the operation, maintenance and expansion of the Utilities System. In addition, the District will be responsible for obtaining the necessary financing associated with operating the System and any related debt service payments. As such, this Report includes a historical review of the System operating results. The historical revenues and expenses of the System as presented in the audited financial statements for Fiscal Years ended September 30, 2017 through 2020 are summarized in **Exhibit 2**. At the time of this Report, audited financial statements for Fiscal Year 2021 were unavailable. Therefore, operating results for 2021 shown below in **Table 15** and summarized in **Exhibit 2** are based on actual unaudited information for the twelve months ending September 30, 2021. The historical operating results indicate the System has been a financially self-supporting enterprise.

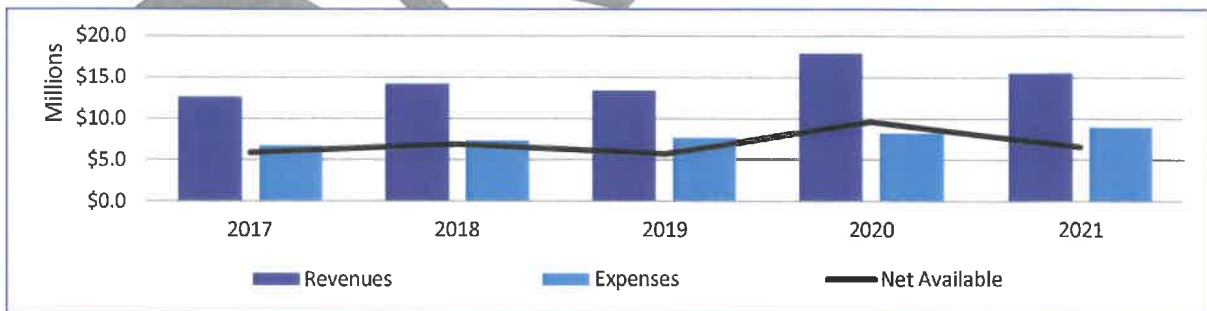
A summary of the System historical operating results is provided below in **Table 15** and summarized in **Exhibit 2** are based on actual unaudited information for the twelve months ending September 30, 2021. The historical operating results indicate the System has been a financially self-supporting enterprise.

A summary of the System historical operating results is provided below in **Table 15**, as well as in **Figure 8**.

Table 15 – Historical Operating Results (\$1,000s)

Description	Fiscal Year ending September 30,				
	2017	2018	2019	2020	2021 ^[1]
Operating Revenues	\$10,401	\$10,845	\$11,798	\$13,489	\$15,558
<u>Operating Expenses</u>					
Administrative and General	\$75	\$94	\$100	\$210	\$261
Cost of Sales and Services	4,181	4,751	4,971	5,343	5,998
Depreciation and Amortization	1,052	1,157	1,276	1,379	1,379
Total Operating Expenses	\$5,307	\$6,001	\$6,347	\$6,932	\$7,638
Operating Income	\$5,094	\$4,844	\$5,451	\$6,557	\$7,920
Non-Operating Revenues/(Expenditures)	\$(1,447)	\$(1,397)	\$(1,350)	\$(1,361)	\$(1,363)
Income before Capital Contributions	\$3,647	\$3,446	\$4,101	\$5,197	\$6,557
Capital Contributions	\$2,240	\$3,417	\$1,616	\$4,428	\$-
Total Revenues Over Expenditures	\$5,887	\$6,863	\$5,716	\$9,624	\$6,557
Notes:					
[1] Information for fiscal years 2017 through 2020 obtained from the audited income statements for System, fiscal year 2021 is based on unaudited information provided by the District.					

Figure 8 – Historical Operating Results



PROJECTED OPERATING RESULTS

The projected operating results of the Utilities System are developed from two major components consisting of projected revenues and projected revenue requirements. The

annual revenue requirement to be secured by System revenues consists of the expenditures and coverages required by the Indenture plus other expenditures that are anticipated and budgeted for by the District but not required by the Indenture.

The projected operating results for the Fiscal Years 2022 through 2026 are contained in **Exhibit 3**. The development of each of these components is detailed in the following discussions.

Projected Revenues

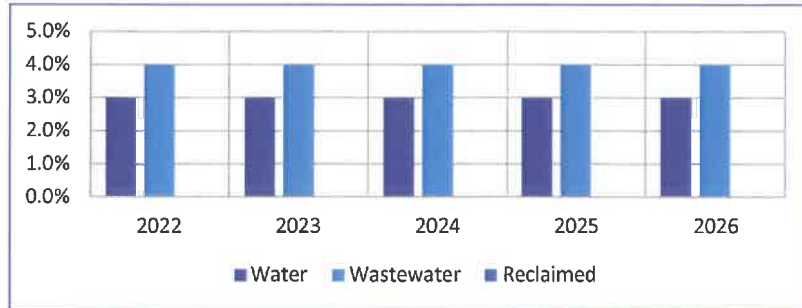
The revenues as developed herein include both revenues generated from the retail user rates, and revenues generated from other sources or utility-related activities. The projected user rate revenues provide the estimated additional revenue needs (and applicable annual percentage rate adjustments) necessary to meet the projected revenue requirements for a given Fiscal Year, including operating expenses, debt service coverage, targeted operating reserve and anticipated capital expenditures. For purposes of this Report, the annual rate adjustments are assumed to be across-the-board adjustments applied to each rate component and are assumed to take effect on October 1 of each respective Fiscal Year.

The projected percentage rate/revenue increases for water and wastewater are summarized in **Table 16** and **Figure 9**. Further, the level and timing of these rate adjustments have been reviewed by the District and found to be reasonable and acceptable. The District adopted the current 3.00% annual increase for water and 4.00% annual increase for wastewater with the User Rate Study and Miscellaneous Charge Study prepared for the District in 2018 with an implementation date of October 1, 2018. The District has historically made annual adjustments to help mitigate the effects of inflation as well as when necessary to meet operating and capital expenditure requirements.

Table 16 – Anticipated Rate Increases

Fiscal Year	Water	Wastewater	Reclaimed
2022	3.00%	4.00%	0.00%
2023	3.00%	4.00%	0.00%
2024	3.00%	4.00%	0.00%
2025	3.00%	4.00%	0.00%
2026	3.00%	4.00%	0.00%

Figure 9 – Anticipated Rate Increases



As previously discussed herein, the other revenue sources available to the System include such items as tapping fees, utility service charges, investment income and various other miscellaneous service charges. The projection of other revenues varies depending upon the source and the service provided. Revenues from AFPI Charges and other such fees and charges related to new customer connections are dependent upon the number of new customers connecting to the Utilities System.

Investment income is the result of interest earned on unrestricted cash balances. The projected investment income for the District is calculated based on the estimated average cash balance for each Fiscal Year, assuming annual interest rates of 1.00% in Fiscal Year 2022, 1.50% in Fiscal Year 2023, and 1.75% for the remainder of the projection period. The average cash balance and resulting investment income are assumed to vary depending upon the utilization of cash reserves to fund operations and capital expenditures.

The District will also have access to certain cash flows (i.e. interest earnings) associated with the proposed capital project(s) and the funding thereof. Although it is anticipated that the District will have interest earnings from the construction reserves, such interest earnings are not included as revenues as developed in this Report.

Projected Revenue Requirements

The development of projected revenues to be generated by the System is a direct function of the estimated revenue requirements for the System. Revenue requirements consist of the operating, maintenance, debt service, capital and other monetary expenditures necessary to provide, maintain and perpetuate quality service to the customers of the System. This Report utilizes the District's budget for Fiscal Year 2022 (the "2022 Budget") as the basis for developing the revenue requirements for the Projection Period. The budgeted revenue requirements have been further divided into Operating and Maintenance (O&M) expenses and Non-Operating expenses. The O&M expenses are primarily those ongoing costs for labor,

materials, supplies, services, etc., required to manage and operate the System on a day-to-day basis while maintaining a dependable level of service. The estimated O&M requirements are generally a function of a budgetary process and are directly related to the level of service provided to customers of the System. The non-operating expenses include debt service, capital outlay and any other expenditures.

The future revenue requirements for the Projection Period are developed by escalating the costs identified in the 2022 Budget on a line-item basis in accordance with historical results and assumed future activities and events that may impact the System. Such adjustments include increasing applicable O&M expenses by inflationary and/or customer growth factors depending upon the nature of the expense, adding in the estimated debt service associated with the Series 2022 Bonds, as well as assumed future debt service requirements, if any.

Operating and Maintenance

The costs associated with certain operating expenses that are typically more variable in nature, such as chemicals and electrical power, are escalated pursuant to factors based on a combination of estimated customer and/or flow growth and assumed inflationary forces. Personnel related costs such as employee salaries and benefits are escalated based on assumed labor escalator factors that, over the Projection Period, are assumed to include adjustments in pay and the incremental addition of employees, as necessary. Expense items that do not generally vary with System growth (i.e. insurance, telephones, publications, contracted service, etc.) are assumed to either escalate based on historical trends, inflation or remain constant. Materials, supplies, general repairs and maintenance expenses are assumed to increase from current Budget levels based on inflationary factors that directly impact the water industry. Such factors are derived from historical analyses of price indices used by many utilities for financial forecasting. The applicable indices include:

- i) the **Gross Domestic Product Implicit Price Deflator Index** which is used by utility regulatory agencies in the establishment of price indexing factors for operating costs of private and investor-owned utilities; and
- ii) the **Consumer Price Index**.

Debt Service

At present, as is it assumed that the Series 2011 Bonds will be refunded with the issuance of the Series 2022 Bonds, the District has no other outstanding debt payable from Utilities System revenues. Projected debt service associated with Parity Bonds includes only the proposed Series 2022 Bonds. Based on discussions with District staff, it is anticipated that no additional Parity Bonds will be issued during the Projection Period.

The annual debt service amounts for the Series 2022 Bonds were provided by the District's Underwriter. Willdan has been informed by the Underwriter that the Series 2022 Bonds are made up of the following components:

- Water and Sewer Refunding Bonds, Series 2022A – proceeds of this component is to refund the District's outstanding Series 2011 Bonds which constitute a Senior Obligation under the Trust Agreement. The portion of the Series 2022A Bonds used for refunding is estimated to be in the par amount of approximately \$29,045,000, with a final maturity in Fiscal Year 2041.
- Water and Sewer Revenue Bonds, Series 2022B - proceeds of this component are to be used to finance the costs of the 2022 Project. The portion of the Series 2022 Bonds to be used for project financing is estimated to be a par amount of \$126,410,000 with a final maturity in Fiscal Year 2052.

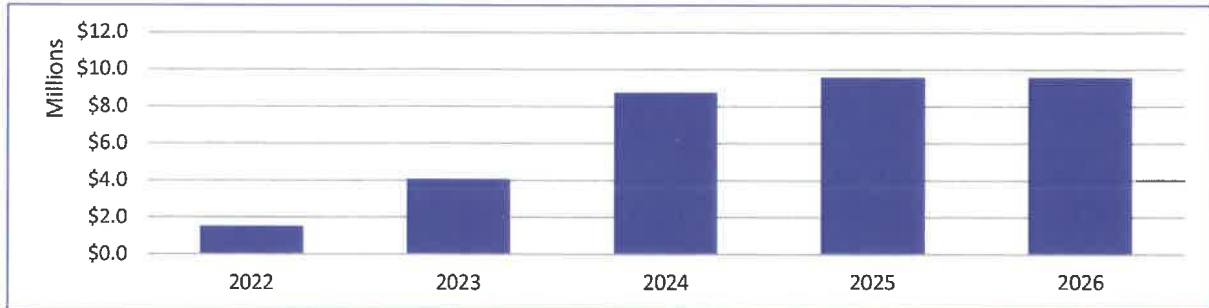
The par amount of the Series 2022 Bonds is estimated to be an amount of \$155,455,000 with a final maturity in Fiscal Year 2052 at an assumed true interest cost of approximately 4.43% as of May 19, 2022.

The projected annual debt service requirements for the Projection Period are summarized in **Table 17** and **Figure 10**.

Table 17 – Projected Annual Debt Service Requirements (in \$1,000s)

Description	Fiscal Year ending September 30,				
	2022	2023	2024	2025	2026
Series 2011 Bonds	\$667	\$-	\$-	\$-	\$-
Series 2022 Bonds	847	4,070	8,750	9,588	9,587
Future Debt	-	-	-	-	-
Total Debt Service	\$1,514	\$4,070	\$8,750	\$9,588	\$9,587
Note:					
[1]	Estimates of future annual debt service payments provided or reviewed by the District's Underwriter. See the "Principal Assumptions and Considerations" section of this Report for the assumptions.				

Figure 10 – Projected Annual Debt Service Requirements



Additional Bonds

Pursuant to the terms of the Indenture, the District has covenanted to issue no Additional Bonds, including Refunding Bonds, payable on a parity with the Series 2022 Bonds or any other Bonds then Outstanding except upon the conditions and in the manner therein provided. The District may issue one or more Series of Additional Bonds for any one or more of the following purposes: (i) financing the Cost of a Project or the completion thereof or (ii) refunding all or any portion of any Outstanding Bonds of the District (so long as the exclusion from gross income for federal income tax purposes of interest on the Bonds to be refunded is not adversely affected, to the extent that upon original issuance thereof the Bonds to be refunded were issued as Bonds the interest on which was excludable from gross income for purposes of federal income taxation).

No such Additional Bonds may be issued unless the following conditions are complied with:

- a) The District certifies that it is current in all deposits or credits to the various Funds and Accounts established hereby and all payments heretofore required to have been deposited or credited by it under the provisions of the Trust Indenture and that no Event of Default has occurred and is continuing.
- b) An Independent Certified Public Accountant or the Rate Consultant certifies to the District that the Pledged Revenues for any period of 12 consecutive months selected by the District out of the 18 months preceding the delivery of such certificate (the "Measurement Period") are not less than 110% of the annual Debt Service Requirements on all Bonds then to be Outstanding, including the proposed Additional Bonds. For purposes of the foregoing, the following adjustments to Pledged Revenues may be made:
 - 1) If the District prior to issuance of the proposed Additional Bonds has increased the rates, fees, rentals or other charges for the services of the Utilities System,

the Pledged Revenues for the Measurement Period shall be adjusted to show the Pledged Revenues which would have been derived from the Utilities System in such Measurement Period as if such increased rates, fees, rentals or other charges for the services of the Utilities System had been in effect during all of such Measurement Period.

- 2) Pledged Revenues for the Measurement Period shall be adjusted to include 75% of the Connection Charges collected during the Measurement Period.
 - 3) If the District has added new users to the Utilities System during the Measurement Period, the Pledged Revenues for the Measurement Period shall be adjusted to show the Pledged Revenues which would have been derived from the Utilities System in such Measurement Period if such new users of the Utilities System had been users of the Utilities System during all of such Measurement Period.
 - 4) If the District has acquired, or has contracted to acquire, any privately owned or publicly owned existing utilities system, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed Additional Bonds, then the Pledged Revenues for the Measurement Period shall be adjusted to show the Pledged Revenues which would have been derived from the existing utilities system to be so acquired had such existing utilities system been part of the Utilities System during the Measurement Period, taking into consideration the additional costs to the District of the operation and maintenance of said existing utilities system (the basis of which shall be certified by the Consulting Engineer).
 - 5) If the District, in connection with the issuance of Additional Bonds, has entered into a contract (with a duration not less than the final maturity of such Additional Bonds) with any public or private entity whereby the District agrees to furnish services in connection with any utilities system, then the Pledged Revenues for the Measurement Period shall be adjusted to show the Pledged Revenues which would have been derived as a result of any amount such public or private entity has guaranteed to pay in any one year for the furnishing of said services by the District, taking into consideration the additional costs to the District of the operation, maintenance, repair, replacement and renewal of the Utilities System attributable in such year to such services.
- c) Additional Bonds will be deemed to have been issued pursuant to the Trust Indenture in the same manner as the Outstanding Bonds, and all of the other covenants and

other provisions of the Trust Indenture (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Trust Indenture. Except for subordinate indebtedness, as provided in the Trust Indenture, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Revenues and their sources and security for payment therefrom without preference of any Bonds over any other.

In the event any Additional Bonds are issued solely for the purpose of refunding any Bonds then Outstanding, the foregoing conditions will not apply; provided, however, that the issuance of such Additional Bonds must not result in an increase in the aggregate amount of principal and interest on the Outstanding Bonds becoming due in the current Fiscal Year and each subsequent Fiscal Year thereafter; and provided, further, that the District obtains a written opinion of Bond Counsel to the effect that the issuance of such Refunding Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Trust Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes). The foregoing conditions will, however, apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of paragraph (c) above.

Projected Net Operating Results

The projected revenues and revenue requirements are used to develop a pro-forma operating statement for the System to reflect the projected financial results based on the System revenues, expenses and other revenue requirements anticipated in future years. In addition, the pro forma operating statement includes the additional revenue generated from annual percentage rate adjustments necessary to meet the projected revenue requirements of the System.

The projections of revenues and expenditures are based on the District's 2022 Budget, adjusted for known changes, and do not reflect any material change in the level of budgeted revenues and the payment of expenditures. As can be seen, the District anticipates a reduction in operating expenses due efficiencies resulting from the change in ownership of WTP No. 3. Further, these projections were prepared in accordance with Willdan's understanding of the flow of funds as defined in the Resolutions.

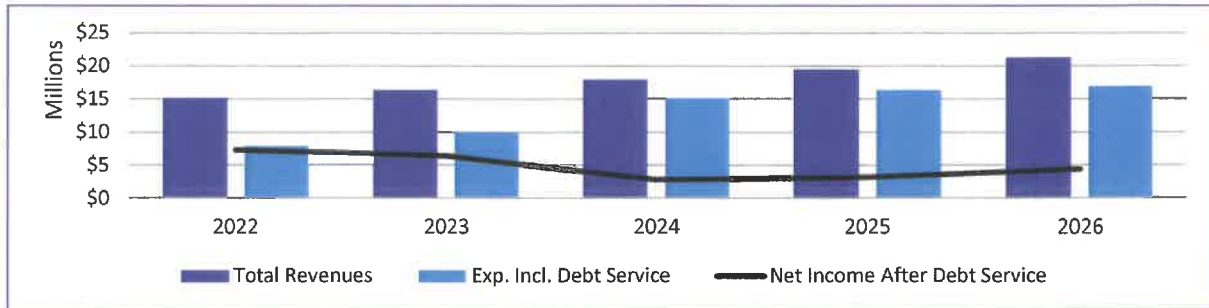
The System Projected Operating Results, including a summary of the estimated revenues, expenditures, rate adjustments and debt service coverage calculations for the Projection

Period are set forth in **Exhibit 3**. A summary of the pro forma statement is provided below in **Table 18** and **Figure 11**.

Table 18 – Projected Operating Results and Estimated Bond Coverage (\$1,000s) ⁽¹⁾

Description	Fiscal Year ending September 30,				
	2022	2023	2024	2025	2026
Operating Revenues ⁽²⁾	\$15,074	\$16,280	\$17,707	\$19,266	\$20,968
Operating Expenses					
Administrative and General	\$399	\$413	\$427	\$442	\$457
Cost of Sales and Services	5,986	5,523	5,962	6,357	6,864
Depreciation and Amortization	-	-	-	-	-
Total Operating Expenses	\$6,384	\$5,936	\$6,389	\$6,799	\$7,322
Operating Income	\$8,689	\$10,344	\$11,318	\$12,467	\$13,647
Nonoperating Revenues (Expenses)	\$116	\$111	\$216	\$270	\$297
Available for Debt Service	\$8,806	\$10,455	\$11,534	\$12,737	\$13,944
Debt Service ⁽³⁾					
Series 2011 Bonds	\$667	\$-	\$-	\$-	\$-
Series 2022 Bonds	847	4,070	8,750	9,588	9,587
Future Debt	-	-	-	-	-
Total Debt Service	\$1,514	\$4,070	\$8,750	\$9,588	\$9,587
Debt Service Coverage ⁽⁴⁾					
Test 1	5.82	2.57	1.32	1.33	1.45
Test 2	5.32	2.37	1.22	1.23	1.35
Net Results from Operations	\$7,292	\$6,385	\$2,784	\$3,148	\$4,357
Note:					
[1]	See section captioned "Principal Considerations and Assumptions" and the footnotes to Exhibit 3 hereto.				
[2]	Assumes revenue increases/surcharges and other revenues presented herein.				
[3]	Provided or reviewed by the District's Underwriter. See the "Principal Assumptions and Considerations" section of this Report for the assumptions.				
[4]	Pursuant to the Trust indenture.				

Figure 11 – Projected Operating Results



Projected Debt Service Coverage

The combined operating statement also includes a calculation of the annual debt service coverages. Debt service coverage is generally viewed as an indicator of the financial strength of the System.

Rate Covenant

The District has covenanted that as long as any of the principal of or interest on any of the Bonds shall be Outstanding and unpaid, or until there shall have been set apart in the Debt Service Fund, a sum sufficient to pay, when due, the entire principal of the Bonds, remaining unpaid, together with interest accrued and to accrue thereon, that it will impose and collect rates, fees, rentals and charges and continue to impose and collect rates, fees, rentals and charges for the use of the Utilities System sufficient to meet all of its obligations under the Trust Indenture, raising the same when required by the provision of the Trust Indenture and reducing the same only as permitted under paragraph (c) below.

- a) The Issuer shall at all times fix, charge and collect such rates, fees, rentals and charges for access to and the use of the products, services and facilities furnished by the Utilities System, and revise the same from time to time whenever necessary, as shall be required in order that in each Fiscal Year:
 - i. Net Revenues (including earnings and investment income derived from the investment of moneys on deposit in the remaining Funds created in the Trust Indenture), together with the Connection Charges shall, after giving credit for any capitalized interest, at least equal one hundred ten percent (110%) of annual Debt Service Requirements of all Outstanding Bonds falling due in each such Fiscal Year computed as of the beginning of such Fiscal Year, and

- ii. Operating Revenues, together with Connection Charges and amounts transferred from the Surplus Fund shall, after giving credit for any capitalized interest, at least one hundred (100%) of the Operating Expenses, Debt Service Requirements of all Outstanding Bonds falling due in each such Fiscal Year computed as of the beginning of such Fiscal Year, and all other amounts required to be deposited to the Debt Service Reserve Fund, the Operation Reserve Fund and the Renewal and Replacement Reserve Fund, all as described in clauses Fourth, Fifth, and Sixth of Section 6.03 of the Trust Indenture in such Fiscal Year.
- b) On or before the ninetieth (90th) day prior to the end of each Fiscal Year the Consulting Engineer shall complete a review of the financial condition of the Utilities System for the purpose of calculating whether Net Revenues, Operating Revenues and Connection Charges (if applicable) will be sufficient to meet the requirements therefor specified in subsection (a) of Section 6.01 of the Trust Indenture for the ensuing Fiscal year and the Issuer shall be resolutions make a determination with respect thereto. A copy of such resolution, certified by the Secretary of the Board, together with a certificate of the District Manager setting forth a reasonably detailed statement of the actual and estimated Net Revenues, Operating Revenues, Connection Charges, Operating Expenses, Debt Service Requirements, reserve requirements, and other pertinent information for the ensuing Fiscal Year upon which such determination was made, shall be filed with the Trustee. If the Issuer determines that Net Revenues, Operating Revenues, Connection Charges (if applicable) may not be sufficient to meet the respective requirements therefor specified in subsection (a) of Section 6.01 of the Trust Indenture, it shall forthwith cause the Rate Consultant to perform a study for the purpose of recommending a schedule of rates, fees, rentals and charges for the Utilities System, within the limits allowed by State law, which in the opinion of the Rate Consultant, will cause sufficient revenues to be collected in the following Fiscal Year and will cause revenues to be collected in such following and later Fiscal years sufficient to restore the amount of such deficiency in Net Revenues, Operating Revenues, Connection Charges (if applicable) at the earliest practical time. If, in any Fiscal Year, the revenues collected shall not have been sufficient to provide Net Revenues, Operating Revenues, Connection Charges (if applicable) to meet the respective requirements specified in subsection (a) of Section 6.01 of the Trust Indenture, the Issuer shall

- i. Unless it has already obtained a study and recommendation in compliance with the immediately preceding sentence, forthwith cause the Rate Consultant to perform a study for the purpose stated in such sentence and
- ii. As promptly as practicable, and in any case no later than the first day of the next succeeding Fiscal Year, establish and place in effect a schedule of rates, fees, rentals and charges after considering the recommendations of the Rate Consultant. In connection with any study by the Rate Consultant pursuant to this subsection, there shall be prepared, filed with the Trustee and furnished to the Rate Consultant a certificate of the District Manager setting forth the amount of revenues required to provide the amount of Net Revenues, Operating Revenues and Connection Charges (if applicable) necessary in order to meet the respective requirements therefor specified in subsection (a) of Section 6.01 of the Trust Indenture (including any deficiency from the prior Fiscal Year). Such certification shall include, for the Fiscal Year with respect to which such study is to be made, estimates of:
 - A. The amount of Operating Expenses (including provisions for working capital and reserves therefor), based upon a certificate to this effect by the Rate Consultant which shall accompany such statement,
 - B. One hundred ten percent (110%) of the Debt Service Requirements of the bonds with respect to such Fiscal Year,
 - C. Amounts required to be deposited in the Debt Service Reserve Fund, Operation Reserve Fund and Renewal and Replacement Reserve Fund, and
 - D. Such other pertinent information for such Fiscal Year as shall be deemed necessary to make such study.
- c) The Issuer may reduce any of its rates, fees, rentals and charges for access to and use of the products, services and facilities furnished by the Utilities System, so long as, after giving effect to such reduction in rates, fees, rentals and charges, the Rate Consultant estimates
 - i. Net Revenues and Connections Charges for the current and each Fiscal Year shall at least equal one hundred ten percent (110%) of the Debt Service Requirements of the Outstanding Bonds for the current and each future Fiscal Year, and

ii. Operating Revenues and Connection Charges shall at least equal to one hundred percent (100%) of the Operating Expenses and Debt Service Requirements of the Outstanding Bonds for the current and each future Fiscal Year and all other amounts required to be deposited to the Debt Service Reserve Fund, Operation Reserve Fund and Renewal and Replacement Reserve Fund.

d) The Issuer shall forthwith upon the adoption of any schedule of rates, fees, rentals and charges or revision thereof file a certified copy thereof with the Trustee.

The projected debt service coverage results for the Projection Period are provided in **Table 19**.

Table 19 – Projected Debt Service Coverage ⁽¹⁾

Fiscal Year	Debt Service Coverage			
	Test 1		Test 2	
	Calc.	Required	Calc.	Required
2022	5.82	1.10	5.32	1.00
2023	2.57	1.10	2.37	1.00
2024	1.32	1.10	1.22	1.00
2025	1.33	1.10	1.23	1.00
2026	1.45	1.10	1.35	1.00

Notes:
 (1) Calculated pursuant to the Trust Indenture.

Projected Reserve Fund Balances

The District maintains certain reserve funds for the Utilities System. In operating the Utilities System, the District will strive to achieve and maintain a positive retained earnings position to provide sufficient reserves for such things as emergencies, asset renewal and replacement, and revenue shortfalls. The District has indicated the target for such operating reserves will be to establish and maintain a minimum of (90) days of the current year budget appropriation for operation, maintenance, and recurring capital.

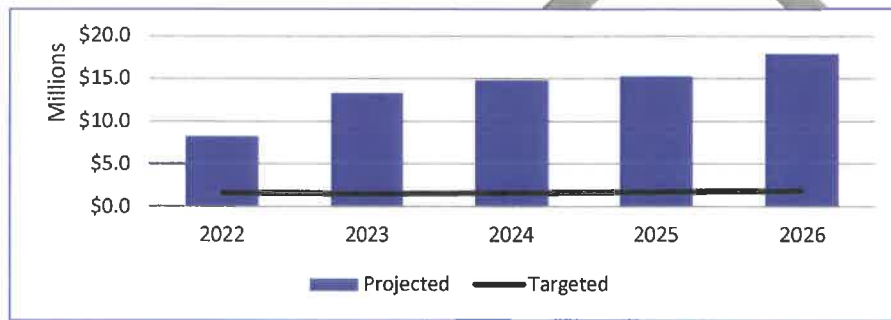
As part of the System’s reserves, the District is required to make transfers into the Renewal and Replacement Fund an amount equal to 5.0% of its annual user rate revenue to be utilized for major extension, improvements, or additions to, or replacement or renewal of capital assets of the Utilities System.

Based on the assumptions herein, the System will meet or exceed the reserve fund target during the Projection Period. The projected total unrestricted cash fund balances for the Projection Period are provided in **Table 20** and **Figure 12**.

Table 20 – Projected Total Surplus Fund Balances

Fiscal Year	Surplus Fund Reserves		
	Ending Bal	Targeted Balance	Variance
2022	\$8,247,612	\$1,574,219	\$6,673,393
2023	\$13,300,629	\$1,463,672	\$11,836,957
2024	\$14,817,846	\$1,575,309	\$13,242,537
2025	\$15,304,739	\$1,676,399	\$13,628,340
2026	\$17,925,810	\$1,805,325	\$16,120,485

Figure 12 – Projected Surplus Fund Balances



PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In the preparation of this Report and the conclusions that follow, Willdan has made certain assumptions with respect to conditions which may exist or to events which may occur in the future. While we believe these assumptions are reasonable for the purpose of this Report, they are dependent on future events and actual conditions may differ from those assumed. In addition, Willdan has used and relied upon certain information and assumptions provided to us by the District and its auditors, Underwriter and others. While Willdan believes the use of such information and assumptions to be reasonable for the purpose of this Report, Willdan has not independently verified the accuracy or validity of the information and offers no assurances with respect thereto, and some assumptions may vary significantly due to unanticipated events and circumstances. To the extent that actual conditions differ from those assumed by Willdan herein or provided to Willdan by others, the actual results will vary from those projected herein. The Report summarizes Willdan's work up to the date hereof. Thus, changed conditions occurring or becoming known after such date could affect the material presented to the extent of such changes.

In making the projections and estimates for the Projection Period, summarized in this Report and shown on **Table 18** above, the principal considerations and assumptions made by

Willdan and the principal information and assumptions provided to Willdan by others include the following:

- 1) Customer account growth for the water system was derived largely from an analysis of historical billing information. This information was reviewed with the District to identify trends and establish estimated growth rates for the Projection Period.
- 2) Generally, the projection of billable water, reclaimed water, and wastewater flows are based on an analysis of historical average annual usage per customer. Based on this analysis, an average annual usage was developed and then applied to the projected number of customers.
- 3) No assumptions or provisions have been made or included in the projections utilized herein to reflect unforeseen changes in customer usage characteristics which may be the result of, but not limited to, existing and potential changes in legislation, deviations from normal weather conditions, including natural disasters such as hurricanes and earthquakes, or other unforeseen events.
- 4) Projected revenues from the sale of water services to ultimate customers have been based on the following:
 - a) for bills rendered during the period October 1, 2022, through September 30, 2026, Revenues have been projected based on rates reflecting the rate increases shown in **Table 16**, which are assumed to be adopted and implemented by the District for each respective Fiscal Year; and
 - b) the rate adjustments utilized herein to develop projected revenues are assumed to take effect in October of each respective Fiscal Year.
- 5) Projected costs of operation and maintenance of the System were based on the District's estimated budget for Fiscal Year 2022. Escalation rates for future costs of operation and maintenance of the Utilities System were estimated based on a review of historical trends and the District's projections of future increases for certain expenses. The costs associated with certain operating expenses that are typically more variable in nature are adjusted pursuant to factors based on inflation, as well as changes in the number of customers and accompanying flows. Costs associated with material and supplies, system repairs, and certain other maintenance related expenses are assumed to increase from current budgetary levels based on inflationary factors that directly impact the water utility industry. Certain other adjustments are made based on discussions with District staff.

- 6) The District will establish, maintain, and collect such rates and charges in future years as necessary to provide revenues sufficient to meet its obligations in accordance with the Rate Covenant, including: (i) costs associated with operations and maintenance of the System; (ii) debt service payments and coverage concerning the Series 2022 Bonds and all other obligations or indebtedness payable out of Revenues; and (iii) any fund deposits required by the Indenture or the Trust Agreement.
- 7) The projected debt service requirements for the Series 2022 Bonds are based on estimated payment schedules provided by the District's Underwriter.
- 8) The estimated principal and interest payments on the Series 2022 Bonds are based upon the following assumptions, which have been estimated and provided by the District's Underwriter:
 - a) debt service with capitalized interest of \$4,712,068.70 and payments increasing through Fiscal Year 2024 and then leveling out through the remainder of the 30-year term; and
 - b) an assumed true interest cost of approximately 4.43% as of May 19, 2022.
- 9) For the Projection Period, interest earnings have been estimated on the basis of projected balances in the operating fund, and annual reinvestment rates of 1.00% in Fiscal Year 2022, 1.50% in Fiscal Year 2023, and 1.75% for the remainder of the projection period applied to projected fund balances. No investment income is assumed to be available from any bond proceeds.
- 10) Other operating revenues have been projected on the basis of the budgeted Fiscal Year ending September 30, 2022, amounts and are increased annually thereafter in proportion to projected customer growth, inflation or other established escalators.
- 11) The projections of accrued revenues and expenditures do not reflect the effects of any material adverse change in the receipt of revenues and the payment of expenditures.
- 12) No assumption has been made to reflect any changes in existing federal or State laws and/or regulations to reflect, among other things, more stringent environmental requirements, and changes in tax laws.
- 13) All information herein that pertains to such things including, but not limited to, the District management, location, and demographics was provided by the District, its advisors, or other available sources and was not independently verified by Willdan. Further, Willdan relied on information provided by the District regarding the size, capacity, and configuration of the System, and Willdan made no effort to validate such information.

- 14) Future capital improvements and additions expenditures are assumed to occur as reported by the District and as estimated in this Report. To the extent that the timing and or cost of such projects changes from that estimated herein, the actual financial results may vary from those indicated in this Report.

CONCLUSIONS

Based upon the foregoing assumptions and considerations and upon Willdan's analyses and studies as summarized or referred to in this Report, which should be read in its entirety in conjunction with the exhibits hereto and the following, Willdan is of the opinion that:

- 1) The projected customers and sales of the System represent reasonable projections based on analyses of historical and planned growth and form a reasonable basis for the projected operating results set forth in this Report.
- 2) For the Fiscal Years ending September 30, 2022, through September 30, 2026, the District's revenues from the System are projected to be sufficient under the herein proposed rates, fees and charges to pay the projected costs of operation and maintenance, to pay the projected debt service on the Series 2022 Bonds and to provide the required debt service coverage in accordance with the provisions of the Indenture.

Respectfully Submitted,

WILLDAN FINANCIAL SERVICES

Bay Laurel Center Community Development District, FL

Water and Sewer Refunding and Revenue
Bonds, Series 2022

Financial Feasibility Study

April 13, 2022

Exhibits

1	Capital Improvement Program
2	Historical Operating Results
3	Projected Operating Results



Water and Sewer Refunding and Revenue
Bonds, Series 2022
Financial Feasibility Study

Exhibit 1	Five-Year Capital Improvement Program
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Line	Description	Projected for Fiscal Year Ending September 30,					Five-Year Total
		2022	2023	2024	2025	2026	
	Assumed Level of Capital Spending	100%	100%	100%	100%	100%	
8	WTP No. 3 Chemical Building Repairs	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
9	WTP No. 3 PLC Upgrades	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ 40,000
10	WTP No. 3 Purchase	\$ 35,700,000	\$ -	\$ -	\$ -	\$ -	\$ 35,700,000
11	WTP No. 3 Switch Gear Update - PLC & HMI Controls	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	WTP No. 3 Sodium Hypochlorite Pumps	\$ -	\$ -	\$ -	\$ -	\$ 20,500	\$ 20,500
13	WTP No. 3 Sodium Hypochlorite Tanks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	WTP No. 4 Design & Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Integrated Water Resource Master Plan	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000
	Water Distribution						
16	Residential Meter Replacements	\$ 86,625	\$ 95,288	\$ 104,816	\$ 115,298	\$ 126,828	\$ 528,854
17	GIS Program (Software, Equipment, Development)	\$ 26,250	\$ 27,563	\$ 28,941	\$ 30,388	\$ 31,907	\$ 145,048
18	Irrigation Meter Replacements - 155 Units (3 Year Program)	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ 140,000
19	Conservation Programs	\$ 235,500	\$ 255,500	\$ 223,000	\$ 183,000	\$ 225,000	\$ 1,122,000
20	Large Diameter Main Spare Parts	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
21	Backflow Program	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
22	Pipe Locator Replacement	\$ 9,600	\$ -	\$ -	\$ -	\$ -	\$ 9,600
23	Distribution & Collections Warehouse	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000
24	Vac Trailer Replacement	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
25	Backhoe	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Ground Penetrating Radar (GPR) Replacment	\$ 26,000	\$ -	\$ -	\$ -	\$ -	\$ 26,000
	Wastewater Collection						
27	New Portable Generator (Dual Voltage)	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
28	Redundent Control System for High Flow LS's	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
29	Emergency By-pass Pump	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
30	Pigging Program	\$ 30,000	\$ 15,000	\$ 16,500	\$ 18,150	\$ 19,965	\$ 99,615
31	Lift Station Spare Parts	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
32	Lift Station No. 18 Wet Well Rehab	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
33	Lift Station No. 15 Wet Well Rehab	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
34	Lift Station No. 12 Wet Well Rehab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	On Site Emergency Generator Repairs/Replacements	\$ -	\$ -	\$ -	\$ 50,000	\$ 55,000	\$ 105,000
36	Misc. Pump & Motor Repairs/Replacements	\$ 34,729	\$ 36,465	\$ 38,288	\$ 40,203	\$ 42,213	\$ 191,898
37	Misc. Valve Repairs/Replacements	\$ 17,364	\$ 18,232	\$ 19,144	\$ 20,101	\$ 21,106	\$ 95,946
	Wastewater Treatment						
38	Misc. Pump & Motor Repairs/Replacements	\$ 36,383	\$ 40,021	\$ 44,023	\$ 48,425	\$ 53,268	\$ 222,119
39	Misc. Valve Repairs/Replacements	\$ 24,255	\$ 26,681	\$ 29,349	\$ 32,283	\$ 35,512	\$ 148,079
40	Reclaimed Water High Pressure Re-pump Station PLC Upgrade	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
41	FDEP Repermitting	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
42	SWWTP Fence	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
43	Solids Analyzer - CEM Smart 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	NWRF Land Acquisition	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
45	Wastewater Treatment Plant Design / Engineering (1.6 M for Design / 1.0 M for Engineering Services During Construction)	\$ 1,638,750	\$ 821,250	\$ 821,250	\$ -	\$ -	\$ 3,281,250
46	NWWTF Construction Cost (20% Increase Annually)	\$ 14,000,000	\$ 25,000,000	\$ 13,500,000	\$ -	\$ -	\$ 52,500,000
	Vehicles						
47	Vehicle Wraps	\$ 15,000	\$ 15,750	\$ 16,538	\$ 17,364	\$ 18,233	\$ 82,884
48	New Truck No. 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	New Truck No. 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	New Truck No. 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	New Truck No. 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	New Truck No. 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Line	Description	Projected for Fiscal Year Ending September 30,					Five-Year Total
		2022	2023	2024	2025	2026	
	Assumed Level of Capital Spending	100%	100%	100%	100%	100%	
53	New Truck No. 17	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 35,000
54	New Truck No. 18	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000
55	New Truck No. 19	\$ -	\$ 72,100	\$ -	\$ -	\$ -	\$ 72,100
56	New Truck No. 20	\$ -	\$ 72,100	\$ -	\$ -	\$ -	\$ 72,100
57	New Truck No. 21	\$ -	\$ -	\$ 74,300	\$ -	\$ -	\$ 74,300
58	New Truck No. 22	\$ -	\$ -	\$ 74,300	\$ -	\$ -	\$ 74,300
59	New Truck No. 23	\$ -	\$ -	\$ -	\$ 76,600	\$ -	\$ 76,600
60	New Truck No. 24	\$ -	\$ -	\$ -	\$ 76,600	\$ -	\$ 76,600
61	New Truck No. 22	\$ -	\$ -	\$ -	\$ -	\$ 78,900	\$ 78,900
62	New Truck No. 23	\$ -	\$ -	\$ -	\$ -	\$ 78,900	\$ 78,900
63	New Truck No. 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	New Truck No. 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Administration						
65	Operating (Server) System Upgrade - IT (Recommended Every 5 yrs.)	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
66	SCADA Server Upgrades (Recommended Every 5 yrs.)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
67	SCADA Historian Server Upgrades (Recommended Every 5 yrs.)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
68	GIS Server Upgrades (Recommended Every 5 yrs.)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
69	Server - Continental Test Database Billing	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
70	Continental Billing Software - Test Database	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
71	IT Audit	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
72	Lobby Redesign	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	Website	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
74	Rate Study / Misc. Charge Study	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
75	Computer Replacement	\$ 15,000	\$ 16,500	\$ 18,150	\$ 19,965	\$ 21,962	\$ 91,577
76	Laptop/Tablets	\$ 15,000	\$ 15,750	\$ 16,538	\$ 17,364	\$ 18,233	\$ 82,884
77	Miscellaneous System Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	WWTP Adjustment	\$ 71,500,000	\$ -	\$ -	\$ -	\$ -	\$ 71,500,000

Line	Description	Projected for Fiscal Year Ending September 30,					Five-Year Total
		2022	2023	2024	2025	2026	
	Assumed Level of Capital Spending	100%	100%	100%	100%	100%	
	Water And Wastewater Operating Fund Budget						
79	Total System	\$ 125,546,093	\$ 26,920,400	\$ 16,243,507	\$ 2,326,450	\$ 1,361,304	\$ 172,397,753
80	Total Funded Through Prioritization Process	\$ 125,546,093	\$ 26,920,400	\$ 16,243,507	\$ 2,326,450	\$ 1,361,304	\$ 172,397,753
81	Unfunded Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Funding Sources						
82	Operating Fund	\$ 16,815,500	\$ 521,000	\$ 384,500	\$ 1,701,150	\$ 690,465	\$ 20,112,615
83	Renewal & Replacement Fund	\$ 1,806,478	\$ 1,011,457	\$ 1,971,064	\$ 625,300	\$ 670,839	\$ 6,085,138
84	Grant	\$ 25,324,114	\$ 387,943	\$ 387,943	\$ -	\$ -	\$ 26,100,000
85	Series 2022 Bonds	\$ 81,600,000	\$ 25,000,000	\$ 13,500,000	\$ -	\$ -	\$ 120,100,000
86	Future Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	Total Water And Wastewater Operating Fund Budget	\$ 125,546,093	\$ 26,920,400	\$ 16,243,507	\$ 2,326,450	\$ 1,361,304	\$ 172,397,753

Water and Sewer Refunding and Revenue
Bonds, Series 2022
Financial Feasibility Study

Exhibit 2	Historical Operating Results FY 2017 - 2021
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BAY LAUREL CENTER CDD
 HISTORICAL OPERATING RESULTS - WATER, SEWER & RECLAIMED SYSTEM
 SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP) [1]

Exhibit 2
 DRAFT

Line	Description	Projected for Fiscal Year Ending September 30,				
		2017	2018	2019	2020	2021
Operating Revenues						
1	Charges for Sales and Services	\$ 10,261,327	\$ 10,804,913	\$ 11,779,110	\$ 13,446,270	\$ 15,494,966
2	Miscellaneous Revenue	139,823	40,178	18,743	43,118	\$ 62,721
3	Total Operating Revenues	\$ 10,401,150	\$ 10,845,091	\$ 11,797,853	\$ 13,489,388	\$ 15,557,687
Operating Expenses						
4	Administrative and General	\$ 74,664	\$ 93,672	\$ 100,196	\$ 209,945	\$ 260,720
5	Cost Of Sales and Services	4,180,665	4,750,681	4,970,851	5,342,827	\$ 5,997,948
6	Depreciation and Amortization	1,051,904	1,156,938	1,275,915	1,379,149	\$ 1,379,149
7	Total Operating Expenses	\$ 5,307,233	\$ 6,001,291	\$ 6,346,962	\$ 6,931,921	\$ 7,637,817
8	Operating Income	\$ 5,093,917	\$ 4,843,800	\$ 5,450,891	\$ 6,557,467	\$ 7,919,870
Nonoperating Revenues (Expenses)						
9	Interest Income	\$ 26,604	\$ 50,231	\$ 70,429	\$ 27,141	\$ 2,049
10	Loss On Retirement of Fixed Asset	-	-	433	5,788	-
11	Interest Expense	(1,473,500)	(1,447,700)	(1,421,000)	(1,393,550)	(1,365,350)
12	Total Nonoperating Revenues (Expenses)	\$ (1,446,896)	\$ (1,397,469)	\$ (1,350,138)	\$ (1,360,621)	\$ (1,363,301)
13	Income before Capital Contributions	\$ 3,647,021	\$ 3,446,331	\$ 4,100,753	\$ 5,196,846	\$ 6,556,569
14	Capital Contributions	\$ 2,239,616	\$ 3,416,801	\$ 1,615,699	\$ 4,427,545	\$ -
15	Total Revenues Over Expenditures	\$ 5,886,637	\$ 6,863,132	\$ 5,716,452	\$ 9,624,391	\$ 6,556,569

Notes

- [1] Financial information obtained from the City's Comprehensive Annual Financial Reports for Fiscal Year 2017 through 2020.
- [2] Estimate of Fiscal Year 2021 based on information provided by the District.

Water and Sewer Refunding and Revenue Bonds, Series 2022 Financial Feasibility Study

Exhibit 3	Projected Operating Results FY 2022 - 2026
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BAY LAUREL CENTER CDD
 PROJECTED OPERATING RESULTS ⁽¹⁾
 COMBINED SYSTEM

Exhibit 3
 DRAFT

Line	Description	Budgeted 2022	Projected for Fiscal Year Ending September 30,			
			2023	2024	2025	2026
Operating Revenues						
1	Charges for Sales and Services	\$ 15,008,662	\$ 16,214,914	\$ 17,641,950	\$ 19,200,682	\$ 20,903,127
2	Effective Percentage Rate Adjustment-Water		3.00%	3.00%	3.00%	3.00%
3	Effective Percentage Rate Adjustment-Wastewater		4.00%	4.00%	4.00%	4.00%
4	Effective Percentage Rate Adjustment-Reclaimed		0.00%	0.00%	0.00%	0.00%
5	Miscellaneous Revenue	65,000	65,000	65,000	65,000	65,000
6	Total Operating Revenues	\$ 15,073,662	\$ 16,279,914	\$ 17,706,951	\$ 19,265,682	\$ 20,968,127
Operating Expenses						
7	Administrative and General	\$ 398,731	\$ 412,625	\$ 427,003	\$ 441,883	\$ 457,283
8	Cost Of Sales and Services	5,985,601	5,523,378	5,961,749	6,356,846	6,864,313
9	Depreciation and Amortization	-	-	-	-	-
10	Total Operating Expenses	\$ 6,384,332	\$ 5,936,002	\$ 6,388,752	\$ 6,798,729	\$ 7,321,596
11	Operating Income	\$ 8,689,330	\$ 10,343,911	\$ 11,318,198	\$ 12,466,952	\$ 13,646,532
Nonoperating Revenues (Expenses)						
12	Interest Income	\$ 116,465	\$ 111,239	\$ 215,885	\$ 269,614	\$ 297,311
13	Loss On Retirement of Fixed Asset	-	-	-	-	-
14	Total Nonoperating Revenues (Expenses)	\$ 116,465	\$ 111,239	\$ 215,885	\$ 269,614	\$ 297,311
15	Net Available for Debt Service	\$ 8,805,795	\$ 10,455,150	\$ 11,534,083	\$ 12,736,566	\$ 13,943,843
Debt Service						
Existing Debt						
16	Water and Sewer Revenue Bonds, Series 2011	666,913	-	-	-	-
17	Other	-	-	-	-	-
18	Total Existing Debt	\$ 666,913	\$ -	\$ -	\$ -	\$ -
Future Debt						
19	Revenue Bond - Series 2022	\$ 847,276	\$ 4,070,387	\$ 8,750,269	\$ 9,588,489	\$ 9,587,151
20	Total Future Debt	\$ 847,276	\$ 4,070,387	\$ 8,750,269	\$ 9,588,489	\$ 9,587,151
21	Total Debt Service	\$ 1,514,189	\$ 4,070,387	\$ 8,750,269	\$ 9,588,489	\$ 9,587,151

Line	Description	Budgeted 2022	Projected for Fiscal Year Ending September 30,			
			2023	2024	2025	2026
22	Net Available after Debt Service	\$ 7,291,606	\$ 6,384,763	\$ 2,783,814	\$ 3,148,077	\$ 4,356,692
DEBT SERVICE COVERAGE						
Net Revenues Available for Debt						
23	Before Transfer to Renewal & Replacement Fund	\$ 8,805,795	\$ 10,455,150	\$ 11,534,083	\$ 12,736,566	\$ 13,943,843
24	After Transfer to Renewal & Replacement Fund	\$ 8,055,362	\$ 9,644,404	\$ 10,651,986	\$ 11,776,532	\$ 12,898,686
Debt Service						
25	Existing	\$ 666,913	\$ -	\$ -	\$ -	\$ -
26	Future	847,276	4,070,387	8,750,269	9,588,489	9,587,151
27	Total Debt Service	\$ 1,514,189	\$ 4,070,387	\$ 8,750,269	\$ 9,588,489	\$ 9,587,151
Debt Service Coverage - Test 1						
28	Calculated	5.82	2.57	1.32	1.33	1.45
29	Targeted	1.25	1.25	1.25	1.25	1.25
30	Minimum Required	1.10	1.10	1.10	1.10	1.10
Debt Service Coverage - Test 2						
37	Calculated	5.32	2.37	1.22	1.23	1.35
38	Targeted	1.15	1.15	1.15	1.15	1.15
39	Minimum Required	1.00	1.00	1.00	1.00	1.00
40	Capital Contributions/(Use of Reserves)	\$ -	\$ -	\$ -	\$ -	\$ -
41	Net Results from Operations	\$ 7,291,606	\$ 6,384,763	\$ 2,783,814	\$ 3,148,077	\$ 4,356,692
FUND BALANCE CALCULATION						
RESERVE FUND BALANCE						
Operating Fund						
42	Beginning Fund Balance	\$ 18,521,939	\$ 8,247,612	\$ 13,300,629	\$ 14,817,846	\$ 15,304,739
43	Deposit/(Withdrawal) from Operations	7,291,606	6,384,763	2,783,814	3,148,077	4,356,692
44	Capital Projects Funded with Cash	(1,815,500)	(521,000)	(384,500)	(1,701,150)	(690,465)
45	Transfer to Renewal & Replacement Fund	(750,433)	(810,746)	(882,098)	(960,034)	(1,045,156)
46	Ending Fund Balance	\$ 8,247,612	\$ 13,300,629	\$ 14,817,846	\$ 15,304,739	\$ 17,925,810
47	Targeted Fund Balance	\$ 1,574,219	\$ 1,463,672	\$ 1,575,309	\$ 1,676,399	\$ 1,805,325
48	Variance	\$ 6,673,393	\$ 11,836,957	\$ 13,242,537	\$ 13,628,340	\$ 16,120,485
49	Days Cash on Hand	472	818	847	822	894
50	Targeted Days Cash on Hand	90	90	90	90	90
Renewal & Replacement						
51	Beginning Fund Balance	\$ 4,425,093	\$ 3,369,048	\$ 3,168,337	\$ 2,079,370	\$ 2,414,104
52	Deposit/(Withdrawal) from Surplus Fund	750,433	810,746	882,098	960,034	1,045,156
53	Capital Projects Funded with Cash	(1,806,478)	(1,011,457)	(1,971,064)	(625,300)	(670,839)
54	Ending Fund Balance	\$ 3,369,048	\$ 3,168,337	\$ 2,079,370	\$ 2,414,104	\$ 2,788,422

SECTION E

RESOLUTION NO. 2022 – 04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT (THE “DISTRICT”) AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF ITS BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT (MARION COUNTY, FLORIDA) TAXABLE WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2022A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 (THE “SERIES 2022A BONDS”) AND ITS BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT (MARION COUNTY, FLORIDA) TAXABLE WATER AND SEWER REVENUE BONDS, SERIES 2022B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$130,000,000 (THE “SERIES 2022B BONDS, AND TOGETHER WITH THE SERIES 2022A BONDS, THE “SERIES 2022 BONDS”); PROVIDING FOR A BOOK-ENTRY SYSTEM WITH RESPECT TO THE SERIES 2022 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE SUPPLEMENTAL TRUST INDENTURES SECURING THE SERIES 2022 BONDS; DETERMINING THE NEED FOR AND APPROVING THE NEGOTIATED SALE OF THE SERIES 2022 BONDS AND PROVIDING FOR A DELEGATED AWARD OF SUCH SERIES 2022 BONDS; RATIFYING THE APPOINTMENT OF THE UNDERWRITERS AS THE INITIAL PURCHASERS OF THE SERIES 2022 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2022 BONDS SUBJECT TO THE PARAMETERS SET FORTH HEREIN; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SERIES 2022 BONDS AND AUTHORIZING THE DISTRIBUTION AND USE THEREOF BY THE UNDERWRITERS IN CONNECTION WITH THE OFFERING OF THE SERIES 2022 BONDS FOR SALE; APPROVING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; DELEGATING AUTHORITY TO THE CHAIRPERSON TO DETERMINE WHETHER TO UTILIZE MUNICIPAL BOND INSURANCE FOR THE SERIES 2022 BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE DISTRICT TO TAKE ALL ACTIONS REQUIRED AND EXECUTE AND DELIVER ALL DOCUMENTS, INSTRUMENTS, AND CERTIFICATES NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE, AND DELIVERY OF SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Bay Laurel Center Community Development District (the “District”) is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), created by Ordinance No. 02-11 duly enacted by the Board of County Commissioners of

Marion County, Florida (the “County”) enacted on May 7, 2002, as amended by County Ordinance No. 04-10 enacted on May 4, 2004; and

WHEREAS, the District was created for the purpose of delivering certain community development services and facilities within and outside of its jurisdiction; and

WHEREAS, the District has entered into that certain Interlocal Agreement with Marion County, Florida, dated as of May 4, 2004, as amended and restated as of July 19, 2016, as may be further amended (the “Marion County Interlocal Agreement”), under the terms of which the District provides Utility Services and Utility Systems to residents of Marion County in non-CDD areas within the OTOW Utility Service Area as more particularly described in the Marion County Interlocal Agreement (the “County Service Area”); and

WHEREAS, the District has entered into that certain Interlocal Agreement with the Candler Hills East Community Development District (the “Candler CDD”), dated as of April 7, 2003 (the “Candler Interlocal Agreement”), under the terms of which the District operates and manages the Utilities System within the Candler CDD, as more particularly described in the Candler Interlocal Agreement (the “Candler Service Area,”); and

WHEREAS, the District has entered into that certain Interlocal Agreement with the Indigo East Community Development District (the “Indigo CDD”), dated as of April 7, 2003 (the “Indigo Interlocal Agreement”), under the terms of which the District operates and manages the Utilities System within the Indigo CDD, as more particularly described in the Indigo Interlocal Agreement (the “Indigo Service Area, and, together with the County Service Area and the Candler Service Area, the “External Service Area”); and

WHEREAS, pursuant to that certain Water and Sewer System and Reuse Water System Sublease/Option to Purchase Agreement by and among the District and On Top of the World Communities, Inc. and Sidney Colen & Associates, Ltd. (the “Prior Owners”) dated as of October 12, 2010 (the “Sublease/Option Agreement”), the District, pursuant to Resolution No. 2010-14 adopted July 13, 2010 exercised its option to acquire, enlarge, extend, improve, operate and maintain certain potable water supply and treatment facilities (the “Water System”), wastewater treatment and disposal facilities (the “Wastewater System”), reuse water facilities (the “Reuse System”) and various transmission, distribution and collection system facilities and ancillary facilities related thereto (together with the Water System, Wastewater System and Reuse System, the “Utilities System”) to provide water, sewer and reuse water services to the District and the External Service Area (collectively, the “Project”); and

WHEREAS, the District has heretofore issued \$38,970,000 aggregate principal amount of its Bay Laurel Center Community Development District (Marion County, Florida) Water and Sewer Revenue Bonds, Series 2011 (the “Series 2011 Bonds”), to finance portions of the Project pursuant to Resolution No. 2009-07 dated July 21, 2009, Resolution No. 2011-02 dated November 9, 2010, as amended by Resolution No. 2011-15 dated August 31, 2011, which issuance was validated by judgment of the Circuit Court for Marion County entered on September 8, 2010, from which no appeal was taken; and

WHEREAS, the Series 2011 Bonds were issued pursuant to that certain Trust Indenture, dated as of October 1, 2011 (the “Trust Indenture”) between the District and U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee (the “Trustee”); and

WHEREAS, \$30,465,000 in aggregate principal amount of Series 2011 Bonds are currently outstanding (the “Refunded Bonds”); and

WHEREAS, the District wishes to authorize the issuance of its Bay Laurel Center Community Development District (Marion County, Florida) Taxable Water and Sewer Revenue Refunding Bonds, Series 2022A (the “Series 2022A Bonds”), the proceeds of which, together with other legally available funds, will be used as set forth in Section 1 below and as more specifically described in a Series 2022A Supplemental Trust Indenture, the form of which is to be attached hereto; and

WHEREAS, the District has decided to undertake the financing, acquisition, enlargement or extension, equipping, operation, and maintenance of additions to the Utilities System, as more specifically described in the report, dated April 27, 2022, as such report may be amended from time to time, of Willdan Financial Services, as Rate Consultant (the “Feasibility Report”) and the report dated April 27, 2022 of Kimley-Horn and Associates, Inc. (“Kimley-Horn”), (the “Kimley-Horn Report”), which shall constitute “Capital Additions” as defined in the Trust Indenture; and

WHEREAS, such Capital Additions consist of the acquisition of Water Treatment Plant No. 3 currently owned by Sidney Colen & Associates, Ltd. (“Water treatment Plant No. 3”), and construction of a North Water Reclamation Facility Phase 1 (2.5 MGD Capacity) (collectively, the “Series 2022B Project”); and

WHEREAS, Kimley-Horn has determined that the probable cost of the Series 2022B Project will be \$159,700,000; and

WHEREAS, on August 17, 2021 the Board of Supervisors of the District adopted Resolution No. 2022-08 authorizing the issuance of not to exceed \$465,000,000 of Bay Laurel Center Community Development District (Marion County, Florida) Taxable Water and Sewer Revenue Bonds (“Additional Bonds”) to fund additions to the Utilities System; and

WHEREAS, the issuance of such Additional Bonds was validated by judgment of the Circuit Court for Marion County entered on November 8, 2021, from which no appeal was taken; and

WHEREAS, the District desires to authorize the issuance of not to exceed \$130,000,000 aggregate principal amount of Additional Bonds to fund, together with other sources, the cost of the Series 2022B Project (the “Series 2022B Bonds”); and

WHEREAS, pursuant to the provisions of Section 190.0125 of the Act the District has held a public hearing on the feasibility of acquiring Water Treatment Plant No. 3 as described in the Feasibility Report and the Kimley-Horn Report; and

WHEREAS, the District intends to proceed at this time to authorize the sale and issuance of Series 2022A Bonds to refund the Refunded Bonds pursuant to a Series 2022A Supplemental Trust Indenture , and to authorize the sale and issuance of Series 2022B Bonds to finance a portion of the cost of the Series 2022B Project pursuant to a Series 2022B Supplemental Trust Indenture; and

WHEREAS, the Board has received a proposal from Jefferies LLC and FMSbonds, Inc. (collectively, the “Underwriters”) in the form of a Purchase Contract to be entered into by and between the District and the Underwriters (the “Bond Purchase Contract”) for the purchase of the Series 2022A Bonds and the Series 2022B Bonds (collectively, the “Series 2022 Bonds”) on the terms and within the parameters specified herein and the Board has determined that acceptance of such proposal and the sale of the Series 2022 Bonds to the Underwriters is in the best interests of the District for the reasons hereafter indicated; and

WHEREAS, there has been submitted to this meeting and the Board with respect to the issuance and sale of the Series 2022 Bonds forms of:

- (i) a Series 2022A Supplemental Indenture, attached hereto as **Exhibit A**;
- (ii) a Series 2022B Supplemental Indenture, attached hereto as **Exhibit B**;
- (iii) a Bond Purchase Contract, together with the form of a disclosure statement attached thereto pursuant to Section 218.385, Florida Statutes, attached hereto as **Exhibit C**;
- (iv) a Preliminary Official Statement attached hereto as **Exhibit D** (the “Preliminary Official Statement”);
- (v) a form of Rule 15c2-12 Certificate relating to the Preliminary Official Statement, attached hereto as **Exhibit E**; and
- (vi) a Continuing Disclosure Agreement between the District and the dissemination agent named therein (the “Dissemination Agent”), attached hereto as **Exhibit F**;

WHEREAS, the District desires to authorize and approve various instruments to be executed and delivered in connection with the Series 2022 Bonds; and

WHEREAS, authority is conferred upon the District by the Constitution and laws of the State of Florida, specifically pursuant to Section 190.014 of the Act, to issue the Series 2022 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of the District as follows:

Section 1. Authorization of Issuance of Series 2022 Bonds. There are hereby authorized and directed to be issued the Series 2022A Bonds in an aggregate principal amount not to exceed \$35,000,000, which together with other legally available funds, shall be used for the purposes of (i) making a deposit into the Series 2011 Bond Redemption Fund to refund and retire

all of the Refunded Bonds, and (ii) making a deposit into the Series 2022A Cost of Issuance Account to pay certain costs associated with the issuance of the Series 2022A Bonds, which may include a bond insurance premium and a premium for the reserve fund insurance policy. There are hereby authorized and directed to be issued the Series 2022B Bonds in an aggregate principal amount not to exceed \$130,000,000, for the purposes of (i) making a deposit into the Series 2022B Project Account in the Project Fund to fund, together with other sources, the Series 2022 Project, (ii) making a deposit to the Debt Service Reserve Fund, if any, in an amount necessary to fund, together with a reserve fund insurance policy, an increase in the Debt Service Reserve Requirement, (iii) making a deposit into the Interest Account to pay interest on the Series 2022B Bonds through September 1, 2023 and (iv) making a deposit into the Series 2022B Cost of Issuance Account to pay certain costs associated with the issuance of the Series 2022B Bonds, which may include a bond insurance premium and a reserve fund insurance premium. The Series 2022 Bonds shall be issued under and secured by the Trust Indenture, the form of which by reference is hereby incorporated into this resolution as if set forth in full herein, as supplemented by the Series 2022A Supplemental Indenture and the Series 2022B Supplemental Indenture.

Section 2. Details of the Series 2022 Bonds. The District hereby determines that the Series 2022 Bonds shall mature in the amounts and at the times, shall bear interest at the rates, be redeemable at the redemption prices and in the manner as determined by the Chairperson of the Board of Supervisors of the District (the “Chairperson”) or any member of the Board of Supervisors designated by the Chairperson (a “Designated Member”), prior to the sale of said Series 2022 Bonds, all in a manner consistent with the requirements of the Trust Indenture and within the parameters set forth in Section 6 hereof.

Section 3. Series 2022A Supplemental Indenture. The District hereby approves and authorizes the execution of the Series 2022A Supplemental Indenture by the Chairperson or any Designated Member and the Secretary or any Assistant Secretary of the Board of Supervisors (the “Secretary”) and the delivery of the Series 2022A Supplemental Indenture in substantially the form thereof attached as **Exhibit A** hereto, with such changes therein as shall be approved by the Chairperson or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer’s approval and the District’s approval of any changes therein from the form of Series 2022A Supplemental Indenture attached hereto.

Section 4. Series 2022B Supplemental Indenture. The District hereby approves and authorizes the execution of the Series 2022B Supplemental Indenture by the Chairperson or any Designated Member and the Secretary or any Assistant Secretary of the Board of Supervisors (the “Secretary”) and the delivery of the Series 2022B Supplemental Indenture in substantially the form thereof attached as **Exhibit B** hereto, with such changes therein as shall be approved by the Chairperson or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer’s approval and the District’s approval of any changes therein from the form of Series 2022B Supplemental Indenture attached hereto.

Section 5. Negotiated Sale. The Series 2022 Bonds shall be sold by a negotiated sale to the Underwriters. It is hereby determined by the District that a negotiated sale of the Series 2022 Bonds to the Underwriters will best effectuate the purposes of the Act, is in the best interests of the District and is necessitated by, in general, the characteristics of the issue and prevailing market conditions and specifically, the following additional reasons:

(i) because of the complexity of the financing structure of the Series 2022 Bonds, including the nature of the Pledged Revenues as security for the Series 2022 Bonds, and the structure and location of the Utilities System and the number of Interlocal Agreements, it is desirable to sell the Series 2022 Bonds pursuant to a negotiated sale so as to have underwriters involved from the outset of the financing to assist in these matters;

(ii) because of changing market conditions for taxable utility revenue bonds and the necessity of being able to adjust the terms of the Series 2022 Bonds, and determine whether the purchase of municipal bond insurance is in the best interests of the District, it is desirable to sell the Series 2022 Bonds by a negotiated sale;

(iii) the Underwriters have participated in structuring the issuance of the Series 2022 Bonds and can assist the District in attempting to obtain the most attractive financing for the District; and

(iv) the District will not be adversely affected if the Series 2022 Bonds are not sold pursuant to a competitive sale.

Section 6. Bond Purchase Contract. The District hereby approves the form of the Bond Purchase Contract submitted by the Underwriters and attached as **Exhibit C** hereto, and the sale of the Series 2022 Bonds by the District upon the terms and conditions set forth in the Bond Purchase Contract is hereby approved. The Chairperson or a Designated Member is hereby authorized, acting individually, to execute the Bond Purchase Contract and to deliver the Bond Purchase Contract to the Underwriters. The Bond Purchase Contract shall be in substantially the form of the Bond Purchase Contract attached as **Exhibit C** hereto with such changes, amendments, modifications, omissions and additions as may be approved by the Chairperson or the Designated Member; provided, however,

(i) The Series 2022A Bonds shall be subject to optional redemption no later than September 1, 2032, at a redemption price equal to 100% of their par value, plus accrued interest to the redemption date; the Series 2022B Bonds shall be subject to optional redemption no later than September 1, 2032, at a redemption price equal to 100% of their par value, plus accrued interest to the redemption date;

(ii) The interest rate on the Series 2022 Bonds shall not exceed an average net interest cost rate, which shall be computed by adding 500 basis points to the 30 Year Treasury Yield published in The Bond Buyer immediately preceding the first day of the calendar month in which the Series 2022 Bonds are sold, as provided in Section 159.825(d), Florida Statutes, as amended; provided, however, that such limit shall not apply if the Series 2022 Bonds are rated in any one of the three highest classifications by a nationally recognized rating service;

(iii) The aggregate principal amount of the Series 2022A Bonds shall not exceed \$35,000,000, and the aggregate principal amount of the Series 2022B Bonds shall not exceed \$130,000,000;

(iv) The Series 2022A Bonds shall have a final maturity not later than September 1, 2041, and the Series 2022B Bonds shall have a final maturity not later than September 1, 2052;

(v) The price at which the Series 2022 Bonds shall be sold to the Underwriters shall not be less than 99.4% of the aggregate face amount of the Series 2022 Bonds, exclusive of original issue discount; and

(vi) The issuance of the Series 2022A Bonds shall not result in an increase in debt service in any Fiscal Year of the District compared to the debt service on the Refunded Bonds; the Series 2022B Bonds shall not be issued unless the conditions for issuance of Additional Bonds set forth in Section 3.02 of the Trust Indenture are satisfied.

Execution by the Chairperson or a Designated Member of the Bond Purchase Contract shall be deemed to be conclusive evidence of approval of such changes.

Section 7. Preliminary Official Statement; Final Official Statement. The District hereby approves the form of the Preliminary Official Statement submitted to this meeting and attached as **Exhibit D** hereto and authorizes its distribution and use in connection with the public offering for sale of the Series 2022 Bonds. The preparation of a final Official Statement relating to the Series 2022 Bonds (the “Official Statement”) is hereby approved and the Chairperson or any Designated Member is hereby authorized to execute such final Official Statement to be dated the date of the award of the Series 2022 Bonds and, upon such award, to deliver the same to the Underwriters for use by them in connection with the sale and distribution of the Series 2022 Bonds. The Official Statement shall be substantially in the form of the Preliminary Official Statement attached as **Exhibit D** hereto, with such changes as shall be approved by the Chairperson or Designated Member as necessary to conform the details of the Series 2022 Bonds and such other insertions, modifications and changes as may be approved by the Chairperson or Designated Member, including the addition of municipal bond insurance. The execution and delivery of the Official Statement by the Chairperson or Designated Member shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Official Statement and the information contained therein in connection with the offering and sale of the Series 2022 Bonds. The Chairperson is further authorized to deem the Preliminary Official Statement “final” within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (“Rule 15(c)2-12”), in the form as mailed, and in furtherance thereof to execute the Rule 15c2-12 Certificate evidencing the same substantially in the forms attached as **Exhibit E** hereto.

Section 8. Continuing Disclosure. The District hereby authorizes and approves the execution and delivery of the Continuing Disclosure Agreement by and among the District and the Dissemination Agent. Execution of the Continuing Disclosure Agreement by the Chairperson or a Designated Member substantially in the form presented to this meeting and attached as **Exhibit F** hereto, with such changes therein as shall be approved by the Chairperson or Designated Member executing the same, shall constitute conclusive evidence of such officer’s approval and the District’s approval of any changes therein from the form of Continuing Disclosure Agreement attached hereto. The Continuing Disclosure Agreement is being executed by the District in order to assist the Underwriters in complying with Rule 15c2-12.

Section 9. Application of Bond Proceeds. The proceeds of the Series 2022A Bonds shall be applied in the manner required in the Series 2022A Supplemental Indenture; the proceeds of the Series 2022B Bonds shall be applied in the manner required in the Series 2022B Supplemental Indenture.

Section 10. Further Official Action; Ratification of Prior and Subsequent Acts. The Chairperson, the Secretary and each member of the Board of Supervisors of the District and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2022 Bonds, any documents required in connection with implementation of a book-entry system of registration, and investment agreements relating to the investment of the proceeds of the Series 2022 Bonds), any agreements for the issuance of a municipal bond insurance policy and a reserve fund insurance policy if deemed to be in the best interest of the District, any agreements with the Rate Consultant, Kimley-Horn or a verification agent, and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution and the Trust Indenture. In the event that the Chairperson or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chairperson or any Designated Member may, among other things, change the date of any document accompanying this Resolution as an exhibit, or the series designation of the Series 2022 Bonds in the event of a delay in the issuance of the Series 2022 Bonds. Execution by the Chairperson or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date or series designation. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 11. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 12. Inconsistent Proceedings. All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 13. Ratification of Prior Acts. All actions previously taken by or on behalf of the District in connection with the issuance of the Series 2022 Bonds are hereby authorized, ratified and confirmed.

Section 14. Public Meetings. It is hereby found and determined that all formal actions of the District concerning and relating to the adoption of this Resolution and the consummation of

the transactions contemplated by this Resolution were adopted in open meetings of the District, and that all deliberations of the District that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 15. Effective Date. This Resolution shall take effect immediately upon its adoption

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PASSED in Public Session of the Board of Supervisors of Bay Laurel Center Community Development District, this 27th day of April, 2022.

**BAY LAUREL CENTER COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

Secretary

Chairperson, Board of Supervisors

EXHIBIT A
SERIES 2022A SUPPLEMENTAL INDENTURE

EXHIBIT B
SERIES 2022B SUPPLEMENTAL INDENTURE

EXHIBIT C
BOND PURCHASE CONTRACT

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

EXHIBIT E

FORM OF 15c2-12 CERTIFICATE

Bay Laurel Center Community Development District
\$ _____ * Taxable Water and Sewer Revenue Refunding Bonds, Series 2022A
\$ _____ * Taxable Water and Sewer Revenue Bonds, Series 2022B

The undersigned hereby certifies to Jefferies LLC and FMSbonds, Inc. (the "Underwriters") that he is the Chairperson of the Board of Supervisors of **BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT** (the "District") and is authorized to execute and deliver this certificate, and further certifies on behalf of the District as follows:

1. This certificate is delivered to enable the Underwriters to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale by the District of its \$ _____ * Taxable Water and Sewer Revenue Refunding Bonds, Series 2022A and its \$ _____ * Taxable Water and Sewer Revenue Bonds, Series 2022B (collectively, the "Bonds").

2. In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement dated [____], 2022, setting forth information concerning the Bonds and the District (the "Preliminary Official Statement").

3. As used herein, "Permitted Omissions" shall mean the offering price, interest rate, selling compensation, delivery dates, ratings, the identity of the Underwriter and other terms of the Bonds depending on such matters.

4. The undersigned hereby deems the Preliminary Official Statement "final" as of its date, within the meaning of the Rule, except for Permitted Omissions, and the information therein is accurate and complete except for the Permitted Omissions.

1. If, at any time prior to the execution of a Bond Purchase Contract, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District will promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the District as of the __ day of [____], 2022.

* Preliminary, subject to change.

**BAY LAUREL CENTER COMMUNITY
DEVELOPMENT DISTRICT**

By: _____

Name: _____

Title: Chairperson, Board of Supervisors

EXHIBIT F
CONTINUING DISCLOSURE AGREEMENT

SECTION V

**NORTH WATER RECLAMATION FACILITY (NWRF)
AGREEMENT FOR
CONSTRUCTION SERVICES WITH
GUARANTEED MAX PRICE**

Client:
Bay Laurel Center Community
Development District
8470 SW 79th Street Road, Suite 3
Ocala, FL 34481

Construction Manager:
Wharton-Smith, Inc.
750 Monroe Road,
Sanford, FL 32771

THIS AGREEMENT (“Agreement”), with an effective date of April 15th, 2022, is by and between Bay Laurel Center Community Development District a special purpose government (“BLCCDD” or “Client” or “the District”), and Wharton-Smith Inc., a Florida Corporation (“Construction Manager” or “CM”).

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RECITALS:

WHEREAS, the CONSTRUCTION MANAGER was selected following a competitive Solicitation process to select a company to provide Construction Manager at Risk (CMAR) services for the District’s “2.5 MGD AADF Wastewater Treatment Plant including Off Site Lift Station, Wastewater Transmission Force Main, & Potable Water Main” (Project).

WHEREAS, the CONSTRUCTION MANAGER was selected as the top ranked company following evaluations.

WHEREAS, the District and CONSTRUCTION MANAGER desire to enter into this Agreement for Constructions Services with multiple Guaranteed Maximum Price (GMP).

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties to this Agreement, and for other good and valuable considerations, the parties agree as follows:

ARTICLE 1 – CONTRACT DOCUMENTS

1. The following documents and information are incorporated by reference and made part hereof; and shall comprise the Contract Documents.

- a. This Agreement; and
- b. Request for Qualifications (RFQ) – Construction Manager at Risk (CMAR) – 2.5 MGD AADF Wastewater Treatment Plant including Off Site Lift Station, Wastewater Transmission Force Main, & Potable Water Main in its entirety; and
- c. The CM’s response to RFQ.
- d. Supplemental Conditions (Exhibit “A”)
- e. The CM’s Guaranteed Maximum Price (GMP) #1 dated March 30th, 2022 (Exhibit “B”)

ARTICLE 2 – SCOPE OF SERVICES

1. The Scope of Services is generally described as the construction of the North Water Reclamation Facility (the “Project” or the “Work”).
 - a. Construction Services
 - i. Meetings: The CM will attend Project Team meetings with the BLCCDD and the BLCCDD’s Consultant at regularly scheduled intervals during the Project, or as directed by BLCCDD.
 - ii. Timeline: The CM will prepare a detailed construction plan for the project.
 - iii. The CM shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.
 - iv. The CM will carry out the Work effectively, to maintain the progress of the Work in accordance with the requirements of the Project Schedule, and to satisfy all obligations of the CM under the Contract Documents.
 - v. The CM shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 – GUARANTEED MAXIMUM PRICE

1. The CM shall perform the Project for a Guaranteed Maximum Price (GMP) outlined in Exhibit “B”. Due to the timeline of the Project and related material availability there will be

multiple GMP's that will be included as an addendum to this Agreement. The cost of each part of the project shall not exceed the cost outlined in each respective GMP. Costs which would cause the GMP to be exceeded shall be paid by the CM without reimbursement by the BLCCDD.

ARTICLE 4 – CHANGES IN PROJECT

1. Request for a Change Order. The work schedule or contract time may be changed by a written amendment to the Agreement signed by the parties and which meets the requirements of Article 16 ("Change Order"). The CM's request or claim for a work schedule and/or contract time adjustment shall be made in writing and delivered to the BLCCDD within ten (10) working days following the discovery of the event that prompted the request or claim, or from the date when the event should have been discovered. Where accepted by the BLCCDD, changes to the work schedule will only adjust for critical path impacts. Upon receipt of the CM's request for a change in the Work schedule, the BLCCDD will provide any additional directions in writing detailing the procedures that will be used to resolve the request, including provision of time impact or manpower and equipment loading schedules. Where the BLCCDD and the CM are unable to reach a mutually acceptable resolution of request, the BLCCDD will make a commercially reasonable determination.
2. Acceptable Ways of Determining Increases or Decreases in the GMP On Change Orders. An increase or decrease in the GMP resulting from a change in the Project or other factor entitling the CM to an equitable adjustment of the GMP shall be determined in one or more of the following ways:
 - a. By mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation by the BLCCDD;
 - b. By unit prices stated in the Contract or subsequently agreed upon, if less; or
 - c. As otherwise mutually agreed to by the BLCCDD and the CM.
3. Itemized Accounting on Change Orders. If the parties are unable to agree to the pricing of a change order in accordance with this Contract, the CM, provided he receives a written order signed by the BLCCDD, shall promptly proceed with the Work involved. The cost of such Work shall then be determined on the basis of the reasonable expenditures and savings of those performing the Work attributed to the change. However, in the event a Change Order is issued under these conditions, BLCCDD will establish an estimated cost of the Work and the CM shall not perform any Work which cost exceeds that estimate without prior written approval by the BLCCDD. In such case, the CM shall keep and present, in such form as BLCCDD may prescribe, an itemized accounting together with appropriate supporting data

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organized and maintained consistent with reasonable generally accepted accounting principles and practices of the increase in the Cost of the Project as outlined herein of the Contract. The amount of decrease in the GMP to be allowed by the CM to BLCCDD for any deletion or change which results in a net decrease in cost will be the amount of the actual net decrease.

4. Emergencies. In any emergency affecting the safety of persons or property, the CM shall act at their discretion, to prevent threatened damage, injury or loss. Any increase in the GMP or extension of time claimed by the CM on account of emergency Work shall be determined as provided in this Agreement, as long as the emergency was not caused by the CM.

ARTICLE 5 - CONTINGENCY

1. The amount set forth in the GMP which is available for CM's exclusive use for unanticipated costs that are incurred in performing the Work that are not the basis for a Change Order such as overtime, acceleration, and Subcontractor defaults.
2. Contingency Usage. The CM shall be required to submit a request, in writing, to the BLCCDD and receive BLCCDD authorization, which shall not be unreasonably withheld, prior to using any of the CM Contingency funds. If BLCCDD does not deny such request within five (5) business days of request, the CM may use the Contingency funds as if the request had been approved by BLCCDD.
3. The Contingency may be used for any costs of the work, as defined herein, that are required to execute the work as defined in the GMP. No increase in the Contingency will be allowed once the GMP is established, unless such cost arises from a latent condition or differing site condition. Risk to any other unforeseen circumstance shall be at the risk of the CM, unless approved by BLCCDD via change order and contract amendment. The CM shall document to BLCCDD with a log and detailed backup including receipts, contracts, invoices or communications to itemize the use Contingency identified in the GMP. The Contingency for this Project will be negotiated at the time of GMP Proposal submission. Any remaining Contingency at the completion of the Project shall be disbursed in accordance with this Contract.
4. Contingency Savings. If the CM contingency funds are not used, the amount not spent ("Savings") shall be returned to BLCCDD.

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ARTICLE 6 -- PROGRESS PAYMENT APPLICATION REVIEW

1. Engineer will, within ten days after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to BLCCDD, or return the Application to CM indicating in writing Engineer's reasons for refusing to recommend

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payment. In the latter case, CM may make the necessary corrections and resubmit the Application. Ten (10) days after presentation of the Application for Payment with Engineer's recommendation, the amount recommended will become due and when due will be paid by BLCCDD to CM.

2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to the BLCCDD, based on Engineer's on-site observations of the Work in progress as an experienced and qualified design professional and on Engineer's review of the Application for Payment and the accompanying data and schedules that the Work has progressed to the point indicated; that, to the best of Engineer's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, to a final determination of quantities and classifications for Unit Price Work, and to any other qualifications stated in the recommendation); and that CM is entitled to payment of the amount recommended. However, by recommending any such payment Engineer will not thereby be deemed to have represented that exhaustive or continuous on-site inspections have been made to check the quality or the quantity of the Work beyond the responsibilities specifically assigned to Engineer in the Contract Documents or that there may not be other matters or issues between the parties that might entitle CM to be paid additional sums by BLCCDD or BLCCDD to withhold payment to CM.

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3. Engineer's recommendation of a final payment will constitute an additional representation by Engineer to BLCCDD that the conditions precedent to CM's being entitled to final payment have been fulfilled.

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4. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make such representations to BLCCDD. Engineer may also refuse to recommend any such payment, or, because of subsequently discovered evidence or the results of subsequent inspections or test, nullify any such payment previously recommended; to such extent as may be necessary in Engineer's opinion to protect BLCCDD from loss.

5. BLCCDD may refuse to make payment of the full amount recommended by Engineer because claims have been made against BLCCDD on account of CM's performance or furnishing of the Work or Liens have been filed in connection with the Work or there are other items entitling BLCCDD to a set-off against the amount recommended, but BLCCDD must give CM immediate written notice (with a copy to Engineer) stating the reasons for such action.

ARTICLE 7 – METHOD OF PAYMENT

1. Subject to the terms, conditions and requirements set forth in this Agreement, payments with respect to Work properly performed by CM pursuant to this Agreement shall only be made to CM in strict accordance with a proper invoice and timely submission; it being understood and agreed that CM shall not be entitled to payment other than in accordance with said invoices and CM shall not invoice or otherwise request payment from the BLCCDD other than in accordance with the agreed upon price. CM shall only be paid upon proper satisfactory performance of its Work.

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2. Invoices will be submitted periodically for services performed and expenses incurred. The period covered by each Application for Payment shall be one calendar month ending on the last day of the month. Payment of each invoice will be due within 25 days of receipt. The CM is required to pay sales and use taxes on all materials purchased for this project unless otherwise specified in the document. All Florida sales and use taxes will be included in the submitted bid price(s). Interest will be added to accounts not paid within 25 days at the rate of 5% per annum. If the District fails to make any payment due under this or any other agreement within 30 days after the CM's transmittal of its invoice, the CM may, after giving notice to the District, suspend services and withhold deliverables until all amounts due are paid.

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3. If the District objects to an invoice, it must advise the CM in writing giving its reasons within 14 calendar days of receipt of the invoice or the District's objections will be waived, and the invoice shall conclusively be deemed due and owing. If the District objects to only a portion of the invoice, payment for all other portions remains due within 25 calendar days of receipt.

4. The CM may negotiate payment of any check tendered by the BLCCDD.

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5. Payment shall be processed provided that:

- a. The Work described in the Application for Payment has been completed in accordance with the terms of the Contract Documents; and
- b. A complete and correct Application for Payment is received by BLCCDD, the BLCCDD shall make payment of the amount properly due to the CM under the Contract Documents in accordance with Florida Statute 218.735 – Timely payment for purchases of construction services.

6. Each Application for Payment shall be based on the most recent schedule of values submitted by the CM in accordance with the Contract Documents. The schedule of values shall allocate the entire GMP among the various portions of the Work, except that the CM's Fee and General Conditions line items shall be shown as single separate lump sum line items. CM's Fixed Fee

and General Conditions line items shall be paid monthly on a pro-rated basis based on the contractual scheduled duration of the Project.

7. Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of:
 - a. The percentage of that portion of the Work which has actually been completed; or
 - b. The percentage obtained by dividing (a) the expense that has actually been incurred by the CM on account of that portion of the Work for which the CM has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the GMP allocated to that portion of the Work in the schedule of values.
8. Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:
 - a. Work completed;
 - b. Stored Materials as approved by BLCCDD;
 - c. CM's fee computed to match the percentage of work completed as represented on the Schedule of Values;
 - d. CM's general conditions applicable to the period covered by the Application for Payment.
9. BLCCDD shall not be required to issue progress payments pursuant to the draw schedule until the BLCCDD has verified, by on-site inspection, that construction has in fact progressed to the stage at which a draw is required and that the work completed and materials furnished are in compliance with the Contract Documents, and all applicable technical codes.
10. As often as requested by BLCCDD and as a condition precedent to payment, CM shall submit proof of CM's payment to all entities claiming through CM, who furnished labor, materials, services, or equipment in connection with the Project during the period of the prior application for payment.
11. Any payment made pursuant to this Agreement shall not be construed as evidence of performance by CM. Further, any and all payments made hereunder, be it a partial or final payment shall not be construed to be an acceptance of defective work, improper materials, or the performance of CM's obligations under this Agreement.

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12. The BLCCDD may withhold or, on account of subsequently discovered evidence, recover the whole or part of any payment to such an extent as may be necessary to protect the BLCCDD from loss on account of:
 - a. Defective work not remedied;
 - b. Claims filed or reasonable evidence indicating probable filing of claims;
 - c. Failure of the CM to make payments properly to subcontractors or for materials or labor;
 - d. The BLCCDD's opinion that the contract cannot be completed for the balance then unpaid;
 - e. Failure to maintain adequate progress;
 - f. Damage to the Project resulting from the negligence of the CM.
13. Notwithstanding anything contained in this Agreement, a payment shall not be considered due and owing to CM, either partial or final so long as the BLCCDD reasonably believes any one of the following conditions precedent to payment exist or may occur.
 - a. CM has failed to perform any of its obligations under the Contract Documents;
 - b. Any part of a payment requested by CM is attributable to Work which is defective or was not performed in accordance with the Contract Document; provided, however, if severable, payment shall be made as to the part of the Work which appears to be properly performed after allowance for the cost and impact of correcting the defective part of the Work, as estimated or determined by the District; or
 - c. CM has failed to make payment promptly to any potential lien or bond claimants;
14. The CM shall perform the Scope of Services for the amounts not to exceed those stated in Exhibit "B". The cost of these services shall not exceed this amount unless the District has executed a written change order approving any increase in price.

ARTICLE 8 – FINAL PAYMENT

1. Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by BLCCDD to the CM when:

- a. The CM has fully performed the Work except for the CM responsibility to correct Work and to satisfy other requirements, if any, which extend beyond final payment;
 - b. The CM has submitted a final accounting for the Cost of the Work and a Final Application for Payment;
 - c. A final Certificate for Payment has been issued by the Engineer;
 - d. The CM has delivered to the BLCCDD a complete list of Subcontractors and Suppliers on the Project, including addresses and telephone numbers;
 - e. The CM has delivered to the BLCCDD evidence reasonably acceptable to the BLCCDD that the Work has passed all requisite governmental inspections including any Certificate of Occupancy or Certificate of Completion;
 - f. The CM has delivered to the BLCCDD an indexed, loose leaf binder and a CD in such format as required by the BLCCDD, containing all maintenance manuals, temporary and final certificates of completion or occupancy, as applicable, and warranty documents applicable to the Work;
 - g. The CM has delivered all as-built documents required by the Contract Documents in digital and paper format;
 - h. The CM has delivered to the BLCCDD a CM's final payment affidavit in statutory form;
 - i. The CM has delivered to the BLCCDD conditional final waivers and lien releases executed by the CM and all Subcontractors and Suppliers serving a Notice to BLCCDD;
 - j. The CM has delivered to the BLCCDD any and all other items required by the Contract Documents;
 - k. The CM has delivered a Consent of Surety (if any) to release of final payment; and
 - l. The CM has completed all items on BLCCDD's punch list.
2. BLCCDD's Designated Representative shall review and report in writing on the CM's final accounting within 30 days after delivery of the final accounting to the Engineer by the CM. Based upon the GMP Schedule as the BLCCDD's auditors report to be substantiated by the CM's final accounting, the Engineer will, within seven calendar days after receipt of the written report of the BLCCDD's Designated Representative, either issue to the BLCCDD a final Certificate for Payment with a copy to the CM, or notify the CM and BLCCDD in writing of the Engineer's reasons for withholding a certificate as provided in the Contract Documents.

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3. If the BLCCDD's audit of the final amount as substantiated by the CM's final accounting to be less than claimed by the CM, the CM shall be entitled to request mediation of the disputed amount. A request for mediation shall be made by the CM within 30 days after the CM's receipt of a copy of the Engineer's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the BLCCDD's Designated Representative becoming binding on the CM. Pending a final resolution of the disputed amount, the BLCCDD shall pay the CM the amount certified in the Engineer's final Certificate for Payment in exchange for the close out documents required by this Agreement (excluding any final waiver or release from CM and its Subcontractors and Suppliers).
4. The final draw due upon "completion" shall not be payable until the BLCCDD, its Project Representative, and Engineer of Record has determined the work has been completed in accordance with the Contract Documents and a Certificate of Completion has been issued by the BLCCDD and/or Engineer. The BLCCDD's final payment to the CM shall be made no later than ten (10) calendar days after the satisfaction of the conditions set forth within this agreement.

ARTICLE 9 – RETAINAGE

1. This Project is a construction project and is subject to withholding of Retainage in accordance with Florida Statute 255.078 Public Construction Retainage. Retainage will be withheld at a rate of ten percent (10%) on all Payment Applications for the duration of the Project. Retainage shall not be withheld from progress payments for the CM Fee or General Conditions. All retainers will be held by the CM and applied against the final invoice.

ARTICLE 10 – GUARANTY OF FAITHFUL PERFORMANCE AND PAYMENT

1. A Public Construction Bond (Performance and Payment Bond), written by a Surety firm satisfactory to the Bay Laurel Center Community Development District will be required of the successful Bidder to guarantee that he will deliver a complete project under his Contract in strict accordance with the Contract Documents and that he will, after receiving payment from the BLCCDD, pay promptly all persons supplying him with labor or materials for the work.
2. The Public Construction Bond shall be for an amount not less than the GMP as agreed to and amended by both parties.
3. This bond shall be substantially in the form provided herein and written by a qualified Surety firm and through a reputable and responsible surety bond agency licensed to do business in the State of Florida and Marion County and meet the following requirements:

- a. The Surety must be rated as "A" or better as to strength by Best's Insurance Guide, published by Alfred M. Best Company, Inc., 75 Fulton Street, New York, New York.
- b. Bonding Limit - Any One Risk: The Bonding Limit of the Surety shall not exceed ten (10) percent of the policy-holders surplus (capital and surplus) as listed by the aforementioned Best's Insurance Guide. The completed Bond shall be executed in four (4) counterparts and delivered to the Bay Laurel Center Community Development District with the required Power-of-Authority and executed contract.

ARTICLE 11 – LABOR AND MATERIALS

1. The CM shall furnish all labor, material and equipment necessary for satisfactory contract performance. When not specifically identified in the technical specifications, such materials and equipment shall be of a suitable type and grade for the purpose. All material, workmanship, and equipment shall be subject to the inspection and approval of the BLCCDD's representative.
2. CM shall comply with all provisions of the Federal Immigration and Control Act of 1986 (8 U.S. Code § 1324 a) and any successor federal laws, as well as all provisions of Section 448.09, Florida Statutes, prohibiting the hiring and continued employment of aliens not authorized to work in the United States. CM shall not knowingly employ or contract with an illegal alien, or anyone who otherwise not authorized to work within the United States of America, to perform work under this Agreement or enter into an Agreement with a sub-contractor that fails to certify to the CM that the subcontractor is following the terms stated within. The CM nor any subcontractor employed by him shall not knowingly employ or contract with an illegal alien or anyone who otherwise not authorized to work within the United States of America to perform work under this Agreement.
3. The CM shall comply with and perform all applicable provisions of Section 448.095, Florida Statutes and Section 448.09(1), Florida Statutes. Accordingly, beginning January 1, 2021, to the extent required by Section 448.095, Florida Statutes, the CM shall enroll with and use the United States Department of Homeland Security's E-Verify system to verify the work authorization status of all newly hired employees. To confirm compliance, the CM agrees to provide the District with a Certificate from the E-Verify system or other proof of enrollment from the E-Verify system that is acceptable to the BLCCDD.
4. All cost incurred to initiate and sustain the aforementioned programs shall be the responsibility of the CM. Failure to meet this requirement may result in termination of the Agreement by the District.

ARTICLE 12 – PROFESSIONAL LICENSE

1. The CM holds a Certified Underground Utility and Excavation Contractor License (CUC056506) and General Contractors License (CGC1511243) issued by the State of Florida. CM must maintain this license during the full duration of this Agreement.

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ARTICLE 13 – COMMENCEMENT AND COMPLETION

1. BLCCDD and the CM mutually agree time is of the essence, to that end, the CM will commence work upon receipt of a Notice to Proceed. Substantial Completion of the entire Project shall be reached no later than 667 CALENDAR DAYS from the date of the Notice to Proceed. In executing this Agreement, CM hereby explicitly affirms that the time set for completion is reasonable.
2. Substantial Completion is dependent upon the CM not experiencing delays to the sequence of Work or production caused by BLCCDD or by those for whom BLCCDD is responsible, including but not limited to Owner directed changes, architectural errors or omissions, and utility service providers (collectively, “Owner Delays”). In the event Owner Delays exceed eighteen (18) calendar days, then CM shall be entitled to recover its extended General costs. CM, in addition, shall be entitled to a time extension day for day for each day of delay to the Work caused by Owner Delays.
3. Final Completion will be obtained at the point in time after the BLCCDD makes the determination that the Project is completed and there is Acceptance by the BLCCDD, and the CM has fulfilled all requirements of the Contract Documents.

ARTICLE 14 – TERM OF AGREEMENT

1. This Agreement shall commence upon the date of execution and shall remain in effect until such time as the Parties have executed an Agreement for Construction Services with a Guaranteed Maximum Price. Those portions imposing warranty requirements on CM, together with any implied warranties under law, will continue to remain in effect until completion of the expressed and/or implied warranty periods.

ARTICLE 15 – OWNER SUPPLIED EQUIPMENT

1. BLCCDD is providing Owner Purchased Equipment (“Owner Equipment”) to be incorporated into the Project by the CM. CM shall protect equipment from damage once it arrives on the Project site and shall follow all manufacturer requirements associated with storage and installation. All damage to Owner Equipment shall be the responsibility of the CM.

ARTICLE 16 – CHANGES IN WORK

- 1. Changes in the Work may be accomplished after execution of this Agreement, and without invalidating this Agreement, by written Amendment or Change Order approved by the BLCCDD prior to any work related to the Change Order being performed.
 - a. A Change Order is a written instrument prepared by the CM and signed by the BLCCDD and CM stating their agreement upon all of the following:
 - i. The change in the Work;
 - ii. The amount of the adjustment, if any, in the Contract Sum; and
 - iii. The extent of the adjustment, if any, in the Contract Time.

ARTICLE 17 – TERMINATION FOR CONVENIENCE OR CAUSE

1. For Convenience

- a. The BLCCDD may terminate this Agreement at any time without cause by providing the CM with seven (7) calendar days advance notice in writing. ~~Delivery by email is acceptable.~~ In the event of termination for convenience, all finished or unfinished deliverable items prepared by the CM under this Agreement shall, at the option of the BLCCDD, become the BLCCDD’s property. If the Agreement is terminated for convenience by the BLCCDD as provided herein, the CM shall be paid for services satisfactorily completed, less payment or compensation previously made. The CM shall not incur any additional expenses after receiving the written notice of termination.
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- b. In the event of a termination for convenience, the BLCCDD shall be obligated to pay CM, in addition to all sums owed to CM for conforming Work performed and materials supplied prior to the effective date of the termination, for all sums, losses and expenses CM incurs as a result of CM having to terminate contracts with its subcontractors and suppliers for this Project.
- c. ~~CM shall not be permitted to terminate this Agreement for convenience.~~
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2. For Cause or Default

- a. If, through any cause, the CM should fail to fulfill in a timely and proper manner its obligations under this Agreement, other than for the instances listed below due to “Force Majeure,” the BLCCDD will have the right to terminate this Agreement by providing a written notice to the CM requiring a written response due within seven (7) calendar days from receipt of the written notice as to why the Agreement should not be terminated for default. The BLCCDD’s Notice shall include an Agreement termination date at least seven (7) calendar days subsequent to the due date for the CM’s response. Should the CM fail

to respond to such notice, or if the BLCCDD determines that the reasons provided by the CM for failure of the CM to fulfill its contractual obligations do not justify continuation of the contractual relationship, the Agreement shall be considered to have been terminated for default on the date indicated in the Notice. Should the BLCCDD determine that the CM provided adequate justification that a termination for default is not appropriate under the circumstances; the BLCCDD shall have a unilateral option to either continue the Agreement according to the original contract provisions or to terminate the contract for convenience. In the event that the BLCCDD terminates the contract for default, all finished or unfinished deliverable items under this contract prepared by the CM shall, at the option of BLCCDD, become BLCCDD property and the CM shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials. Notwithstanding this compensation, the CM shall not be relieved of liability to the BLCCDD for damages sustained by the BLCCDD by virtue of any breach of this Agreement, and the BLCCDD may withhold any payment due the CM for the purpose of set-off until such time as the exact amount of damages due to the BLCCDD from such breach can be determined.

- b. In case of default by the CM, the BLCCDD may procure the services from other sources and hold the CM responsible for any excess cost occasioned thereby. The BLCCDD reserves the right to require a performance bond or other acceptable alternative performance guarantees from the successor CM without expense to the BLCCDD.
- c. In addition, in the event of default by the CM under this Agreement, the BLCCDD may immediately cease doing business with the CM, immediately terminate for cause all existing Agreements the BLCCDD has with the CM, and debar the CM from doing future business with the BLCCDD.

Upon the CM filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the CM, the BLCCDD may immediately terminate, for cause, this Agreement and all other existing agreements the CM has with the BLCCDD, and debar the CM from doing future business with the BLCCDD. In the event the CM enters into a proceeding relating to bankruptcy or an assignment for the benefit of creditors, whether voluntary or involuntary, the CM agrees to furnish, by certified mail or other method authorized by the Agreement, written notification of the proceeding to the District. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to bankruptcy filing or transfer of legal and equitable title of assets to a third party under an assignment for the benefit of creditors. This notification shall include the date on which the bankruptcy petition was filed or the transfer consummated, the identity of the court in which the bankruptcy petition was filed or the name of the entity holding CM's assets, and a listing of the Agreement if final payment has not been made. This obligation remains in effect until final payment under this Agreement has been made to the CM.

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- d. Upon receipt of a termination action, for convenience or cause, the CM shall promptly discontinue all affected work (unless the notice directs otherwise) and deliver or otherwise make available to the District all data, drawings, reports specifications, summaries and other such information, as may have been accumulated by the CM in performing this contract, whether completed or in process.
- e. The CM may terminate this Agreement for cause at any time ten (10) calendar days after the CM has delivered a Notice of Default to the BLCCDD and the BLCCDD has failed to cure the material default. For purposes of this paragraph, it is a material default for the BLCCDD to fail to make payment on time to the CM as outlined in ARTICLE 6 or to fail to provide information to the CM required by the CM to maintain the construction schedule.

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ARTICLE 18 – SUSPENSION

1. The BLCCDD may, with or without cause, order the CM in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the BLCCDD may determine. The Work shall be resumed by the CM within five (5) days after the date fixed in a written notice to resume work from the BLCCDD to the CM. The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption. Adjustment of the Contract Sum shall include overhead and profit. No adjustment shall be made to the extent that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the CM is solely responsible including such suspension recommended to the BLCCDD by the Engineer to enforce the contract or for any violation of the contract.

ARTICLE 19 – DISPUTES

1. Although drawn by the District, this Agreement has been negotiated by and between the District and CM at arm's length, each having equal opportunity to determine the form and substance hereof, and therefore in interpreting the provisions of this Agreement, neither party shall be deemed the scrivener hereof, and in the event of any dispute over its meaning or application, this Agreement shall be interpreted fairly and reasonably and neither more strongly for nor against either party.
2. In the event any provision in this Agreement is declared null and void by a court of law, at the option of both parties, the remainder of this Agreement shall remain in full force and effect.

3. In the event of an inconsistency between the terms of this Agreement and the terms of other Contract or Contract Documents, the terms of this Agreement shall take precedence. If this clause does not resolve an inconsistency, ~~then the stricter, greater or higher best quality requirement or earlier performance time shall govern.~~ If any of the terms of any exhibits, schedules, addenda or modifications are in conflict with any of the terms of this Agreement, then the provisions of this Agreement shall control.
4. This Agreement may not be changed in any way except as herein provided, and no term or provision may be waived by the District or CM except in writing signed by its duly authorized officer.

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ARTICLE 20 – FORCE MAJEURE

1. Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God. Should there be such an occurrence that impacts the ability of either party to perform their responsibilities under this contract, the nonperforming party shall give immediate written notice to the other party to explain the cause and probable duration of any such nonperformance.

ARTICLE 21 – INSURANCE REQUIREMENTS

1. Scope of Insurance - The CM shall procure and maintain at its own expense, the following minimum insurance coverage, unless otherwise specified in the Contract Documents.
 - a. All required insurance shall be provided by insurers acceptable to the District with an A.M. Best rating of at least A: VII.
 - b. The CM shall require, and shall be responsible for assuring that any and all of its subcontractors secure and maintain such insurance that are required by law to be provided on behalf of their employees and others until the completion of that subcontractor's work.
 - c. The required insurance shall be secured and maintained for not less than the limits required by the BLCCDD, or as required by law, whichever is greater.
 - d. The required insurance shall not limit the liability of the CM. The BLCCDD does not represent these coverages or amounts to be adequate or sufficient to protect the CM's interests or liabilities, but are merely required minimums.

- e. The provisions of the required insurance are subject to the approval of the BLCCDD, and upon request, the CM shall make available certified copies of the various policies for inspection.
 - f. All liability insurance, except professional liability, shall be written on an occurrence basis.
 - g. Insurance required of the CM, or any other insurance of CM shall be considered primary, and insurance of the District, if any, shall be considered excess as applicable to any claims which arise out of the agreement, Contract or lease.
 - h. The CM waives its right of subrogation recovery against the BLCCDD to the extent permitted by its insurance policies.
2. Certificate of Insurance - The CM shall provide evidence of required minimum insurance by providing the BLCCDD an ACORD or other Certificate of Insurance in forms acceptable to the District, before any work under the agreement, Contract or lease begins.
- a. Except for workers' compensation and professional liability, the CM's insurance policies shall be endorsed to name the Bay Laurel Center Community Development District as additional insured to the extent of the Agreement.
 - b. The Certificate(s) of Insurance shall designate the District as certificate holder as follows: Bay Laurel Center Community Development District, 8470 SW 79th Street Road, Suite 3 Ocala, Florida 34481.
 - c. The Certificate(s) of Insurance shall include a reference to the project.
 - d. The Certificate(s) of Insurance shall indicate that the District shall be notified at least thirty (30) days in advance of cancellation.
 - e. The Certificate(s) of Insurance shall include all deductibles and/or self-insurance retentions for each line of insurance coverage.
 - f. The CM, at the discretion of the BLCCDD, shall provide information regarding the amount of claims payments or reserves chargeable to the aggregate amount of the CM liability coverage(s).
3. Comprehensive General Liability - The CM shall purchase and maintain Commercial General Liability coverage on forms no more restrictive than the latest editions of the Commercial General Liability policies of the Insurance Services Office (ISO). The Commercial General Liability policy shall provide minimum limits of \$1,000,000 per occurrence combined single

limit that includes coverage for bodily and personal injury and property damage liability for premises, operations, products and completed operations*, independent Contractors, Contractual liability covering the agreement, Contract or lease, broad form property damage coverage, and property damage resulting from explosion, collapse or underground exposures (x, c, u). For remodeling and construction projects, the CM shall purchase and maintain products and completed operations coverage for a minimum of three (3) years beyond the BLCCDD's acceptance of the project.

4. Business Automobile Liability - The CM shall purchase and maintain Business Automobile Liability coverage on forms no more restrictive than the latest editions of the Business Automobile Liability policies of the Insurance Services Office (ISO). The Business Automobile Liability policy shall provide minimum limits of \$1,000,000 per occurrence combined single limit that includes coverage for claims for bodily injury and property damage arising from the use of motor vehicles, including on-site and off-site operations, and owned, non-owned and hired vehicles, and employee non-ownership use.
5. Workers' Compensation - The CM shall purchase and maintain Workers' Compensation insurance for all workers' compensation obligations imposed by state law and with employer's liability limits of at least \$100,000 each accident and \$100,000 each employee with \$500,000 policy limit for disease.
6. Builders Risk - Prior to the commencement of construction and as a condition precedent to the CM actually commencing construction activities on site, CM shall be responsible for procuring an "all risk" Builder's Risk insurance policy covering the total value of the improvements under construction with a policy limit not less than the amount of the GMP. The Builder's Risk Policy shall insure the interests of BLCCDD, CM and all Subcontractors and Suppliers as their interests appear.

Once Substantial Completion is acknowledged by both the BLCCDD and CM, use or occupancy of the Project by the BLCCDD may be accomplished in accordance with this article when:

- a. The BLCCDD secures Property and General Liability Insurance for the building/structure; and
- b. Provides confirmation from their broker or carrier that insurance has been secured and is effective.

ARTICLE 22 – WAIVER OF LIEN

1. The CM shall provide affidavits of no liens or of payment by a contractor, sub-contractor, laborer, vendor or material supplier that it has been paid in full or has been paid amounts due

and owing as of the date of the affidavit. Appropriate lien affidavits shall comply with Chapter 713, Florida Statutes. The CM agrees to make payment of all proper charges for labor and materials supplied and subject to the foregoing condition CM shall hold harmless the BLCCDD against any claim arising out of any unpaid bills for labor, services, or materials furnished for the project covered by this Agreement.

ARTICLE 23 – INDEMNIFICATION

1. To the extent permitted by Florida law, The CM agrees to make payment of all proper charges for labor required in the aforementioned work and CM shall indemnify BLCCDD, its officers, employees, and agents and hold it harmless from and against any loss or damage, claim or cause of action, and any attorneys' fees and court costs, arising out of: any unpaid bills for labor, services or materials furnished to this project; any failure of performance of CM under this Agreement; or the negligence of the CM in the performance of its duties under this Agreement, or any act or omission on the part of the CM, his agents, employees, or servants. CM shall defend, indemnify, and save harmless the BLCCDD or any of their officers, agents, or servants and each and every one of them against and from all claims, suits, and costs of every kind and description, including attorney's fees, and from all damages to which the BLCCDD or any of their officers, agents, or servants may be put by reason of injury to the persons or property of others resulting from the performance of CM's duties under this Agreement, or through the negligence of the CM in the performance of its duties under this Agreement, or through any act or omission on the part of the CM, his agents, employees, or servants. Notwithstanding anything contained in this paragraph regarding indemnification, the Parties acknowledge, ratify and agree that under no circumstances does the BLCCDD agree to indemnify the CM or its contractors or sub-contractors. CM's obligation to indemnify the District does not relate to the willful or negligent conduct of the District. This Agreement does not constitute a waiver of sovereign immunity or consent by the District to suit by third parties.

ARTICLE 24 - CODES, LAWS, AND REGULATIONS

1. CM will comply with all applicable codes, laws, regulations, standards, and ordinances in force during the term of this Agreement.

ARTICLE 25 – PERMITS, LICENSES, AND FEES

1. CM will obtain and pay for all permits and licenses required by law that are associated with the CM's performance of the Scope of Services. All permits and licenses required by law or requirements of the Request for Proposal will remain in force for the full duration of this Agreement and any extensions.

ARTICLE 26 - PUBLIC RECORDS RETENTION

1. ~~The Parties acknowledge that the District is a governmental entity and is subject to Florida's Public Records Law, Chapter 119, Florida Statutes. The Parties further acknowledge that some, or all, of the information, materials, documents provided to the District may be public records and, as such, may be subject to disclosure to, and copying by, the public unless otherwise exempted by statute. This provision shall constitute the District's sole obligation relating to maintaining confidentiality of any information or proprietary material of any kind submitted by the CM. The CM also recognizes that by doing business with the District, its records relating to the Agreement may also be subject to the Public Records Act. CM shall keep and maintain public records that ordinarily and necessarily would be required by the BLCCDD in order to perform the services being provided by CM herein. CM shall provide the public with access to public records on the same terms and conditions that the BLCCDD would provide the records and at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes. CM shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law. CM shall meet all requirements for retaining public records and transfer, at no cost, to the BLCCDD all public records in possession of the CM upon termination of this Agreement and 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 BLCCDD by CM in a format that is compatible with the information technology systems of the BLCCDD.~~

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ARTICLE 27 – ACCESS TO RECORDS

1. The services provided under this Agreement may be funded in part by a grant from a government agency other than the BLCCDD. As a requirement of grant funding CM shall make records related to this project available for examination to any local, state or federal government agency, or department, during CM's normal business hours. Said records will be maintained for a period of five (5) years after the date of the completion of the work and until claims or audit findings have been resolved which were initiated prior to the expiration of the five (5) year period.

ARTICLE 28 – ACCOUNTING RECORDS

1. The CM shall keep full and detailed records and accounts related to the Cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all Cost of the Work incurred. The BLCCDD and the BLCCDD's auditors shall, during regular business hours and upon reasonable advance notice no less than two (2) working days in advance, be afforded access to, and shall be permitted to audit and

copy, the CM's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, purchase orders, vouchers, memoranda, subcontractor invoices, subcontractor payment applications and other data relating to this Contract.

2. CM's evidence of Cost of the Work for reimbursements shall consist of actual copies of invoices, applications for payment and any other form of billing from its subcontractors and suppliers. CM's Fixed Fee amounts and General Conditions amounts are negotiated lump sum amounts and are not subject to audit.

ARTICLE 29 – CONTINGENT FEES PROHIBITED

1. The CM warrants that he or she has not employed or retained any company or person, other than a bona fide employee working solely for the CM, to solicit or secure this Agreement and that he or she has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CM any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. In the event of a breach of this provision, the BLCCDD shall have the right to terminate this Agreement without further liability and at its discretion, deduct from the contract price, or otherwise recover, the full amount of any such fee, commission, percentage, gift or consideration paid in breach of this Agreement.

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ARTICLE 30 – ACCEPTANCE OF GOODS OR SERVICES

1. The goods delivered as a result of an award from this solicitation shall remain the property of the CM, and services rendered under the Agreement will not be deemed complete, until a physical inspection and actual usage of the product(s) and/or service(s) is (are) accepted by the BLCCDD and shall be in compliance with the terms herein, fully in accord with the specifications and of the highest quality.
2. Any goods and/or services purchased as a result of this Agreement may be tested and/or inspected for compliance with specifications. In the event that any aspect of the goods or services provided is found to be defective or does not conform to the specifications, the BLCCDD reserves the right to initiate corrective action on the part of the CM, to include return of any non-compliant goods to the CM at the CM's expense, requiring the CM to either provide a direct replacement for the item, or a full credit for the returned item. The CM shall not assess any additional charge(s) for any conforming action taken by the BLCCDD under this clause. The BLCCDD will not be responsible to pay for any product or service that does not conform to the contract specifications.

3. This project will be inspected by an authorized representative of the BLCCDD. This inspection shall be performed to determine acceptance of work, appropriate invoicing, and warranty conditions.

ARTICLE 31 – OWNERSHIP OF DOCUMENTS

1. All data, specifications, calculations, estimates, plans, drawings, construction documents, photographs, summaries, reports, memoranda, and other documents, instruments, information and material prepared or accumulated by the CM (or by such sub-consultants and specialty consultants) in rendering services hereunder shall be the sole property of the BLCCDD who may have access to the reproducible copies at no additional cost other than printing. Provided, that the CM shall in no way be liable or legally responsible to anyone for the BLCCDD's use of any such materials for another PROJECT, or following termination. All original documents shall be permanently kept on file at the office of the CM.

ARTICLE 32 – INDEPENDENT CONTRACTOR

1. The CM agrees that he or she is an independent contractor and not an agent, joint venture, or employee of the BLCCDD, and nothing in this Agreement shall be construed to be inconsistent with this relationship or status. None of the benefits provided by the BLCCDD to its employees, including but not limited to, workers' compensation insurance, unemployment insurance, or retirement benefits, are available from the BLCCDD to the CM. CM will be responsible for paying his own Federal income tax and self-employment tax, or any other taxes applicable to the compensation paid under this Agreement. The CM shall be solely and primarily responsible for his and her acts during the performance of this Agreement.

ARTICLE 33 – ASSIGNMENT

1. Neither party shall have the power to assign any of the duties or rights or any claim arising out of or related to the Agreement, whether arising in tort, contract, or otherwise, without the written consent of the other party. These conditions and the entire Agreement are binding on the heirs, successors, and assigns of the parties hereto.

ARTICLE 34 - ENTIRE AGREEMENT

1. This Agreement and the Contract Documents contain the entire agreement between the parties and no prior written or oral proposal, agreements, representations, or statements made by any of the BLCCDD's officers or agents before execution of this Agreement are valid unless such proposals, agreements, representations, or statements are contained in this agreement.

ARTICLE 35 – NO THIRD-PARTY BENEFICIARIES

1. This Agreement gives no rights or benefits to anyone other than the BLCCDD and the CM, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole benefit of the BLCCDD and the CM. The BLCCDD shall not assign or transfer any rights under or interest in this Agreement, or any claim arising out of the performance of services by CM, without the written consent of the CM. The CM reserves the right to augment its staff with subconsultants as it deems appropriate due to project logistics, schedules, or market conditions. If the CM exercises this right, the CM will maintain the agreed-upon billing rates for services identified in the contract, regardless of whether the services are provided by in-house employees, contract employees, or independent subconsultants.

ARTICLE 36 – JURISDICTION

1. The laws of the State of Florida shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it. In the event of any litigation arising under or construing this Agreement, venue shall lie only in Marion County, Florida.

ARTICLE 37 – NOTICE

1. When this Contract provides for notice, it shall be given (a) in writing by registered or certified mail (or other commonly recognized courier service with confirmation of delivery and receipt), addressed to the person as designated in this Article.

Notice to Consultant shall be given at: Wharton-Smith, Inc.
750 Monroe Road
Sanford, FL 32771
Ocala, FL 34481

Notice to Client shall be given at: BLCCDD
8470 SW 79th Street Road, Suite 3
Ocala, FL 34481

Notice to Attorney shall be given at: Colen & Wagoner, P.A.
1756 N. Belcher Road
Clearwater, FL 33765

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2. Notice addresses may be changed by notice in writing given by the proper party. Unless otherwise specifically provided, forty-eight (48) hours' notice shall be given.

ARTICLE 38 – CONTACT PERSON

1. The primary contact person under this Agreement for each party is listed here. Contact person and information may be updated as needed by written, electronic mail is acceptable, communication to the other party. Notifying party shall receive confirmation the other party has received the change to the Contact Person.

Construction Manager Contact Information

Name/Title: _____
Address: _____
City, State & Zip: _____
Telephone: _____
Email Address: _____

BLCCDD Contact Information

Name/Title: Bryan M. Schmalz, Utility Director
Address: 8470 SW 79th Street Road, Suite 3
City, State & Zip: Ocala, Florida 34481
Telephone: (352) 414-5454 x4105
Email Address: bryan_schmalz@blccdd.com

ARTICLE 39 – APPROVAL OF PERSONNEL

1. The BLCCDD reserves the right to approve the contact person and the persons actually performing the services on behalf of CM pursuant to this Agreement. If BLCCDD, in its sole discretion, is dissatisfied with the contact person or the person or persons actually performing the services on behalf of CM pursuant to this Agreement, the BLCCDD may require CM assign a different person or persons be designated to be the contact person or to perform the CM services hereunder.

ARTICLE 40 – DISCLOSURE OF CONFLICT

1. The CM has an obligation to disclose to the BLCCDD any situation that, while acting pursuant to this Agreement, would create a potential conflict of interest between the CM and his duties under this Agreement.

ARTICLE 41 - WARRANTY

1. CM warrants the Work against defects in materials or workmanship for a minimum period of one year following Substantial Completion. CM shall, at no cost to BLCCDD, repair or replace any defective or non-conforming Work when notified within the one-year warranty period. The CM's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the CM, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage.

2. The CM hereby acknowledges and agrees that all materials, except where recycled content is specifically requested, supplied by the CM in conjunction with this Agreement shall be new, warranted for their merchantability, and fit for a particular purpose.

ARTICLE 42 – RISK OF LOSS

1. The CM assumes the risk of loss of damage to the BLCCDD's property during possession of such property by the CM, and until delivery to, and acceptance of, that property by the BLCCDD. The CM shall immediately repair, replace or make good on the loss or damage without cost to the BLCCDD, whether the loss or damage results from acts or omissions (negligent or not) of the CM or a third party.
2. The CM shall indemnify and hold the BLCCDD harmless from any and all claims, liability, losses and causes of action which may arise out of the fulfillment of this Agreement. The CM shall pay all claims and losses of any nature whatsoever in connection therewith, and shall defend all suits, in the name of the BLCCDD when applicable, and shall pay all costs and judgments which may issue thereon. The BLCCDD shall not be obligated to indemnify CM for any purpose.

ARTICLE 43 – COUNTERPARTS

1. Original signatures transmitted and received via facsimile or other electronic transmission of a scanned document, (e.g., PDF or similar format) shall be considered true and valid signatures for all purposes hereunder and shall bind the parties to the same extent as that of an original signature. Any such facsimile or electronic mail transmission shall constitute the final Agreement of the parties and conclusive proof of such Agreement. Any such electronic counterpart shall be of sufficient quality to be legible either electronically or when printed as hardcopy. The BLCCDD shall determine legibility and acceptability for public record purposes. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument.

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ARTICLE 44 – AUTHORITY TO OBLIGATE

1. Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and bind and obligate such party with respect to all provisions contained in this Agreement.

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THIS AREA INTENTIONALLY LEFT BLANK.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated in the preamble to the Agreement.

For the Client:

Bay Laurel Center Community Development District

By: _____

Print Name: _____

Title: _____

Date: _____

EXECUTED IN THE PRESENCE OF:

By: _____

For the Construction Manager:

Wharton-Smith, Inc.

By: _____

Print Name: _____

Title: _____

Date: _____

EXECUTED IN THE PRESENCE OF:

By: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

Exhibit "A"

SUPPLEMENTAL CONDITIONS – CONSTRUCTION

1. DEFINITIONS

The following definitions shall apply. Whenever the following terms (or pronouns in place of them) are used in the Contract Documents, the intent and meaning of such terms shall be interpreted as follows:

1. **BLCCDD Project Representative:** There shall be authorized representative(s) of the BLCCDD assigned to make all necessary inspections of the work performed by the CM and for such other purposes as outlined in the Contract Documents.
2. **BLCCDD Technical Representative:** There may be a designated Project Representative assigned by the BLCCDD to inspect the technical aspects of the project. To insure the project is being constructed as designed.

3. Engineer of Record: The Engineer of Record designated by the BLCCDD following Contract Execution.
4. Engineer: The design professional (engineer, architect, landscape architect or surveyor) designated by the BLCCDD to serve as the design professional representing the BLCCDD.
5. Notice to Proceed (NTP): The official Notice from the BLCCDD to the CM providing the date work may begin and the date the performance period begins. The NTP date will be mutually agreed to at or following the pre-construction meeting. CM shall sign the acknowledgement section of the NTP and return to BLCCDD. The NTP shall become a part of the Contract Documents.
6. Subcontractor: Includes only those having a direct contract with the CM and it includes one who furnished material worked to a special design according to the plans or specifications of this work, but does not include one who merely furnishes material not so worked.
7. Work: The entire completed construction or the various separately identifiable parts thereof required to be furnished under the Contract Documents. Work is the result of performing services, furnishing labor and furnishing and incorporating materials and equipment into the construction, all as required by the Contract Documents.
8. Manual(s): Equipment documentation meant for the end user/consumer of the equipment. CM shall provide all Manuals to the BLCCDD upon substantial completion. Retainage may not be released until the BLCCDD has received all Manuals relevant to the equipment incorporated into the project.
9. Surety: The corporate body which is bound with and for the CM which is primarily liable and which guarantees the faithful performance of the bid and/or agreement.
10. Plans, Drawings and/or Sketches: Graphic representations of the work to be performed or reproductions thereof.
11. Specifications: Broadly defined, the specifications include all data bound together herein or referenced on the plans, including, but not limited to, General Conditions, Technical Specifications, Special Conditions, Geotechnical Investigation, Supplemental Conditions (if any), other detailed technical specifications, exhibits and all addenda.
12. Defective: An adjective which when modifying the word Work refers to Work that is unsatisfactory, faulty or deficient, or does not conform to the Contract Documents, or does

not meet the requirements of any inspection, reference standard, test or approval referred to in the Contract Documents, or has been damaged prior to Engineer's recommendation of final payment (unless responsibility for the protection thereof has been assumed by BLCCDD at Substantial Completion or BLCCDD has taken beneficial use of completed portions).

13. Shop Drawings: All drawings, diagrams, illustrations, schedules and other data which are specifically prepared by or for CM to illustrate some portion of the Work and all illustrations, brochures, standard schedules, performance charts, instructions, diagrams and other information prepared by a Supplier and submitted by CM to illustrate material or equipment for some portion of the Work.
14. Substantial Completion: The Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer as evidenced by Engineer's definitive certificate of Substantial Completion, it is sufficiently complete, in accordance with the Contract Documents, so that the Work (or specified part) can be utilized for the purposes for which it is intended; or if there be no such certificate issued, when final payment is due. The terms "substantially complete" and "substantially completed" as applied to any Work refer to Substantial Completion thereof.
15. Underground Facilities: All pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels or other such facilities or attachments, and any encasements containing such facilities which have been installed underground to furnish any of the following services or materials: electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, sewage and drainage removal, traffic or other control systems or water.

2. INSPECTION OF WORK

1. The Project Representative and his representatives shall, at all times, have access to the work whenever it is in preparation or progress and the CM shall provide proper facilities for such access and for inspection. The work will be conducted under the general direction of the Project Representative of the BLCCDD and is subject to inspection by his appointed inspectors to insure compliance with the terms of the contract. No inspector is authorized to change any provisions of the specifications without written authorization of the BLCCDD, nor shall the presence or absence of an inspector relieve the CM from any requirements of the contract.
2. If the specifications, the Project Representative's instructions, laws, ordinances or any public authority require any work to be specifically tested or approved, the CM shall give the BLCCDD timely notice of its readiness for inspection with a minimum of three (3)

business days provided, and if the inspection is by another authority than the Project Representative, of the date fixed for such inspection. Inspections by the Project Representative will be promptly made, and where practicable at the source of supply. If any work should be covered up without approval or consent of the BLCCDD, it shall, if required by the Project Representative, be uncovered for examination at the CM's expense.

3. Re-examination of questioned work may be ordered by the Project Representative and, if so ordered, the work shall be uncovered by the CM. If such work is found in accordance with the contract documents, the BLCCDD will pay the cost of re-examination and replacement. If such work is found not in accordance with the contract documents, the CM shall pay such cost.

3. TESTS

1. The Project Representative will have the right to require all materials to be submitted to test prior to incorporation in the work. In some instances, it may be expedient to make these tests at the source of supply and for this reason it is requested that the CM furnish the source before incorporating material in the work. This does not in any way obligate the Project Representative to perform tests for acceptance of material and does not relieve the CM of his responsibility to furnish satisfactory material. The CM shall furnish two copies of manufacturer's certificate of compliance with these specifications covering manufactured items incorporated in the work.
2. All field tests for compaction of earthwork and of material incorporated in the sub grade and base will be performed by technicians of a materials testing laboratory approved by the BLCCDD. All tests performed by the laboratory to ascertain that the material, as placed, meets the required specification will be at the expense of the CM and should be included in the bid items as such.

4. TOOLS, PLANT AND EQUIPMENT

1. If any time before the commencement or during the progress of the work, tools, plant or equipment appears to the Project Representative to be insufficient, inefficient or inappropriate to secure the quality of work required, or the proper rate of progress, the Project Representative will notify the BLCCDD of such conditions. The Engineer will provide written notification to the CM of BLCCDD's quality and/or schedule concerns. The CM will respond in writing within five (5) business days of receiving the BLCCDD's notice and will propose remedial actions to address the quality and/or schedule concerns.

5. COLLECTION AND DISPOSAL OF WASTE

1. The CM shall collect waste from construction areas and elsewhere including construction debris from adjacent properties not controlled within the Project; handle hazardous, dangerous, or unsanitary waste materials separately from other waste by containerizing properly; dispose of material in a lawful manner. The CM shall be responsible for the transportation and disposal costs of all waste construction materials.

6. TREES

1. It shall be the responsibility of the CM to protect all trees within the limits of the work and as designated by the Project Representative and Engineer.

7. BURNING OF DEBRIS

1. For any areas where the burning of debris is permitted, the CM will be required to request a permit therefore, from the fire authority having jurisdiction in the area in due advance time, and if such permission is granted he shall rigidly abide by all provisions and requirements of such permit. In no case will burning be permitted until the fire authorities have adequately checked the size of the pile of material to be burned, the weather conditions and any other factors which might affect the proper control of the burning operation.

8. MAINTENANCE OF TRAFFIC

1. Where construction is located in public right of ways, traveled streets and roads, the CM shall exercise extreme care in seeing that sufficient area is provided and kept open for police, fire, ambulance, mail and private vehicular traffic. The CM shall ensure that each person supervising the selection, placement and maintenance of Traffic Control Devices in the FDOT Work Zone shall be certified by attending an FDOT approved MOT training course. A copy of these certifications shall be submitted to the BLCCDD upon request.

9. PROTECTION AGAINST POLLUTION

1. The CM shall comply with all legal regulations pertaining to pollution as are applicable to the site and he shall take all measures necessary to assure that no pollution, temporary or permanent, occurs to any property.
2. CM shall maintain the fuel storage area in accordance with local, state and federal regulations. Refueling vehicles and refueling techniques shall also comply with all applicable regulations. Clean-up of the fuel storage area shall be as required by the regulations and in accordance with these regulations.

10. TEMPORARY FENCING AND BARRICADES

1. The CM shall at his cost erect barricades sufficient to prevent injury to persons or damage to property, including the CM's personal property and materials. The BLCCDD shall not be held responsible for the loss, theft, or vandalism of the CM's equipment or other personal property, including construction materials and supplies. Fences shall be constructed to prevent entry of unauthorized persons; cover trenches and holes when not in use; erect barriers at sharp changes in plane more than four (4) feet high. Should construction operations temporarily obstruct road passage, the CM shall at his cost provide suitable flaggers to control vehicular traffic on the road. Permits to use construction equipment on Florida Department of Transportation Right-of-Way shall be secured by the CM prior to actual beginning of work. The CM shall, at his/her cost, remove all temporary protection from the work site upon completion of the work.

11. WORKMANSHIP, MATERIALS, APPLIANCES, AND EMPLOYEES

1. All work will be done in a competent and workmanlike manner. All materials, equipment and supplies furnished by the CM for permanent incorporation in the work shall be new and of quality standards specified. Workmanship shall be first class and the finished product equal to the best-accepted standards of the trade for the category of work performed. It is the BLCCDD's intent to obtain a high-quality job that will operate and function with least maintenance costs. The CM shall, if requested by BLCCDD, furnish satisfactory evidence as to the kind and quality of materials.
2. Unless otherwise stipulated, the CM shall provide and pay for all materials, labor, water, tools, equipment, light, power, transportation and other facilities necessary for the execution and completion of the work.
3. The CM shall, at all times, enforce strict discipline and good order among his/her employees and shall not employ on the work any unfit person or anyone not skilled in the work assigned.

12. GENERAL QUALITY AND STANDARDS

1. To facilitate rapid examination, detailed specifications concerning basic requirements for labor, materials, equipment and/or incidentals to be used on the project are included under the various divisions in as brief a form as is consistent with clarity. The primary concern of the detailed specifications is for standards of performance expected for the finished work. When in the detailed specifications reference is made to a particular code or specification, the latest edition of said code or specification shall apply.

2. The interests of the BLCCDD, the CM, and others concerned with the work require the inclusion of certain general governing requirements and standards, as a precaution against contingency and to provide for the conditions under which the construction and the administration of the work will be carried out.
3. General requirements for the quality of the work, when not otherwise covered in more specific detail in the specifications, will be governed by acceptable standards of the trade. These specifications consider the project as a whole and assume its completion under a general contract. Further, the scope of subcontracts and the quantities of materials and labor supplied to the CM by others are assumed to be matters governed by agreement between the CM and his/her Subcontractors and Suppliers and not by agreement between the BLCCDD and any Subcontractor or Suppliers.
4. Various sections of the construction specifications are intended to govern only the quality of work and/or materials incidental to the particular branch of work mentioned in the section title. Sections are not intended as itemizations of the work materials to be furnished or to limit or define the scope of any subcontract or agreement to furnish material and labor. The furnishing of all items of material, labor, equipment and/or incidentals necessary to the completion of the work as a whole will be expected when such items are called for on the drawings by diagram, note or schedule, are listed in the specifications, or are reasonably inferred by either or a combination of both.
5. During the construction operations under this contract, the BLCCDD may elect to contract other work for the project. The CM shall coordinate his/her operations with those of any other such CMs as well as any work of constructing or adjusting utilities by any other authorities, to the end that the least practical handicap to the work of all such CMs or authorities will result.

13. PROJECT COORDINATION

1. The CM shall coordinate construction operations that are dependent upon each other for proper installation, connection and operation. The CM shall make adequate provisions to accommodate items scheduled for later installation.
2. The CM shall inspect both the substrate and conditions under which the work is to be performed. The CM shall not proceed until unsatisfactory conditions have been corrected in an acceptable manner.
3. The CM shall inspect materials or equipment immediately upon delivery and again prior to installation. The CM shall reject damaged and defective items.

4. The CM shall supervise construction activities to ensure that no part of the construction is subject to deleterious exposure during the construction period. Where applicable, such exposures include, but are not limited to, the following: Unprotected storage, Improper shipping and handling, Theft, Vandalism.

14. COORDINATION WITH UTILITY COMPANIES

1. CM shall coordinate with all utility installations. CM shall notify the appropriate utility companies, in writing, adequately in advance of the time frame set aside for such utility installation. The utility companies referred to herein shall include, but not be limited to, Power, Gas, Telephone, and Cable Television. CM shall coordinate the installation of "sleeves" for the utility companies as may be required.
2. CM shall supply the BLCCDD with copies of all correspondence notifying the utility companies of his/her intended schedule of construction and the expected date for their respective utility installations. Written notices shall be sent to the utility companies at sixty (60) days, thirty (30) days and two (2) weeks prior to the time at which the utility installation should begin.

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15. SUPERVISION

1. CM shall supervise and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. CM shall be solely responsible for the means, methods, techniques, sequences and procedures of construction. CM shall be responsible to see that the finished Work complies accurately with the Contract Documents.
2. If the CM, in the course of the work, finds any discrepancy between the drawings and the physical conditions of the locality, or any errors or omissions in the drawing or in layout as given by points and instructions, it shall be his/her duty to immediately inform the Project Representative, in writing, and the Project Representative will promptly verify the same. Any work done after such discovery, until authorized, will be done at the CM's risk.

16. CONSTRUCTION SUPERINTENDENT

1. CM shall employ a Construction Superintendent who shall be present on-site or available throughout the duration of the project and shall remain associated with the project until completion unless otherwise requested to be replaced by the BLCCDD. The superintendent

shall be experienced in the work required and perform all coordination activities generally conducted by project superintendents including, but not limited to, subcontractor coordination, utility installations, inspections, testing, material deliveries, etc. The superintendent shall be present at the pre-construction meeting and shall remain on the project until completion. The BLCCDD reserves the right to request a resume of experience for the superintendent including, but not limited to, requesting references from recent projects. Substitution of superintendents after the start of the work shall be approved by the BLCCDD in advance. All communications given to the superintendent shall be as binding as if given to CM.

17. WAGE RATES/EQUAL EMPLOYMENT OPPORTUNITY

1. Wage rates shall comply with the Davis-Bacon and Related Acts (DBRA) requiring payment of local prevailing wages to construction workers performing work. The Davis-Bacon prevailing wage is the combination of the basic hourly wage rate and any fringe benefits rate listed for a specific classification of workers in the applicable Davis-Bacon wage determination. The CM must insure Equal Employment Opportunity as part of the awarded contract and also subcontracts awarded by the CM.

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18. SUBCONTRACTS

1. The CM shall, as soon as practicable after signing the contract, notify the Project Representative in writing of any changes in the names of subcontractors proposed for the work as listed on the bid form. The CM shall not employ subcontractors, unless they are approved by the Project Representative.
2. The CM agrees that he/she is as fully responsible to the BLCCDD for the acts and omissions of his/her subcontractors and of persons, either directly or indirectly, employed by them, as he/she is for the acts and omissions of persons directly employed by him/her. Nothing contained in the contract documents shall create any contractual relation between any subcontractors and the BLCCDD.

19. PRE-CONSTRUCTION MEETING

1. The BLCCDD shall schedule a meeting after the Notice of Award. The Project Representative, Engineer, and CM shall attend this mandatory meeting. The following items shall be completed:

- a. Submission of list of Subcontractors, Schedule of Values and Progress Schedule;
 - b. Designation of Personnel representing the parties in Contract, and the Engineer;
 - c. Use of premises by BLCCDD and the CM;
 - d. Survey layout and scheduling;
 - e. Security and housekeeping procedures;
 - f. Requirements for start-up of equipment; and
 - g. Inspection and acceptance of equipment put into service during construction period.
2. At least ten (10) days before submission of the first Application for Payment a conference attended by CM, Engineer and others as appropriate will be held to finalize the schedules submitted by the CM. The finalized progress schedule will be acceptable to Engineer as providing an orderly progression of the Work to completion within the Contract Time, but such acceptance will neither impose on Engineer responsibility for the progress or scheduling of the Work nor relieve CM from full responsibility thereto. The finalized schedule of Shop Drawing submissions will be acceptable to Engineer as providing a workable arrangement for processing the submissions. The finalized schedule of values will be acceptable to Engineer as to form and substance.

20. ORDER OF COMPLETION

1. The CM shall submit at such times as may be requested by the Project Representative, schedules which shall show the order in which the CM proposes to carry on the work with dates on which the CM will start the several parts of the work and estimated dates of completion of the several parts. The BLCCDD retains the right to dictate to the CM the order of completion of the work.

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21. MATERIALS AND EQUIPMENT SCHEDULES

1. As soon as practicable and after the date of award of contract and before any material or equipment is purchased, the CM will submit to the BLCCDD for approval a complete list, in triplicate, of materials to be incorporated in the work and samples of each listed material. The list shall include catalog numbers, cuts, diagrams; drawings and such other descriptive data as may be required. No consideration will be given to partial lists submitted from time to time. Approval of materials will be based on manufacturers' published ratings. Any

materials listed that are not in accordance with the specification requirements may be rejected. When one or more manufacturer's items are specified, it shall be understood that the item(s) so specified are hereby approved as to suitability and no substitutions will be permitted unless followed by such qualifying phrases as equal "approval equal" or "as approved" in which case the approval of the BLCCDD for items not specified shall be obtained before they are permitted for use.

22. CONSTRUCTION MANAGER'S REQUESTS FOR INTERPRETATION (RFIs)

1. Should the CM be unable to determine from the Contract Documents the exact material, process, or system to be installed; or when the elements of construction are required to occupy the same space (interference); or when an item of Work is described differently at more than one place in the Contract Documents; the CM shall request that the Architect/Engineer (A/E), or BLCCDD Representative, make an interpretation of the requirements of the Contract Documents to resolve such matters. CM shall comply with procedures specified herein to make Requests for Interpretation (RFIs).
2. Submission of RFIs: RFIs shall be prepared and submitted on a form provided by the A/E.
 - a. Forms shall be completely filled in, and if prepared by hand, shall be fully legible after copying by xerographic process.
 - b. Each RFI shall be given a discrete, consecutive number for tracking and identification.
 - c. Each page of the RFI and each attachment to the RFI shall bear the BLCCDD's project name, project number, date, RFI number and a descriptive title.
 - d. CM shall sign all RFIs attesting to good faith effort to determine from the Contract Documents the information requested for interpretation. Frivolous RFIs shall be subject to reimbursement from CM to BLCCDD for fees charged by A/E, A/E consultants and other design professionals engaged by the BLCCDD.
3. Subcontractor-Initiated and Supplier-Initiated RFIs: RFIs from subcontractors and material suppliers shall be submitted through, be reviewed by and be attached to an RFI prepared, signed and submitted by CM. RFIs submitted directly by subcontractors or material suppliers will be returned unanswered to the CM.
 - a. CM shall review all subcontractor and supplier initiated RFIs and take actions to resolve issues of coordination, sequencing, and layout of the Work.

4. RFIs submitted to request clarification of issues related to means, methods, techniques and sequences of construction or for establishing trade jurisdictions and scopes of subcontracts will be returned without interpretation. Such issues are solely the CM's responsibility.
5. CM shall be responsible for delays resulting from the necessity to resubmit an RFI due to insufficient or incorrect information presented in the RFI.
6. Requested Information: CM shall carefully study the Contract Documents to ensure that information sufficient for interpretation of requirements of the Contract Documents is not included. RFIs that request interpretation of requirements clearly indicated in the Contract Documents will be returned without interpretation.
 - a. In all cases in which RFIs are issued to request clarification of issues related to means, methods, techniques and sequences of construction, for example, pipe and duct routing, clearances, specific locations of Work shown diagrammatically, apparent interferences and similar items, the CM shall furnish all information required for the A/E or BLCCDD's Representative to analyze and/or understand the circumstances causing the RFI and prepare a clarification or direction as to how the CM shall proceed.
 - b. If information included with this type of RFI by the CM is insufficient, the RFI will be returned unanswered.
7. Unacceptable Uses for RFIs: RFIs shall not be used to request the following:
 - a. Approval of submittals;
 - b. Approval of substitutions;
 - c. Changes that entail change in Contract Time and Contract Sum; and
 - d. Different methods of performing Work than those indicated in the Contract Drawings and Specifications.
8. Disputed Requirements: In the event the CM believes that a clarification by the BLCCDD's A/E, or Representative, results in additional cost or time, CM shall comply with the method for requesting a Change Order.
9. RFI Log: CM shall prepare and maintain a log of RFIs, and at any time requested by the BLCCDD's Representative, the CM shall furnish copies of the log showing all outstanding RFIs.

10. Review Time: A/E or BLCCDD Representative shall return RFIs to CM and within five (5) calendar days of receipt. RFIs received after 12:00 noon shall be considered received on the next regular working day for the purpose of establishing the start of the five-calendar day response period.

23. SUBMITTAL REQUIREMENTS OF CONSTRUCTION MANAGER

1. Engineering data covering all equipment and fabricated materials, which will become a permanent part of the work under this development, shall be submitted to the District, for review. This data shall include drawings and descriptive information in sufficient detail to show the kind, size, arrangement, and operation of component materials and devices; the external connections, anchorages, and supports requires; performance characteristics; and dimensions needed for installation and correlations with other materials and equipment.
2. Before submission of each Shop Drawing or sample CM shall have determined and verified all quantities, dimensions, specified performance criteria, installation requirements, materials, catalog numbers and similar data with respect thereto and reviewed or coordinated each Shop Drawing or sample with other Shop Drawings and samples and with the requirements of the Work and the Contract Documents.
3. All submittals, regardless of origin, shall be stamped with the approval of CM and identified with the name and number of the Submittal, Contractor's name, and references to applicable specification paragraphs. Each submittal shall indicate the intended use of the item in the work. When catalog pages are submitted, applicable items shall be clearly identified. The current revision, issue number, and date shall be indicated on all drawings and other descriptive data.
4. CM's stamp of approval is a representation to the Engineer and BLCCDD that the CM accepts full responsibility for determining and verifying all quantities, dimensions, field construction criteria, materials, catalog numbers, and similar data, and that the CM has reviewed or coordinated each submittal with the requirements of the work and the specifications.
5. All deviations from the specifications shall be identified on each submittal and shall be tabulated in CM's letter of transmittal. Such submittals shall, as pertinent to the deviation, indicate essential details of all changes proposed by CM (including modifications to other facilities that may be a result of the deviation) and all required piping and wiring diagrams.
6. CM shall accept full responsibility for the completeness of each submission, and, in the case of a resubmission, shall verify that all exceptions previously noted by the Engineer and BLCCDD have been taken into account. In the event that more than one resubmission

is required due to failure of CM to account for exceptions previously noted, CM shall reimburse the Engineer and BLCCDD for charges for review of the additional resubmissions.

7. CM shall also submit to Engineer for review with such promptness as to cause no delay in Work, all samples required by the Contract Documents. All samples will have been checked by and accompanied by a specific written indication that CM has satisfied CM's responsibilities under the Contract Documents with respect to the review of the submission and will be identified clearly as to material, supplier, pertinent data such as catalog numbers and the use for which intended.
8. Digital copies of each submittal shall be submitted to the Engineer and BLCCDD, by the CM for vendors and sub-contractors. The Engineer or BLCCDD will not accept submittals from anyone but the CM. Submittals shall be consecutively numbered in direct sequence of submittal and without division by subcontracts or trades. Resubmittals shall bear the number of the first submittal followed by a letter (A, B, etc.), to indicate the sequence of the resubmittal.
9. Engineer will review with reasonable promptness Shop Drawings and samples, but Engineer's review will be only for conformance with the design concept of the Project and for compliance with the information given in the Contract Documents and shall not extend to means, methods, techniques, sequences or procedures of construction (except where a specific means, method, technique, sequence or procedure of construction is indicated in or required by the Contract Documents) or to safety precautions or programs incident thereto. The review of a separate item as such will not indicate review of the assembly in which the item functions. CM shall make corrections required by Engineer, and shall return the Shop Drawings and submit as required new samples for review. CM shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous submittals.
10. Engineer's review of Shop Drawings or samples shall not relieve CM from responsibility for any variation from the requirements of the Contract Documents unless CM has in writing called Engineer's attention to each such variation at the time of submission as required by this Article and Engineer has given written review each such variation by a specific written notation thereof incorporated in or accompanying the Shop Drawing or sample review; nor will any review by Engineer relieve CM from responsibility for errors or omissions in the Shop Drawings or from responsibility for having complied with the provisions herein.

11. Where a Shop Drawing or sample is required by the Specifications, any related Work performed prior to Engineer's review of the pertinent submission will be the sole expense and responsibility of CM.

24. CHANGES IN THE WORK

1. Any Change in the Work will be documented in writing and approved by the Engineer and BLCCDD in writing. Changes that increase the cost of the work may need to be approved by the BLCCDD Board of Supervisors depending on the dollar value of the increase change order. No work may be performed prior to the change being approved by BLCCDD.
2. The Contract Price constitutes the total compensation payable to the CM for performing the work. All duties, responsibilities and obligations assigned to or undertaken by the CM shall be at their expense without change in the Contract Price.
3. The Contract Price may only be changed by a Change Order or Addendum to the Agreement. Any claim for an increase in the Contract Price, shall be delivered in writing to the BLCCDD and the Engineer within fifteen (15) days of the occurrence of the event giving rise to the claim. Notice of the amount of the claim with supporting data shall be delivered within forty-five (45) days of such occurrence unless the Engineer allows an additional period of time to ascertain accurate cost data. All claims for adjustments in the Contract Price shall be determined by the Engineer if the BLCCDD and CM cannot otherwise agree on the amount involved. The Engineer(s) decision shall be final and binding. Any change in the Contract Price resulting from any such claim shall be incorporated in a Change Order.
4. The value of any work covered by a Change Order or of any claim for an increase or decrease in the Contract Price shall be determined in one of the following ways:
 - a. Where the work involved is covered by unit prices contained in the Contract Documents, by application of unit prices to the quantities of the items involved; or
 - b. By mutual acceptance of a lump sum; or
 - c. On the basis of the cost of the work plus a CM's fee for overhead and profit.

25. DETAIL DRAWINGS AND INSTRUCTIONS

1. The Engineer will furnish, with reasonable promptness, additional instructions by means of drawings or otherwise, necessary for the proper execution of the work. All such drawings and instructions will be consistent with the contract documents, true developments thereof and reasonably inferable therefrom.

26. OWNERSHIP OF DRAWINGS

1. All drawings, specifications and copies thereof furnished by BLCCDD are the property of BLCCDD. They are not to be used on other work and, with the exception of the signed contract set, are to be returned to BLCCDD, at the request of the BLCCDD upon the completion of the work.

27. SURVEYS, PERMITS AND REGULATIONS

1. The CM will furnish horizontal and vertical control necessary to layout the work in an orderly and workmanlike manner. Horizontal Control furnished by the CM shall consist of adequately marked property corners or offset corners, with dimensions as shown on the drawings. Vertical Control will consist of benchmarks established within the immediate area of the work.
2. It shall be the responsibility of the CM to furnish all construction layout of the work, including, but not limited to, layout and elevations for the construction and final grade of the site. The CM shall maintain and preserve all stakes and marks established and should such stakes or marks be carelessly or willfully destroyed or damaged by the CM, said stakes or marks shall be replaced by the CM at the expense of the CM.
3. The CM will furnish environmental permits unless otherwise specified. The CM shall obtain any and all required permits from all appropriate government agencies. Work permits and licenses necessary for the prosecution of the work shall be secured and paid for by the CM. Easements for permanent structures or permanent changes in existing facilities will be secured and paid for by the CM unless otherwise specified. The CM shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the work as drawn and specified. If the CM observes that the drawings and specifications are at variance therewith, he shall promptly notify the Engineer and BLCCDD in writing and any necessary changes shall be adjusted as provided in the contract for changes in the work. If the CM performs work knowing it to be contrary to such laws, ordinances, rules and regulations the CM shall bear all cost arising there from.

28. ROYALTIES AND PATENTS

1. There may be a design, device, material or process included in these plans and specifications which may be covered by letters, patent or copyright. Prior to use of any design, device, material or process, or its incorporation into the construction, the CM shall secure indemnity from his subcontractors or material suppliers that will protect and save harmless the BLCCDD from all loss on account thereof.

2. The CM shall pay all royalties and license fees. He shall defend all suits or claims for infringement of any patent rights and shall save the BLCCDD harmless from loss on account thereof.

29. PROTECTION OF WORK AND PROPERTY

1. The CM shall continuously maintain adequate protection of all his work from damage and shall protect the BLCCDD's property from injury or loss arising in connection with this contract. The CM shall at all times protect all public and privately-owned property, structures, utilities, and work of any kind against damage or interruption of service which may result from the operations of the CM including subcontractors. Damage or interruption to service resulting from failure to do so shall be repaired or restored by at the expense of the CM except such as may be directly due to errors in the contract documents or caused by the agents or employees of the BLCCDD.

30. DEDUCTIONS FOR UNCORRECTED WORK

1. If the Project Representative deems it inexpedient to correct work injured or done, not in accordance with the contract, an equitable deduction from the contract price will be made therefore.

31. DELAYS AND EXTENSION OF TIME

1. If the CM is delayed at any time, in the progress of the work by an act of neglect of the BLCCDD or BLCCDD Employees, or by any other CM employed by the BLCCDD or by Changes ordered in the work or by strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties or any causes beyond the CM's control, or by delays authorized by the Project Representative, or by any cause which the Project Representative may decide to justify the delay, then the time of completion will be extended for any such reasonable time as the Project Representative may decide.
2. No such extension will be made for delays occurring more than seven (7) days before claim therefore is made in writing to the Engineer and BLCCDD. In the case of a continuing cause or delay, only one claim is necessary.
3. If no schedule or agreement stating the dates upon which drawings shall be furnished is made, then no claim for delay will be allowed on account of failure to furnish drawings

until two weeks after demand for such drawings and not then unless such claims be reasonable.

32. CORRECTION OF WORK BEFORE FINAL PAYMENTS

1. The CM shall promptly remove from the premises all materials condemned by the Project Representative as failing to conform to the contract, whether incorporated in the work or not, and the CM shall promptly replace and re-execute his/her own work in accordance with the contract and without expense to the BLCCDD.
2. If the CM does not correct such condemned work and material within a reasonable time fixed by written notice, the BLCCDD may correct it at the expense of the CM. If the CM does not pay the expense of such correction within three (3) days thereafter, the BLCCDD may, upon three (3) days written notice, deduct all the cost and expenses that should have been borne by the CM.

33. THE BLCCDD'S RIGHT TO DO WORK

1. If the CM should neglect to prosecute the work properly or fail to perform any provision of this contract, the BLCCDD after three (3) days written notice to the CM, may, without prejudice to any other remedy BLCCDD may have, make good such deficiencies at the CM expense.

34. REMOVAL OF EQUIPMENT

1. In the case of annulment of this contract before completion, from any cause whatever, the CM, if notified to do so by the BLCCDD, shall promptly remove any part or all of his/her equipment and supplies from the property of the BLCCDD, failing which, the BLCCDD will have the right to remove such equipment and supplies at the expense of the CM.

35. USE OF COMPLETED PORTIONS

1. Use by BLCCDD of any finished part of the Work, which has specifically been identified in the Contract Documents, or which BLCCDD, Engineer, and CM agree constitutes a separately functioning and useable part of the Work that can be used by BLCCDD without significant interference with CM's performance of the remainder of the Work, may be accomplished prior to Substantial Completion of all the Work subject to the following:

2. BLCCDD at any time may request CM in writing to permit the BLCCDD to use any such part of the Work which BLCCDD believes to be ready for its intended use and substantially complete. If CM agrees, CM will certify to the BLCCDD and Engineer that said part of the Work is substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work. CM at any time may notify BLCCDD and Engineer in writing that CM considers any such part of the Work ready for its intended use and substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work. Within a reasonable time after either such request, BLCCDD, CM, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, the Engineer will notify BLCCDD and CM in writing giving the reasons therefore. If Engineer considers that part of the Work to be substantially complete, the provisions of Substantial Completion will apply with respect to certification of that part of the Work and the division of responsibility in respect thereof and access thereto.
3. BLCCDD may at any time request CM in writing to permit the BLCCDD to take over operation of any such part of the Work although it is not substantially complete. A copy of such request will be sent to Engineer and within a reasonable time thereafter BLCCDD, CM, and Engineer shall make an inspection of that part of the Work to determine its status of completion and will prepare a list of the items remaining to be completed or corrected thereon before final payment. If CM does not object in writing to BLCCDD and Engineer that such part of the Work is not ready for separate operation by BLCCDD, Engineer will finalize the list of items to be completed or corrected and will deliver such list to BLCCDD and CM together, with a written recommendation as to the division of responsibilities pending final payment between BLCCDD and CM with respect to security, operation, safety, maintenance, utilities, insurance, warranties and guarantees for that part of the Work, which will become binding upon BLCCDD and CM at the time when the BLCCDD takes over such operation (unless they shall have otherwise agreed in writing and so informed Engineer). During such operation and prior to Substantial Completion of such part of the Work, BLCCDD shall allow CM reasonable access to complete or correct items on said list and to complete other related Work.
4. If BLCCDD finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work, such use or occupancy may be accomplished in accordance with this Article; provided that no such use or occupancy shall commence before the insurers providing the property insurance have acknowledged notice thereof and in writing effected the changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be cancelled or lapse on account of any such partial use or occupancy.

36. FINAL PAYMENT APPLICATION

1. Administrative actions and submittals that must precede or coincide with submittal of the final payment Application for Payment include the following:
 - a. Completion of Project closeout requirements;
 - b. Completion of items specified for completion after Substantial Completion;
 - c. Assurance that unsettled claims will be settled;
 - d. Transmittal of required project construction records to BLCCDD.
 - e. Final Clean Up as outlined in this Agreement
2. Upon written notice from CM that the entire Work or an agreed portion thereof is complete, Engineer will make a final inspection with BLCCDD and CM and will notify CM in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. CM shall immediately take such measures as are necessary to remedy such deficiencies.
3. After CM has completed all such corrections to the satisfaction of Engineer / BLCCDD and delivered all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, marked-up record documents and other documents--all as required by the Contract Documents, and after Engineer has indicated that the Work is acceptable (subject to the provisions under Waiver of Claims), CM may make application for final payment following the procedure for progress payments. The final Application for Payment shall be accompanied by all documentation called for in the Contract Documents, together with complete and legally effective releases or waivers (satisfactory to BLCCDD) of all Liens arising out of or filed in connection with the Work. In lieu thereof and as approved by BLCCDD, CM may furnish receipts or releases in full; an affidavit of CM that the releases and receipts include all labor, services, material and equipment for which a Lien could be filed, and that all payrolls, material and equipment bills, and other indebtedness connected with the Work for which BLCCDD or BLCCDD's property might in any way be responsible, have been paid or otherwise satisfied; and consent of the surety, if any, to final payment. If any Subcontractor Supplier fails to furnish a release or receipt in full, CM may furnish a Bond or other collateral satisfactory to BLCCDD to indemnify BLCCDD against any Lien.
4. If, on the basis of Engineer's observation of the Work during construction and final inspection, and Engineer's review of the final Application for Payment and accompanying

documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and CM's other obligations under the Contract Documents have been fulfilled, Engineer will, within ten days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of payment and present the Application to BLCCDD for payment. Thereupon Engineer will give written notice to BLCCDD and CM that the Work is acceptable subject to the provisions found under "Waiver of Claims". Otherwise, Engineer will return the Application to CM, indicating in writing the reasons for refusing to recommend final payment, in which case CM shall make the necessary corrections and resubmit the Application. Thirty days after presentation to BLCCDD of the Application and accompanying documentation, in appropriate form and substance, and with Engineer's recommendation and notice of acceptability, the amount recommended by Engineer will become due and will be paid by BLCCDD to CM.

5. If, through no fault of CM, final completion of the Work is significantly delayed and if Engineer so confirms, BLCCDD shall, upon receipt of CM's final Application for Payment and recommendation of Engineer, and without terminating the Agreement, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by BLCCDD for Work not fully completed or corrected is less than the retainage stipulated in the Agreement, and if Bonds have been furnished as required, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by CM to Engineer with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

37. CONSTRUCTION MANAGER'S CONTINUING OBLIGATION

1. CM's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. Neither recommendation of any progress or final payment by Engineer, nor the issuance of a certificate of Substantial Completion, nor any payment by BLCCDD to CM under the Contract Documents, nor any use or occupancy of the Work or any part thereof by BLCCDD, nor any act of acceptance by BLCCDD nor any failure to do so, nor any review and approval of a Shop Drawing or sample submission, nor the issuance of a notice of acceptability by Engineer, nor any correction of defective Work by BLCCDD will constitute an acceptance of Work not in accordance with the Contract Documents or a release of CM's obligation to perform the Work in accordance with the Contract Documents (except as provided under Waiver of Claims)

38. DAMAGES

1. Any claim for damage arising under a resulting Agreement shall be made in writing to the party liable within ten (10) days after the first observance of such damage and not later than the time of final payment, except as expressly stipulated otherwise in the case of faulty work or materials. No remedy herein conferred upon any party is intended to be exclusive of any other remedy. Each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or at equity by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

39. EQUIPMENT STARTUP

1. Equipment startup shall be in accordance of the manufacturer's recommendations, and as required to demonstrate performance to the Engineer and BLCCDD in accordance with the specifications. The CM shall provide 30-days' notice to the Engineer and BLCCDD of the date on which all equipment and systems will be ready for startup. The startup date shall be arranged as required by the BLCCDD's operational schedule with consideration of the schedule needs of the Engineer and CM.

40. COMPLETION OF WORK

1. The CM shall be considered "substantially complete" when the equipment and systems have been used without failure for fourteen (14) continuous days, and in the opinion of the BLCCDD, its Project Representative, and Engineer of Record, all work has been completed in general accordance with the plans and specifications and all test reports, inspections, etc. have been completed and delivered to the Engineer. Substantial completion shall also mean that degree of completion which allows the BLCCDD to occupy and use the facilities. When the Engineer deems the work to be "substantially complete" he/she shall indicate this to the BLCCDD in writing with copies to the CM. The date of contract completion shall be the same date at which the CM is considered substantially complete by the Engineer.

41. ACCEPTANCE OF FINISHED WORK

1. The BLCCDD shall make final acceptance inspection of the Project covered by this Contract when the Project is completed and finished in all respects in accordance with the Contract Documents. CM shall furnish to the Engineer or BLCCDD Representative a complete set of As-Built drawings. These drawings shall be prepared by a licensed Surveyor in the State of Florida and shall be submitted to the Engineer within five (5) days following the completion of the work.

42. FINAL CLEAN UP

1. The CM shall complete all cleaning operations before requesting final inspection. The CM shall, as directed by the Project Representative, remove from BLCCDD's property and from all public and private property, at his/her own expense, all temporary structures, rubbish, and waste materials resulting from his/her operation. The CM shall remove temporary protection and facilities installed for protection of the work during construction. The CM shall rake the grounds that are neither paved nor planted to a smooth, even textured surface
2. The CM shall comply with all regulations of authorities having jurisdiction and safety standards for cleaning. The CM shall not burn waste materials. The CM shall not discharge volatile, harmful or dangerous materials into drainage systems. The CM shall remove all waste materials from the site and dispose of in a lawful manner. Materials of value remaining after completion of associated work will become the property of BLCCDD at the discretion of BLCCDD. The CM shall arrange for the disposition of these materials as directed by BLCCDD.

43. GUARANTY

1. CM warrants and guarantees to BLCCDD that all Work will be in accordance with the Contract Documents and will not be defective. Prompt notice of all defects shall be given to the BLCCDD and Engineer. All defective Work, whether or not in place, may be rejected, corrected or accepted as provided in the paragraph in this section labeled 'Inspections, Correction, Removal Of Defective Work'.
2. All equipment, materials and installation and workmanship furnished by the CM under the terms of the Agreement, shall be guaranteed by the CM against defective workmanship, mechanical and physical defects, leakage, breakage and other damages and failure, under normal operation for a period of one (1) year or as otherwise specified in the Technical Specifications and after the date of acceptance thereof by the BLCCDD, and each item of equipment or materials and installation proving to be defective within the specified period of guaranty shall be replaced, without cost to the BLCCDD, by the CM or by the Surety. The period of guaranty of such replacement shall be from and after the date of final acceptance of the Project by the BLCCDD, provided however, that where any item or equipment or material comes with a manufacturer's warranty of ONE (1) year or longer, that warranty shall take precedence over the warranty of CM hereunder.

44. RIGHTS OF VARIOUS INTERESTS

1. Wherever work being done by the BLCCDD's forces, or by the other CM, is contiguous to work covered by this contract, the respective rights of the various interests involved will

be established by the Project Representative, to secure the completion of the various portions of the work in general harmony.

45. SEPARATE CONTRACTS

1. The BLCCDD reserves the right to let other contracts in connection with this work. The CM shall afford other CM's reasonable opportunity for the introduction and storage of their materials and the execution of their work, and shall properly conduct and coordinate his work with theirs.
2. If any part of the CM's work depends, for proper execution or results upon the work of any other CM, the CM shall inspect and promptly report to the Project Representative any defects in such work that render it unsuitable for such proper execution and results. His/her failure to so inspect and report shall constitute an acceptance of the other CM's work as fit and proper for the reception of his work, except as to defects which may develop in the other CM's work after the execution of the work.
3. To insure the proper execution of his/her subsequent work, the CM shall measure work already in place and shall at once report to the Project Representative any discrepancy between the executed work and the drawings.

46. INTENT OF DOCUMENTS

1. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents. Any Work, materials or equipment that may reasonably be inferred from the Contract Documents as being required to produce the intended result will be supplied whether or not specifically called for. When words which have a well-known technical or trade meaning are used to describe Work, materials or equipment, such words shall be interpreted in accordance with that meaning. Reference to standard specifications, manuals or codes of any technical society, organization or association, or to the Laws or Regulations of any governmental authority, whether such reference be specific or by implication, shall mean the latest standard specification, manual, code or Laws or Regulations in effect at the time of opening of Bids (or, on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated.
2. However, no provision of any referenced standard specification, manual or code (whether or not specifically incorporated by reference in the Contract Documents) shall be effective to change the duties and responsibilities of BLCCDD, CM, or Engineer, or any of their consultants, agents, or employees from those set forth in the Contract Documents, nor shall it be effective to assign to Engineer, or any of Engineer's consultants, agents or employees,

any duty or authority to supervise or direct the furnishing or performance of the Work or any duty or authority to undertake responsibility contrary to the provisions of these Supplemental Conditions. Clarifications and interpretations of the Contract Documents shall be issued by Engineer.

3. If, during the performance of the Work, CM finds a conflict, error or discrepancy in the Contract Documents, CM shall so report to Engineer and BLCCDD in writing at once and before proceeding with the Work affected thereby shall obtain a written interpretation or clarification from Engineer; however, CM shall not be liable to BLCCDD or Engineer for failure to report any conflict, error or discrepancy in the Contract Documents unless CM had actual knowledge thereof or should reasonably have known thereof.

47. CONSTRUCTION MANAGER'S UNDERSTANDING

1. CM has visited the site, has called for utility locates and has familiarized itself with the local conditions under which the work is to be performed, both underground and above ground and both on and off premises and has correlated these observations with the requirements of the proposed contract documents; all as considered necessary or pertinent to the work, and any failure to thus make all such prior investigations and studies shall in no way act as a waiver of any of the terms of the contract. No verbal agreement or conversation with any officer, agent or employee of the BLCCDD, either before or after the execution of this contract, shall affect or modify any of the terms or obligations herein contained.

48. FAMILIARITY WITH LAWS

1. The CM is required to be familiar with all Federal, State and Local laws, ordinances, rules and regulations that in any manner affect the work. Ignorance on the part of the CM will in no way relieve him from responsibility.

49. CLARIFICATIONS AND INTERPRETATIONS OF CONTRACT DOCUMENTS

1. It is the duty of the CM to notify the Engineer, in writing, in the event of any doubt or question as to the true meaning of any provision in the Contract Documents. The Engineer's decision thereon shall be final. Annotated dimensions on drawings shall govern and work not dimensioned shall be as clarified by the Engineer. Work not particularly shown or specified shall be the same as similar parts that are shown or specified. Materials or work described in words which have a well-known technical or trade meaning shall be deemed to refer to such recognized standard.

2. Engineer will issue with reasonable promptness such written clarifications or interpretations of the requirements of the Contract Documents (in the form of Drawings or otherwise) as Engineer may determine necessary, which shall be consistent with or reasonably inferable from the overall intent of the Contract Documents. If CM believes that a written clarification or interpretation justifies an increase in the Contract Price or an extension of the Contract Time then CM shall notify BLCCDD in accordance with this Agreement.
3. Engineer will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work there under. Claims, disputes and other matters relating to the acceptability of the Work or the interpretation of the requirements of the Contract Documents pertaining to the performance and furnishing of the Work and claims in respect of changes in the Contract Price or Contract Time will be referred initially to Engineer in writing with a request for a formal decision in accordance with this paragraph, which Engineer will render writing within a reasonable time. Written notice of each such claim, dispute and other matters will be delivered by the claimant to Engineer and the other party to the Agreement promptly (but in no event later than thirty days) after the occurrence of the event giving rise thereto, and written supporting data will be submitted to Engineer and the other party within sixty days after such occurrence unless Engineer allows an additional period of time to ascertain more accurate data in support of the claim.
4. When functioning as interpreter and judge under this Article, Engineer will not show partiality to BLCCDD or CM and will not be liable in connection with any interpretation or decision rendered in good faith in such capacity. The rendering of a decision by Engineer pursuant this Article with respect to any such claim, dispute or other matter (except any which have been waived by the making or acceptance of final payment as permitted by the Agreement) will be a condition precedent to any exercise by BLCCDD or CM of such rights or remedies as either may otherwise have under the Contract Documents or by Laws or Regulations in respect of any such claim, dispute or other matter.

50. LIMITATIONS ON ENGINEER'S RESPONSIBILITIES

1. Neither Engineer's authority to act nor any decision made by Engineer in good faith either to exercise or not exercise such authority shall give rise to any duty or responsibility of Engineer to CM, any Subcontractor, any Supplier, or any other person or organization performing any of the Work, or to any surety for any of them.
2. Whenever in the Contract Documents the terms "as ordered", "as directed", "as required", "as allowed", "as approved" or terms of like effect or import are used, or the adjectives "reasonable", "suitable", "acceptable", "proper" or "satisfactory" or adjectives of like effect or import are used to describe a requirement, direction, review or judgment of Engineer as

to the Work, it is intended that such requirement, direction, review or judgment will be solely to evaluate the Work for compliance with the Contract Documents (unless there is a specific statement indicating other-wise). The use of any such term or adjective shall not be effective to assign to Engineer any duty or authority to supervise or direct the furnishing or performance of the Work or any duty or authority to undertake responsibility contrary to the provisions of this Article.

3. Engineer will not be responsible for CM's means, methods, techniques, sequences or procedures of construction, or the safety precautions and programs incident thereto, and Engineer will not be responsible for CM's failure to perform or furnish the Work in accordance with the Contract Documents. Engineer will not be responsible for the acts or omissions of CM or of any Subcontractor, any Supplier, or of any other person or organization performing or furnishing any of the Work.

51. SAFETY AND PRECAUTION

1. CM shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. CM shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:
 - a. All employees on the Work and other persons and organizations who may be affected thereby;
 - b. All the Work and materials and equipment to be incorporated therein, whether in storage on or off the site and other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities and Underground Facilities not designated for removal, relocation or replacement in the course of construction.
2. CM shall comply with all applicable Laws and Regulations of any public body having jurisdiction for the safety of persons or property or to protect them from damage, injury or loss and shall erect and maintain all necessary safeguards for such safety and protection. CM shall notify owners of adjacent property and of Underground Facilities and utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation and replacement of their property. All damage, injury or loss to any property referred to in paragraph caused, directly or in this Article directly, in whole or in part, by CM, any Subcontractor, Supplier or any other person or organization directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts any of them may be liable, shall be remedied by CM (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of BLCCDD or Engineer or anyone employed by either of them or anyone for whose acts

either of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of CM). CM's duties and responsibilities for the safety and protection of the Work shall continue until such time as all the Work is completed and Engineer has issued a notice to BLCCDD and CM that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

3. CM shall designate a responsible representative at the site whose duty shall be the prevention of accidents. This person shall be CM's superintendent unless otherwise designated in writing by CM to BLCCDD. In emergencies affecting the safety or protection of persons or the Work or property at the site or adjacent thereto, CM, without special instruction or authorization from Engineer or BLCCDD, is obligated to act to prevent threatened damage, injury or loss. CM shall give Engineer and BLCCDD prompt written notice that any significant changes in the Work or variations from the Contract Documents have been caused thereby. If Engineer determines that a change in the Contract Documents is required because of the action taken in response to an emergency, a Work Directive Change or Change Order will be issued to document the consequences of the changes or variations.

52. RECORD DOCUMENTS

1. CM shall maintain in a safe place at the site one record copy of all Drawings, Specifications, Addenda, Written Amendments, reviewed Shop Drawings, Change Orders, Work Directive Changes, Field Orders and written interpretations and clarifications in good order and annotated to show all changes made during construction. These record documents together with all reviewed samples and a counterpart of all reviewed Shop Drawings will be available to Engineer for reference. Upon completion of the Work, these record documents or as-builts, samples and Shop Drawings will be delivered to Engineer for BLCCDD. Upon delivery of such documents to Engineer, the CM shall provide a written certification, signed and dated, that all documents accurately and completely reflect all deviations from or changes in the original Contract Documents made during construction of the project.
2. Record documents shall be up-to-date and available for review by the resident project representative prior to each application for progress payment. Payment will not be made for construction of items not shown on the record documents.
3. Not less than two percent (2%) of the contract price shall be retained until correct record drawings, specifications, addenda, modifications and shop drawings are delivered to and reviewed by the Engineer.

53. PHYSICAL CONDITIONS-UNDERGROUND FACILITIES

1. Shown or Indicated: The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or contiguous to the site are based on information and data furnished to BLCCDD or Engineer by the owners of such Underground Facilities or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:
 - a. BLCCDD and Engineer shall not be responsible for the accuracy or completeness of any such information or data; and
 - b. CM shall have full responsibility for reviewing and checking all such information and data, for locating all Underground Facilities shown or indicated in the Contract Documents, for coordination of the Work with the owners of such Underground Facilities during construction, for the safety and protection thereof and repairing any damage thereto resulting from the Work, the cost of all of which will be considered as having been included in the Contract Price.
2. The word facility as used in this subsection titled "Utilities" includes any pipe conveying gases or liquids and appurtenances attached thereto; cables, conduits, wires, ducts and appurtenances; poles and appurtenances; any of which may be buried below grade or installed at or above grade level. A facility excludes irrigation pipes, service connections and traffic signal wiring. A service connection is a pipe (excluding irrigation pipes), cable, wire, duct or conduit that is intended to connect a facility with a user. The word Utility as used in this subsection titled "Utilities" refers to the entity having legal ownership of the facility, service connection, irrigation pipe, or traffic signal wiring.
3. The Engineer has endeavored to determine the existence of underground facilities at the site of the work from the records of the utilities with known facilities in the vicinity of the work. The position of these facilities as derived from such records is shown on the plans. Service connections, irrigation pipes, and traffic signal wiring may not be shown on the plans. The CM shall make his own investigations, including exploratory excavations and contact with Utilities, to determine the exact locations and type of existing facilities, service connections, irrigation pipes, and traffic signal wiring prior to commencing work in the area and shall be responsible for any damage thereto.
4. Damage, injury, or loss resulting in whole or in part from the CM's failure to locate and preserve a facility, service connection, irrigation pipe, or traffic signal wiring shall under no circumstances be deemed attributable to the fault of the Drawings or Specifications or to the acts or omissions of the BLCCDD or Engineer or anyone employed by either of them or anyone for whose acts either of them may be liable.

5. With respect to underground facilities, no claim for a change in the contract price may be allowed unless the CM discovers an underground facility which is not indicated or referred to in the Contract Documents or which is in a position differing materially and significantly from that indicated or referred to in the Contract Documents. If such discovery is made, the CM shall promptly notify in writing the BLCCDD, Engineer and the Utility. The BLCCDD may make changes in the alignment and grade of the work.
6. At no additional cost to the BLCCDD, the CM shall replace, remove, relocate, protect, or temporarily maintain a facility which is not in a position differing materially and significantly from that indicated or referred to in the Contract Documents. At no additional cost to the BLCCDD, the CM shall adjust the top elevation of all valve boxes and manholes to match the finish grade or pavement surface and shall replace, remove, relocate, protect, or temporarily maintain all service connections, irrigation pipes, and traffic signal wiring. The work on the facility, service connection, irrigation pipe or traffic signal wiring shall be done in a manner satisfactory to the Utility, it being understood that the Utility has the option of doing such work with his/her own forces, or permitting the work to be done by the CM.

54. PHYSICAL CONDITIONS

1. Exploration and Reports: Reference is made in the Special Conditions to those reports of exploration and tests of subsurface conditions at the site that have been utilized by Engineer in preparation of the Contract Documents. Such reports are not guaranteed as to accuracy or completeness and are not part of the Contract Documents.
2. Unforeseen Conditions: CM shall promptly notify BLCCDD and Engineer in writing of any subsurface or latent physical conditions at the site or in an existing structure differing materially from those indicated or referred to in the Contract Documents. Engineer will promptly review those conditions and advise BLCCDD in writing if further investigation or tests are necessary.
3. Promptly thereafter, BLCCDD shall obtain the necessary additional investigations and tests and furnish copies to Engineer and CM. If Engineer finds that the results of such investigations or tests indicate that there are subsurface or latent physical conditions which differ materially from those intended in the Contract Documents, and which could not reasonably have been anticipated by CM, a Change Order shall be issued incorporating the necessary revisions.

55. SUBSTANTIAL COMPLETION

1. When CM considers a portion of or the entire Work ready for its intended use, CM shall notify BLCCDD and Engineer in writing that the entire Work is substantially complete (except for items specifically listed by CM as incomplete) and request that Engineer issue a certificate of Substantial Completion. Within a reasonable time thereafter, BLCCDD, CM, and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify CM in writing giving the reasons therefore. If Engineer considers the Work substantially complete, Engineer will prepare and deliver to BLCCDD a tentative certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a tentative list of items to be completed or corrected before final payment.
2. BLCCDD shall have fourteen (14) days after receipt of the tentative certificate during which to make written objection to Engineer as to any provisions of the certificate or attached list. If, after considering such objections, Engineer concludes that the Work is not substantially complete, Engineer will within fourteen (14) days after submission of the tentative certificate to BLCCDD notify CM in writing, stating the reasons therefore. If, after consideration of BLCCDD's objections, Engineer considers the Work substantially complete, Engineer shall within fourteen (14) days execute and deliver to BLCCDD and CM a definitive certificate of Substantial Completion (with a revised tentative list of items to be completed or corrected) reflecting such changes from the tentative certificate as Engineer believes justified after consideration of any objections from BLCCDD.
3. At the time of delivery of the tentative certificate of Substantial Completion, Engineer will deliver to BLCCDD and CM a written recommendation as to division of responsibilities pending final payment between BLCCDD and CM with respect to security, operation, safety, maintenance, heat, utilities, insurance and warranties. Unless BLCCDD and CM agree otherwise in writing and so inform Engineer prior to Engineer's issuing the definitive certificate of Substantial Completion, Engineer's aforesaid recommendations will be binding on BLCCDD and CM until final payment.
4. BLCCDD shall have the right to exclude CM from the Work after the date of Substantial Completion, but BLCCDD shall allow CM reasonable access to complete or correct items on the tentative list.

56. INSPECTIONS, CORRECTION, REMOVAL OF DEFECTIVE WORK

1. Engineer and Engineer's representatives, other representatives of BLCCDD, testing agencies and governmental agencies with jurisdictional interests will have access to the Work at reasonable times for their observation, inspecting and testing. CM shall provide

proper and safe conditions for such access. CM shall give Engineer and BLCCDD timely notice of readiness of the Work for all required inspections or tests.

2. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) to specifically be inspected, tested or approved, CM shall assume full responsibility therefore, pay all costs in connection therewith and furnish Engineer the required certificates of inspection, testing or approval. CM shall also be responsible for and shall pay all costs in connection with any inspection or testing required in connection with BLCCDD's or Engineer's acceptance of a Supplier of materials or equipment proposed to be incorporated in the Work, or of materials or equipment submitted for approval prior to CM's purchase thereof for incorporation in the Work. The cost of all inspections, tests and approvals in addition to the above which are required by the Contract Documents shall be paid by the CM (unless otherwise specified).
3. All inspections, tests or approvals other than those required by Laws or Regulations of any public body having jurisdiction shall be performed by organizations acceptable to BLCCDD and CM (or by Engineer if so specified).
4. If any Work (including the work of others) that is to be inspected, tested or approved is covered without written concurrence of Engineer, it must, if requested by Engineer, be uncovered for observation. Such uncovering shall be at CM's expense unless CM has given Engineer timely notice of CM's intention to cover the same and Engineer has not acted with reasonable promptness in response to such notice. If any Work is covered contrary to the written request of Engineer, it must, if requested by Engineer, be uncovered for Engineer's observation and replaced at CM's expense.
5. Neither observations by Engineer nor inspections, tests or approvals by others shall relieve CM from CM's obligations to perform the Work in accordance with the Contract Documents.
6. If Engineer considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, CM, at Engineer's request, shall uncover, expose or otherwise make available for observation, inspection or testing as Engineer may require, that portion of the Work in question, furnishing all necessary labor, material and equipment.
 - a. If it is found that such Work is defective, CM shall bear all direct, indirect and consequential costs of such uncovering, exposure, observation, inspection and testing and of satisfactory reconstruction, (including but not limited to fees and charges of engineers, architects, attorneys and other professionals), and BLCCDD shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, may make a claim therefore as provided in Special Conditions.

- b. If, however, such Work is not found to be defective, CM shall be allowed an increase in the Contract Price or an extension of the Contract Time, or both, directly attributable to such uncovering, exposure, observation, inspection, testing and reconstruction; and, if the parties are unable to agree as to the amount or extent thereof, CM may make a claim therefore as provided in Special Conditions.
7. If the Work is defective, or CM fails to supply sufficient skilled workers or suitable materials or equipment, or fails to furnish or perform the Work in such a way that the completed Work will conform to the Contract Documents, BLCCDD may order CM to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of BLCCDD to stop the Work shall not give rise to any duty on the part of BLCCDD to exercise this right for the benefit of CM or any other party.
8. If required by Engineer, CM shall promptly either correct all defective Work, whether or not fabricated, installed or completed, or, if the Work has been rejected by Engineer, remove it from the site and replace it with non-defective Work. CM shall bear all direct, indirect and consequential costs of such correction or removal (including but not limited to fees and charges of engineers, architects, attorneys and other professionals) made necessary thereby.

57. ACCEPTANCE OF DEFECTIVE WORK; CORRECTION OF DEFECTIVE WORK BY THE BLCCDD

1. If, instead of requiring correction or removal and replacement of defective Work, BLCCDD (and, prior to Engineer's recommendation of final payment) prefers to accept it, BLCCDD may do so. CM shall bear all direct, indirect and consequential costs attributable to BLCCDD's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness and to include but not be limited to fees and charges of engineers, architects, attorneys and other professionals). If any such acceptance occurs prior to Engineer's recommendation of final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and BLCCDD shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, BLCCDD may make a claim. If the acceptance occurs after such recommendation, an appropriate amount will be paid by CM to BLCCDD.
2. If CM fails within a reasonable time after written notice of Engineer to proceed to correct and to correct defective Work or to remove and replace rejected Work as required by Engineer, or if CM fails to perform the Work in accordance with the Contract Documents, or if CM fails to comply with any other provision of the Contract Documents, BLCCDD

may, after fourteen (14) days' written notice to CM, correct and remedy any such deficiency. ~~To the extent necessary to complete corrective and remedial action, BLCCDD~~ may exclude CM from all or part of the site, take possession of all or part of the Work, and suspend CM's services related thereto, take possession of CM's tools, appliances, construction equipment and machinery at the site and incorporate in the Work all materials and equipment stored at the site or for which BLCCDD has paid CM but which are stored elsewhere. CM shall allow BLCCDD, BLCCDD's representatives, agents and employees such access to the site as may be necessary to enable BLCCDD to exercise the rights and remedies under this paragraph. All direct, indirect and consequential costs of BLCCDD in exercising such rights and remedies will be charged against CM in an amount approved as to reasonableness by Engineer, and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and BLCCDD shall be entitled to an appropriate decrease in the Contract Price, and, if the parties are unable to agree as to the amount thereof, BLCCDD may make a claim. Such direct, indirect and consequential costs will include but not be limited to fees and charges of engineers, architects, attorneys and other professionals, all court and arbitration costs and all costs of repair and replacement of work of others destroyed or damaged by correction, removal or replacement of CM's defective Work. CM shall not be allowed an extension of the Contract Time because of any delay in performance of the Work attributable to the exercise by BLCCDD of BLCCDD's rights and remedies hereunder.

Deleted: In exercising the rights and remedies under this paragraph BLCCDD shall proceed expeditiously

58. MEDIATION

1. As a condition precedent to any arbitration, filing of any suit, or other legal proceedings, the parties shall endeavor to resolve any claim, dispute or other matter in question by mediation. Mediation shall be initiated by either party by serving a written request for same on the other party and shall take place in Marion County, Florida for which the Project is located. The parties shall, by mutual agreement, select a mediator within fifteen (15) days of the date of the request for mediation. The mediator's fee shall be paid in equal shares by each party to the mediation.

59. ARBITRATION

1. Before bringing any action in any court of competent jurisdiction pertaining to any claim, dispute or other matter in question arising out of or relating to the Contract Documents or the breach thereof, in an amount less than \$25,000, except for claims which have been waived by the making and acceptance of final payment, the claimant/objector (Party A) shall first offer to arbitrate the question(s) with the other party to the contract (Party B) by notifying him/her in writing and setting forth in such notice the question(s) to be arbitrated.

2. Party B can select to arbitrate or not. If Party B agrees to arbitrate he shall so advise Party A in writing within ten days after receipt of Party A's notice. Notice by Party B that he/she does not wish to arbitrate or failure of Party B to notify Party A within the ten (10) day period will give Party A the right to institute a court action.
3. If Party B agrees to arbitrate, the arbitration shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association except as modified herein. In such event, the agreement to arbitrate shall be specifically enforceable under the provisions of the Florida Arbitration Code, S682, Fla. Stat., as it may be from time to time amended. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in any court having jurisdiction thereof.
4. If Party B agrees to arbitrate, then Party A shall file its notice of demand for arbitration in writing with Party B and with the American Arbitration Association, and a copy shall be filed with the Engineer. Notice of demand for arbitration shall be served on the parties referred to herein no later than thirty days from the date Party B agrees to arbitrate the issues in question.
5. Failure to serve the notice of demand for arbitration shall constitute a waiver and abandonment of the claims for which arbitration is sought. Notice of demand for arbitration shall in no event be made on any claim, dispute or other matter in questions which would be barred by the applicable statute of limitations.
6. If the dollar amount of the claim exceeds \$25,000, arbitration may only be utilized if both Party A and party B agree to arbitrate.
7. The CM shall carry on the Work and maintain the progress schedule during any arbitration proceedings, unless otherwise mutually agreed in writing.
8. The Florida Rules of Civil Procedure pertaining to discovery shall apply to both parties during arbitration, and, at the BLCCDD's sole option, any and all arbitration arising out of or relating to any of the Contract Documents or any breach thereof shall include by consolidation, joinder, or joint filing any additional person or entity not a party to this Agreement to the extent necessary for the final resolution of the matter in controversy.
9. At least one of the members of the arbitration panel must be an attorney licensed to practice law in the State of Florida.
10. The surety shall be bound by the arbitration award to the same extent as the CM is bound.

11. The arbitration panel shall submit a written opinion with findings of fact and conclusions of law stating the basis for the decision made, and including an award of arbitration that may be confirmed by a court of competent jurisdiction. The location of any and all arbitration proceedings shall be in Marion County, Florida.

at the end of the study. The study was approved by the ethics committee of the University of the West Indies, St. Augustine campus.

At the end of the study, the subjects were interviewed about their experience of the study. The following questions were asked: How did you feel about the study? Did you have any difficulties? Did you have any side effects? Did you have any other problems? Did you have any other comments? The responses were recorded and analysed.

The study was conducted in a laboratory setting. The subjects were seated in a room with a temperature of 26°C. The subjects were instructed to remain seated and to breathe normally. The subjects were instructed to breathe normally and to breathe through their nose. The subjects were instructed to breathe normally and to breathe through their nose.

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Bay Laurel Center North Water Reclamation Facility



Kimley»»Horn

GMP #01

Prepared by Wharton-Smith (CMAR)



Wharton-Smith Contact:
Curtis Matte – Senior Project Manager
cmatte@whartonsmith.com

Engineer: Kimley-Horn

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SECTION 1 – EXECUTIVE SUMMARY

March 30, 2022

Mr. Bryan Schmalz
Utility Director – Bay Laurel Center CDD
8470 SW 79th St. Rd.
Ocala, FL 34481

Re: Bay Laurel North WRF
GMP #01

Dear Mr. Schmalz:

Wharton-Smith is pleased to submit our final GMP #01 cost estimate for the Bay Laurel North WRF Project. The overall duration for the work associated with GMP #01 will be 196 calendar days and 140 working days. Early Clearing and Access Road contractors to mobilize May 4th, 2022 to begin work. A comprehensive breakdown of the bid packages is provided in the supporting documentation following this letter. The overall GMP #01 is valued at **\$2,584,144.99**.

General Conditions:

All general condition costs associated with this duration have been included with this GMP cost. The remaining general condition costs of the project will be captured with the GMP package associated with complete 90% document deliverables.

Contingency:

A 5% contingency has been allocated to this GMP in the event unforeseen conditions or scope arise. Any contingency not expended, will be reallocated to the overall project contingency upon final GMP.

GMP#01 includes the following bid packages:

1. Early Clearing
 - a. All required erosion control provisions and tree protection.
 - b. Clearing and grubbing of the following areas:
 - i. Plant Site
 - ii. RIB Site for RIBS 1, 2, 5
 - iii. Utility Easement for RW and FM
 - iv. Temporary Road
 - v. Trailer Area
 - c. All clearing materials to be burned on site utilizing air curtains.
 - d. Establishment of the CMAR trailer area with fencing, gates, and stabilized area for parking and trailers.
 - e. Fencing provisions for clearing of the utility easement.
 - f. Rock construction entrance at facility entrance to prevent tracking.
 - g. Payment & Performance Bonds
 - h. Insurance

2. Temporary Access Road
 - a. All required erosion control provisions and tree protection.
 - b. Clearing, grubbing, and stripping of road route.
 - c. 12" stabilized sub-base, 6" stabilized lime rock base, and 1.5" of SP12.5 Asphalt for approximately 2 miles of new access road.
 - d. Installation of mechanically fastened speed bumps every 1,000' with wood posts extending 12' on either side of road.
 - e. Necessary modifications to approximately 1.25 miles of existing lime rock road to accept 1.5" of SP12.5 Asphalt lift.
 - f. Payment & Performance Bonds
 - g. Insurance

3. Cattle Guard Material
 - a. Furnish of three (3) prefabricated cattle guards to be installed by clearing/access road contractor.
4. Cattle Guard Installation
 - a. Installation of three (3) prefabricated cattle guard crossings along new temporary access road.
5. Initial Surveying & Layout
 - a. Location of all required control points.
 - b. Establishment of benchmark
 - c. Stake and layout property corners for facility, RIB site, and Utility Easement.
 - d. All tree saves to be identified and marked.

Thank you again for this opportunity to serve the Bay Laurel Center CDD. As always, I am available to discuss at your earliest convenience.

Very respectfully,



Curtis Matte
Senior Project Manager
Wharton-Smith, Inc.

SECTION 2 – COST SUMMARY

Bay Laurel Center CDD



**Bay Laurel North WRF
Guaranteed Maximum Price #01
WHARTON-SMITH, INC.**



DATE: 3/30/2022

ITEM	BUDGET MASTER SUMMARY	TOTAL
I	GENERAL CONDITIONS	
	EARLY PACKAGE	\$ 507,329.00
	TOTAL GENERAL CONDITIONS	\$ 507,329.00
II	COST OF WORK	
		BID FORM VALUE
	EARLY CLEARING	\$ 593,371.00
	TEMPORARY ACCESS ROAD	\$ 1,073,687.30
	CATTLE GUARD MATERIAL	\$ 28,667.00
	CATTLE GUARD INSTALL	\$ 10,500.00
INITIAL SURVEYING & LAYOUT	\$ 30,840.00	
	TOTAL COST OF WORK	\$ 1,737,065.30
III	CONTINGENCY	
	5% CONTINGENCY	\$ 113,308.00
	TOTAL CONTINGENCY	\$ 113,308.00
IV	BONDS & INSURANCE FOR OVERALL VALUE	\$ 33,025.00
V	PROFIT 8%	\$ 191,411.00
VI	TOTAL GMP COST (I + II + III + IV + V)	\$ 2,584,144.99

Bay Laurel Center CDD



**Bay Laurel North WRF
Guaranteed Maximum Price #01
WHARTON-SMITH, INC.**



PROCUREMENT SUMMARY

DATE: 3/30/2022

ITEM	PO DESCRIPTIONS	PO#	TOTAL
I	PURCHASE ORDERS		
	CMAR SERVICES	ATT A	\$ 375,339.18
	GMP #01	ATT B	\$ 2,584,144.99
	GMP #02	AMMENDMENT #01	
	GMP #03	AMMENDMENT #02	
	GMP #04	AMMENDMENT #03	
	GMP #05	AMMENDMENT #04	
	TOTAL PURCHASE ORDERS		\$ 2,959,484.17



**BAY LAUREL WRF
EARLY PACKAGE GMP#01
3/30/2022**

COST SUMMARY

	LABOR	EQUIPMENT	MATERIALS	SUBS	TOTALS
Total Direct Costs	\$ -	\$ -	\$ -	\$ 1,739,072	\$ 1,739,072
Sales Tax on Purchase Orders				\$ -	\$ -
Total GC's	\$ 341,120	\$ 42,810	\$ 111,071	\$ 12,327	\$ 507,329
Owner's Allowance				\$ -	\$ -
Contingency - 5%				\$ 113,308	\$ 113,308
Escalation Contingency				\$ -	\$ -
Bond				\$ 19,846	\$ 19,846
Insurance				\$ 13,179	\$ 13,179
Fee				\$ 191,411	\$ 191,411
TOTAL	\$341,120	\$42,810	\$111,071	\$2,089,143	\$2,584,145



Wharton-Smith, Inc.
CONSTRUCTION GROUP

GENERAL CONDITIONS		LABOR		EQUIPMENT		MATERIAL		SUBCONTRACTS		\$ TOTALS	
DESCRIPTION	QTY	UNIT	PRICE	AMOUNT	TYPE	RATE	AMOUNT	TYPE	AMOUNT	TYPE	AMOUNT
PROJECT MANAGEMENT TEAM SENIOR SUPERINTENDENT 17 WK 40 \$102.00 \$4,080.00 694 \$20,839 \$0 60 \$0 60 \$0 \$70,829 FIELD ENGINEER 17 WK 40 \$80.00 \$3,200.00 594 \$41,664 \$0 60 \$0 60 \$0 \$41,664 SENIOR PROJECT MANAGER 17 WK 30 \$102.00 \$3,060.00 521 \$53,122 \$0 60 \$0 60 \$0 \$53,122 SENIOR PROJECT ENGINEER 17 WK 40 \$85.00 \$3,400.00 694 \$45,136 \$0 60 \$0 60 \$0 \$45,136 PROJECT ENGINEER 17 WK 40 \$60.00 \$2,400.00 694 \$41,664 \$0 60 \$0 60 \$0 \$41,664 PROJECT WORKER 17 WK 24 \$25.00 \$600.00 417 \$10,216 \$0 60 \$0 60 \$0 \$10,216 PROJECT ASSISTANT 17 WK 16 \$50.00 \$800.00 278 \$13,888 \$0 60 \$0 60 \$0 \$13,888 EXECUTIVE MANAGEMENT 17 WK 6 \$130.00 \$780.00 104 \$11,541 \$0 60 \$0 60 \$0 \$11,541 COST ACCOUNTANT 17 WK 8 \$50.00 \$400.00 139 \$6,944 \$0 60 \$0 60 \$0 \$6,944 PRODUCTION/QUALITY CONTROL 17 WK 8 \$105.00 \$840.00 139 \$14,582 \$0 60 \$0 60 \$0 \$14,582 SAFETY COORDINATOR 17 WK 16 \$80.00 \$1,280.00 278 \$22,221 \$0 60 \$0 60 \$0 \$22,221 CONTINGENCY - RETAINED MANAGEMENT COSTS 1 LS 16.00 \$43.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TRAVEL EXPENSE - WORKSHEET ON RIGHT 1 LS 431.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 0 LODGING, MEALS - WORKSHEET ON RIGHT 1 LS 431.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 0 WATER, INSULATION AND WINDSTOP TEMPORARY SYSTEM 4 MO 443.00 \$1,720.00 40 \$1,720 \$0 60 \$0 60 \$0 \$1,720 WAXER, MONTHLY 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 WIRE MESH/TIE/BAR, INST ALL @ 8000/L - W-S 1 LS 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 WOOD POSTS/TIE/BAR, INST ALL @ 8000/L - ENGINEER 1 LS 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 PNEUMATIC TELEPHONE, MONTHLY CHARGES - W-S 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 CELLULAR TELEPHONE, MONTHLY CHARGES 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 JOB OFFICE SUPPLIES 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TOOL TRAILERS 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TEMPORARY TOILETS - #3 - REQUIRED 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TEMPORARY OFFICE TRAILER 6 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TEMPORARY GENERATOR FOR SITE ELECTRICITY 6 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0											
TEMPORARIES & UTILITIES WATER, MONTHLY 4 MO 443.00 \$1,720.00 40 \$1,720 \$0 60 \$0 60 \$0 \$1,720 WAXER, MONTHLY 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 WIRE MESH/TIE/BAR, INST ALL @ 8000/L - W-S 1 LS 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 WOOD POSTS/TIE/BAR, INST ALL @ 8000/L - ENGINEER 1 LS 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 PNEUMATIC TELEPHONE, MONTHLY CHARGES - W-S 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 CELLULAR TELEPHONE, MONTHLY CHARGES 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 JOB OFFICE SUPPLIES 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TOOL TRAILERS 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TEMPORARY TOILETS - #3 - REQUIRED 4 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TEMPORARY OFFICE TRAILER 6 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0 TEMPORARY GENERATOR FOR SITE ELECTRICITY 6 MO 443.00 \$0.00 0 \$0 0 \$0 0 \$0 0 \$0 0 \$0											
TOTALS LABOR \$20,839 \$41,664 \$53,122 \$45,136 \$41,664 \$10,216 \$13,888 \$11,541 \$6,944 \$14,582 \$22,221 \$5,427 \$70,829 EQUIPMENT \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 MATERIAL \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 SUBCONTRACTS \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$ TOTALS \$20,839 \$41,664 \$53,122 \$45,136 \$41,664 \$10,216 \$13,888 \$11,541 \$6,944 \$14,582 \$22,221 \$5,427 \$70,829											



Wharton-Smith, Inc. CONSTRUCTION GROUP

JOB NAME: BAY LAUREL NORTH WRF - 30K ESTIMATE
ESTIMATE #: 21-033.5

300 CMP RM Hours
21-42857143

ITEM	QUANTITY	UNIT	PRICE	TOTAL	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
CONSTRUCTION EQUIPMENT & TOOLS												
SMALL TOOLS AND SUPPLIES	1	LS	\$43.00	\$43.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,350.00	\$0.00	\$5,350.00
SPRAYER/TRACTOR (OTY#2)	4	MO	\$43.00	\$172.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,712.00	\$0.00	\$0.00	\$1,712.00
PM AUTOMOBILE w/ FUEL, OIL, GREASE	3	MO	\$43.00	\$129.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,664.00	\$0.00	\$0.00	\$1,664.00
SUPP PICKUP TRUCK w/ FUEL, OIL, GREASE	4	MO	\$43.00	\$172.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,712.00	\$0.00	\$0.00	\$1,712.00
STATE & FOREIGN VEHICLE ALLOWANCE	4	MO	\$43.00	\$172.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,712.00	\$0.00	\$0.00	\$1,712.00
SAFETY & HEALTH & HOUSEKEEPING												
WELLSITE THROUGHOUT EDUCATION OF PROJECT	4	WKS	\$43.00	\$172.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,712.00	\$0.00	\$0.00	\$1,712.00
DUMPSTERS	4	MO	\$43.00	\$172.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,712.00	\$0.00	\$0.00	\$1,712.00
TOTAL GENERAL CONDITIONS					\$1,812.00	\$0.00	\$0.00	\$1,812.00	\$1,812.00	\$0.00	\$0.00	\$1,812.00

ITEM	QUANTITY	UNIT	PRICE	TOTAL	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
GENERAL REQUIREMENTS												
PERMITS, FEES, INSURANCE, LEGAL, ETC.												
BUILDER'S RISK INSURANCE NON-COASTAL COUNTY					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PROJECT DOCUMENTATION AND SERVICES												
PROJECT ARCHIVAL LOGS	8	LS	\$43.00	\$344.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,844.00	\$0.00	\$0.00	\$1,844.00
PHOTOGRAPHS	4	MO	\$43.00	\$172.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,672.00	\$0.00	\$0.00	\$1,672.00
PRE-CONSTRUCTION AUDIO-VIDEO DOCUMENTATION					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PLANS & SPECIFICATIONS REPRODUCTION COSTS					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL GENERAL REQUIREMENTS					\$344.00	\$0.00	\$0.00	\$1,500.00	\$1,844.00	\$0.00	\$0.00	\$1,844.00

**BAY LAUREL NORTH WRF
GMP #1
BID TABULATIONS AND EVALUATIONS**

Bid Scope	Subcontractor / Supplier	Price	Apparent Low, Responsive Bidder	Budget Estimate	Delta
BP #1 Early Clearing	Ciraco Underground	\$ 593,370.80	\$ 593,370.80	N/A	N/A
	Flave A. Williams Dozer Service	\$ 1,152,458.00			
BP #2 Temporary Road	Ciraco Underground	\$ 1,073,687.30	\$ 1,073,687.30	N/A	N/A
	Flave A. Williams Dozer Service	\$ 1,145,000.00			

Subcontractor Bid
Evaluation and

Trade Description: **BID PACKAGE #1 - EARLY CLEARING**
 Project Name: Bay Laurel North WRF - Early Package
 Owner: Bay Laurel Center CDD
 Bid Date: Tuesday, March 15, 2022

Scope Item Description	Ciraco Underground		Flave A. Williams Dozer Service		Global Contracting		Southern Development & Construction		Included
	Scott 352-347-2035	Frank 727-992-7757	Carmen 382-303-5618	Shane 321-251-0535					
Base Bid - Before Bid Alternates	\$ 603,370.80	\$ 1,152,458.00	NO BID	NO BID	NO BID	NO BID	NO BID	NO BID	\$ -
Early Clearing Package	\$ 603,370.80	\$ 1,152,458.00							\$ -
Bid Alternates									
Deduct for multiple package aware	\$ (10,000.00)								
Asphalt in lieu of millings	\$ 34,211.01								
Bid Document Requirements									
Bid Form	Yes	Yes							
Acknowledged Addenda	Yes	Yes							
Clarifications / Exceptions	N/A	N/A							
Value Engineering Proposal	N/A	N/A							
Additional Notes									
Subtotal (including Alternates):	\$ 593,371	\$ 1,152,458.00							\$ -
Bond:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	\$ -
Adjustment:	None	None	None	None	None	None	None	None	None
Total Adjusted Scope:	\$ 593,371	\$ 1,152,458.00	NO BID	NO BID	NO BID	NO BID	NO BID	NO BID	\$ -
Recommendation: \$593,371.01									
Accepted Alternates									
Rejected Alternates									

Recommend Ciraco Underground as the lowest responsive bidder.

BID PACKAGE #2 - TEMPORARY ACCESS ROAD

Bay Laurel North WRF - Early Package

Bay Laurel Center CDD

Tuesday, March 15, 2022

Trade Description:

Project Name:

Owner:

Bid Date:

Subcontractor Bid Evaluation and

Scope Item Description	Ciraco Underground		Flave A. Williams Dozer Service		Global Contracting		Southern Development & Construction	
	Scott 352-347-2035		Frank 727-992-7757		Camren 352-303-6819		Shane 321-261-0635	
Base Bid - Before Bid Alternates	\$ 1,073,687.30		\$ 1,145,000.00		NO BID		NO BID	
Temporary Access Road Package	\$ 1,073,687.30		\$ 1,145,000.00		\$ -		\$ -	
Bid Alternates								
Bid Document Requirements								
Bid Form	Yes		Yes					
Acknowledged Addenda	Yes		Yes					
Clarifications / Exceptions	N/A		N/A					
Value Engineering Proposal	N/A		N/A					
Additional Notes								
Subtotal (Including Alternates):	\$ 1,073,687		\$ 1,145,000.00		\$ -		\$ -	
Bond:	0.0%	\$ -	0.0%	\$ -	2.0%	\$ -	0.0%	\$ -
Adjustment:	None		None		None		None	
Total Adjusted Scope:	\$ 1,073,687		\$ 1,145,000.00		\$ -		\$ -	
Recommendation: \$1,073,687.30					NO BID		NO BID	

Recommend Ciraco Underground as the lowest responsive bidder.

SECTION 3 – PROPOSAL BACKUP



Bay Laurel Center North Water Reclamation Facility



Kimley»Horn

Early Clearing Package Bid Manual

Prepared by Wharton-Smith (CMAR)

Issued February 24th, 2022



Wharton-Smith Contact:
Curtis Matte – Senior Project Manager
cmatte@whartonsmith.com

Engineer: Kimley-Horn

SECTION 6 – SCOPE OF WORK

The Bidder shall utilize the information within this section of the Bid Manual to assist in development of the Bid Proposal. The outlined scopes herein are not intended to detail the complete scope of the Bid Package. The Bidder is responsible for reviewing the Contract Documents to understand the full scope and requirements.

Provide the labor, material, and services necessary to perform the Scope of Work generally described as **Early Clearing Package**. Goods and Services are to be provided complete as described in the referenced Contract Documents. The Scope of Work shall specifically include, but is not limited to, the following specifications:

Furnish and Install per Plans and Specifications for the above referenced project

The Subcontractor shall also be referred to in this contract as the “Sitework Installer” or “SWI”.

All materials to be delivered or shipped to:

Bay Laurel North WRF

Attention: Wharton-Smith, Inc.

9269 SW 80th St.

Ocala, FL 34481

6.1 WORK OVERVIEW

- 6.1.1 Perform all required layout for work performed under this contract. This includes layout for all earth work, clearing and grubbing, easements, tree protection, etc.
- 6.1.2 Furnish and Install all Temporary Facilities as described below.
 - A. Stabilized Construction Office Compound Areas
 - a) Area approximately 160,000 square feet and as shown on included attachment.
 - (i) Furnish and install 8” thick stabilized limerock subgrade over entire areas.
 - (ii) Furnish and install 4” thick asphalt millings topping.
 - (iii) Parking Area to be established with delineators for parking rows as reflected on the included parking lot attachment. Approximately 185 parking spots should be feasible.
 - (iv) Furnish & Install 6’ galvanized chain-link fencing around the perimeter of each area with (2) 12’ rolling gates. The fencing will be considered permanent for the intent of this package. All posts to be post driven.
- 6.1.3 Furnish, install, and manage all early sitework erosion control, SWPPP measures, and tree protection.
 - A. Subcontractor is responsible for establishing a construction entrance with rock to prevent tracking onto existing roads as reflected in the attached drawing
 - A. Sitework Installer shall provide protection measures for all trees to remain. Including protective barriers around drip line of tree to be installed that is suitable for the duration of the project. All barriers are to be removed at the end of the project.
 - B. Sitework Installer will be responsible for obtaining all necessary FDEP permits.
 - C. Weekly SWPPP inspections, inspections after rain events, and maintenance of log is included.
 - D. Subcontractor shall mobilize to the site for maintenance within 24 hours of a rain event.

1. Monthly maintenance is included for the duration of this scope.
- G. Furnish, install, and maintain silt fence. Layout is shown on C-28.
2. Any replacement due to age, weather, washout, or any other reason is included.
 3. Silt fence along road to be removed upon completion of paving.
 4. Silt fence will likely be damaged by other contractors during execution of their work. Sitework Installer will be responsible for repair or replacement unless damage is due to repeated gross negligence and a responsible party can be clearly determined.
- 6.1.4 Clearing and grubbing
- B. Clear, grub, and strip the topsoil at. Disturbance limits are shown on drawing C-03. Buffers to be maintained where shown.
- C. Grubbing includes the removal and disposal of all wood or root matter below the ground surface remaining after clearing including stumps, trunks, roots, or root systems greater than 1" to a depth of 18" below the ground surface. Backfill and compact cavities left below subgrade elevation by removal of stumps or roots.
- D. Stripping includes the removal and disposal of all organic sod, topsoil, grass and other objectional material remaining after clearing and grubbing to a depth of 6". Remove stripping from all areas that are to receive fill or pavement and from an area 5 feet outside foundation walls.
- E. Haul off of vegetation, trees, and debris is included.
1. Material hauled off as associated with clearing and grubbing shall be included.
 2. No additional compensation will be provided for clearing and grubbing.
- B. Burning onsite is permitted. Subcontractor will be responsible for obtaining all permits and abiding by all regulatory requirements.
- 6.1.5 General Installation Notes
- A. Subcontractor shall be responsible for cleaning its trucks before leaving the site in order to keep the main roads and other public roads clean and free of mud and concrete from the site.
- B. Subcontractor should have all costs related to complying in with all OSHA requirements but specifically those related to trench safety.
- C. CMAR will provide benchmarks and/or baselines (as the site permits) for subcontractor to use. subcontractor will provide construction staking and layout for this scope of work by a certified surveyor.
- D. Furnish all heavy equipment to complete the scope of Work. This includes cranes (with operator), backhoes, excavators, man lifts, plate compactors, etc.
- E. The project site is not a secured area nor is 24hr security provided. It is the responsibility of the Sitework Installer to provide for the safe storage of all materials. CMAR takes no responsibility for materials that are lost or stolen.

6.2 GENERAL REQUIREMENTS

- 6.2.1 The Subcontractor shall be bound to the Construction Manager to the same extent the Construction Manager is bound to the Owner by the terms of the Contract Documents.

- 6.2.2 Provide all management necessary to adequately support field activities and maintain Project Schedule.
- 6.2.3 The Subcontractor will be required to coordinate with all other construction trades as required to complete this Scope of Work.
- 6.2.4 This is a lump sum agreement, including all freight, taxes, and fees. A schedule of values for submittals, materials, checkout, startup, and closeout paperwork will be submitted with the return of the signed agreement for review and approval by the Construction Manager's Project Manager. No billing will be accepted without an approved Schedule of Values.
- 6.2.5 No escalation is permitted, pricing shall remain firm through project duration.
- 6.2.6 OSHA and the Construction Manager safety standards shall be followed at all times.
- 6.2.7 Proper PPE shall be worn by any personnel on the jobsite, including but not limited to delivery drivers, startup and commissioning representatives, manufacturer's representatives, and other personnel.
- 6.2.8 Scope of Work shall follow all Federal, State and Local Codes.
- 6.2.9 Subcontractor shall be responsible for providing layout and survey services as required for a complete installation. Subcontractor will provide construction staking and layout for this scope of work. If Subcontractor intends to use its own forces for layout, then Subcontractor must demonstrate competency in surveying to the Construction Manager. If the Construction Manager deems Subcontractor to be incompetent in this regard, Subcontractor will be required to utilize the services of a certified surveyor.
- 6.2.10 An emergency contact list shall be provided by the Subcontractor. This list shall include at least one point of contact that is available 24 hours a day.

6.3 PROJECT SCHEDULE

- 6.3.1 Mobilization is anticipated for April 18th, 2022. All staffing for the project shall be based upon this mobilization date.
- 6.3.2 Available work hours will be an eight (8) hour workday, Monday through Friday. The exact work times are to be determined.
- 6.3.3 CMAR observes seven (7) holidays per year. These include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, and Christmas. Observance of these holidays shall not be a justification for an extension of time for Sitework Installer. Additionally, Sitework Installer may observe additional holidays if desired, but any impacts to the project schedule, and associated costs, will be Sitework Installer's responsibility.
- 6.3.4 Sitework Installer shall sufficiently staff the job so that overtime work is not required. In the event that overtime work is required, requests for overtime work will be made by Sitework Installer to CMAR at least one (1) week in advance.
- 6.3.5 Delays to Sitework Installer's work by others will not be justification for additional compensation if Sitework Installer has other work available at the jobsite while mobilized.
- 6.3.6 Multiple mobilizations will be required.
- 6.3.7 The Sitework Installer will be responsible for all CMAR extended overhead, temporary facilities, and equipment charges for any delays to the critical path of the schedule.

6.4 SUBMITTAL REQUIREMENTS

- 6.4.1 A site-specific safety manual must be provided prior to starting work.

6.5 REPORTING

- 6.5.1 The Subcontractor shall provide all Owner requested documentation as required in the Contract Documents.
- 6.5.2 The Subcontractor shall provide detailed daily reports as outlined in the Contract Documents.
- 6.5.3 The Subcontractor shall provide a sample daily report document, indicating all information to be included within the report, prior to starting work.

6.6 FIELD & MANAGEMENT SERVICES

- 6.6.1 Sitework Installer shall provide full time onsite supervision at all times that work is being performed under this contract. In the event that Sitework Installer fails to do so, CMAR will provide supervision and all costs will be back charged to the Sitework Installer. Sitework Installer superintendent will be required to attend all requested progress, safety, scheduling, coordination, and quality control meetings. Meetings of other natures may be required as requested by Engineer, Owner, or CMAR.
- 6.6.2 Sitework Installer shall provide a dedicated project manager for the project. Project manager shall remain actively involved in the project. Project manager will be required to attend all requested progress, safety, scheduling, coordination, and quality control meetings. Meetings of other natures may be required as well.
- 6.6.3 Sitework Installer will coordinate with CMAR and other project contractors as necessary to facilitate a proper installation

6.7 TECHNICAL QUALIFICATIONS STATEMENT

- 6.7.1 This subcontract is contingent upon approval of submittals by the Engineer of Record in accordance with contract documents referenced here-in. Any work or fabrication performed without approved submittals will be at the sole risk of the Sitework Installer unless directed by Wharton-Smith, Inc. otherwise in writing.
- 6.7.2 All work shall be performed in accordance with the project plans and specifications, Bay Laurel Center CDD regulations, any/all pertinent building codes (such as any UL requirements), and OSHA regulations, without exception.
- 6.7.3 This agreement shall be considered lump sum based on the quantities shown on the contract documents or quantities indicated in subsections of this agreement.

6.8 CONTRACT PLANS, SPECIFICATIONS, AND ADDENDA

- 6.8.1 A complete set of Project Plans, Specifications and Addenda as prepared by Kimley-Horn is being provided for coordination of your work including Division 1, General Requirements, of the contract between the Owner and Wharton-Smith, Inc., the conditions of which must abide.

6.9 DAVIS-BACON WAGES AND CERTIFIED PAYROLL

- 6.9.1 As indicated in the Contract Documents, this Project has Davis-Bacon and Certified Payroll requirements outlined in the contract specifications. The Subcontractor must abide by the requirements set forth in the Contract Documents. Complete certified payroll for the previous month will be required prior to acceptance of monthly application for payment.

6.10 INSURANCE

- 6.10.1 Subcontractor shall provide the minimum insurance limits required to meet the requirements outlined within Article 10 of this Subcontract and all the requirements detailed within the Contract Documents. A sample insurance document is included within the Contract Documents for additional reference.
- 6.10.2 The Subcontractor shall maintain a worker's compensation insurance policy for the complete scope of services. The Subcontractor shall not utilize a Professional Employer Organization (PEO) to provide workers compensation insurance.
- 6.10.3 Sitework Installer is required to comply with Wharton-Smith, Inc. Insurance policies.
- 6.10.4 Please reference the attached insurance sample for the minimum requirements.
- 6.10.5 Sitework Installers who do not meet these minimums will be allowed to bid. A line has been provided on the bid form for bidders to state the cost of bringing insurance up to the stated minimums. If a bidder uses "leased employees" they shall provide the cost to provide their own workers comp insurance for this project on the provided line.

6.11 ALTERNATES

- 6.11.1 The following items are bid alternates listed on the bid form. Regarding alternate pricing, the total contract price issued will be dependent on whether the alternates are accepted by Bay Laurel CDD. If Bay Laurel CDD accepts an alternate, total contract price will be calculated by Total Base Bid and deduct of Alternate Pricing is how the low responsible bidder will be determined. If an alternate is not accepted by Bay Laurel CDD than the low responsible bidder will be determined based on the Total Base Bid only. Acceptance of an alternate is at the sole discretion of Bay Laurel CDD.

A. ALTERNATE #01: Deduct for Temporary Road Package Award

END OF SECTION

SECTION 7 – BID FORM

Project: Bay Laurel North WRF
 Bid Package: Early Clearing
 To: Curtis Matte – Senior Project Manager
 Wharton-Smith, Inc.
 cmatte@whartonsmith.com

Bidder Information:

Company: Ciraco Underground, Inc.
 Contact Name: Scott O'Neal Title: Project Manager
 Address: P.O. Box 1017
Belleview, FL 34421
 Phone Number: 352-347-2035 Fax: 352-347-2392

Bid Proposal Documentation Checklist (check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Bid Form | <input type="checkbox"/> Value Engineering Proposal |
| <input type="checkbox"/> Sanctions and Litigation | <input checked="" type="checkbox"/> Certificate of Insurance |
| <input checked="" type="checkbox"/> Licenses | <input type="checkbox"/> Clarifications |

Bidder's Acknowledgements:

- The undersigned Bidder agrees if this bid is accepted, to enter into a Purchase Order Agreement with the Construction Manager per the Purchase Order Agreement included in the Bid Documents.
- Bidder accepts all the terms and conditions of the Bid Documents.
- Bidder has examined copies of all the Bid Documents and the following addenda:

No. <u>1</u>	Dated <u>3/8/22</u>	No. _____	Dated _____
No. <u>2</u>	Dated <u>3/10/22</u>	No. _____	Dated _____
- Bidder has carefully examined the site and locality where the work is to be performed and the legal requirements (federal, state, and local laws, ordinances, rules, and regulations) and conditions affecting cost, degree of difficulty, progress or performance of the work and has made such independent investigations as Bidder deems necessary.
- Bidder has reviewed and understands the Project Schedule provided in the Bid Documents and commits to perform and complete the Scope of Work of this Bid Proposal within the durations indicated and shall meet all milestone dates detailed therein. Bidder understands that time is of the essence and any delays in completion of any portion of the Work may result in damages.

6. This Bid is genuine and (a) not made in the interest or on behalf of any undisclosed person, firm, or corporation (b) is not submitted in the conformity with any agreement or rules of any group, association, organization, or corporation (c) Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid (d) Bidder has not solicited or induced any person, firm or corporation to refrain from bidding (e) Bidder has not sought by collusion to obtain for himself any advantage over any other Bidder or over Owner.
7. This Bid Proposal will remain open for acceptance by the Construction Manager for a period of one hundred and eighty (180) days after the date submitted. The price is to be valid for the duration of the Project Schedule after execution of a Subcontract Agreement.
8. The total base bid includes all labor, material, equipment, taxes, overhead, profit and all other costs required to complete the scope of this Bid Package as outlined in the Bid Documents.

Item No.	Brief Description of Item	QTY	UM	Unit Price	Total Price
1.	Early Clearing Package	1	LS	\$ 308,520.00	\$ 308,520.00
2.	Permanent Fencing for Trailer Area	1	LS	\$ 57,684.00	\$ 57,684.00
3.	Stabilized Subgrade and Asphalt Millings for Trailer Areas	1	LS	\$ 218,566.80	\$ 218,566.80
4.	Final Install Cattle Fencing	350	FT	\$ 18.00	\$ 6,300.00
5.	Temporary 4 Stand Barbwire Cattle Fencing	350	FT	\$ 18.00	\$ 6,300.00
6.	Payment and Performance Bonds	1	LS	\$ 5,900.00	\$ 5,900.00
7.	Indemnification	1	LS	\$ 100.00	\$ 100.00

TOTAL BASE BID: \$ 603,370.80

(TOTAL BASE BID AMOUNT WRITTEN IN WORDS)

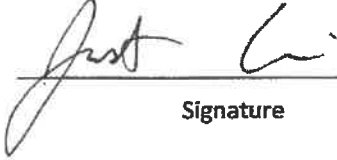
Six Hundred Three Thousand Three Hundred Seventy Dollars and Eighty Cents

Alternate #1 – Deduct for Temporary Road Package Award \$ 10,000.00

Alternate #2 – Stabilized Subgrade and Asphalt for Trailer Areas \$ 562,781.31

Total Time to Complete Scope (Workdays) 120

The undersigned hereby certifies that Bidder has carefully reviewed the Bid Documents and with full knowledge and understanding of the requirements of the Bid Documents and that this Bid Proposal meets all specifications, terms, and conditions contained in the Bid Documents, in its entirety.



Signature

Justin Ciraco/Vice President

Print Name / Title

3/15/22

Date

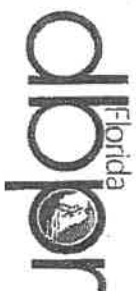
List of Subcontractors

1. Sharp Site Services - Fencing



Ron DeSantis, Governor

Halsey Beshears, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

CONSTRUCTION INDUSTRY LICENSING BOARD

THE UNDERGROUND UTILITY & EXCAVATION CO. HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 489, FLORIDA STATUTES



CIRACO, JUSTIN C

CIRACO UNDERGROUND, INC.

8670 E HWY 25

BELLEVUE, FL 34420

LICENSE NUMBER: CUC12224975

EXPIRATION DATE: AUGUST 31, 2022

Always verify licenses online at MyFloridaLicense.com

Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/06/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Brown & Brown of Florida, Inc. 1720 SE 18th Avenue, Suite 301 Ocala FL 34471	CONTACT NAME: Brenda Bouchard AAI, CPIW PHONE (A/C, No, Ext): (352) 732-5010 FAX (A/C, No): (352) 732-5344 E-MAIL ADDRESS: brenda.bouchard@bbocala.com														
INSURED Ciraco Underground, Inc. PO Box 1017 Belleview FL 34421-1017	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A: National Trust Insurance Company</td> <td style="text-align: center;">20141</td> </tr> <tr> <td>INSURER B: FCCI Insurance Company</td> <td style="text-align: center;">10178</td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: National Trust Insurance Company	20141	INSURER B: FCCI Insurance Company	10178	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER F:															

COVERAGES **CERTIFICATE NUMBER: 21-22** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR	INSR	LWD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC OTHER:				GL10005099602	08/07/2021	08/07/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 150,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY				CA10005100002	08/07/2021	08/07/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PIP-Basic \$ 10,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0				UMB100051002	08/07/2021	08/07/2022	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N		N/A	WC010005981302	08/07/2021	08/07/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Rented/Leased Equipment				CM10005099902	08/07/2021	08/07/2022	Limit 300,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

" For Bidding Purposes"

CERTIFICATE HOLDER Ciraco Underground, inc. P. O. Box 1017 Belleview FL 34421-1017	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

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Sterling Seacrest Pritchard

3111 West Dr Martin Luther King Jr Boulevard
Suite 350
Tampa, FL 33607

813.498.1183 office
813.464.7807 fax

www.sterlingseacrest.com

March 14, 2022

Wharton-Smith, Inc.

**RE: Ciraco Underground, Inc.
Status of Bondability**

To Whom It May Concern:

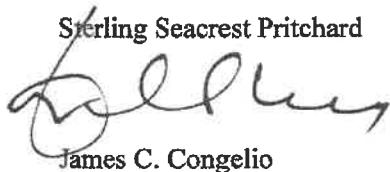
Sterling Seacrest Pritchard is proud to represent Ciraco Underground, Inc. We consider them to be a premier contractor in their field and we do not hesitate to recommend them for your project needs.

Travelers Casualty and Surety Company of America has an A.M. Best rating of "A++, XV" and provides a bonding program to Ciraco Underground, Inc. with single bond limits up to \$10,000,000 and an aggregate program of \$20,000,000. These limits are not to be construed as maximums but are established to handle the daily needs of our client.

As always, Travelers Casualty and Surety Company of America reserves the right to perform standard underwriting at the time of any bond request. This includes, but will not be limited to, the acceptability of the contract documents, bond forms and project financing. We assume no liability for any reason if we do not execute the bonds as requested. This letter is not an assumption of liability, nor should it be considered a bid, payment, or performance bond. If you should have any questions, please do not hesitate to contact us.

Sincerely,

Sterling Seacrest Pritchard



James C. Congelio





Bay Laurel Center North Water Reclamation Facility



Kimley»»Horn

Temporary Access Road Bid Manual

Prepared by Wharton-Smith (CMAR)

Issued February 24th, 2022



Wharton-Smith Contact:
Curtis Matte – Senior Project Manager
cmatte@whartonsmith.com

Engineer: Kimley-Horn

SECTION 6 – SCOPE OF WORK

The Bidder shall utilize the information within this section of the Bid Manual to assist in development of the Bid Proposal. The outlined scopes herein are not intended to detail the complete scope of the Bid Package. The Bidder is responsible for reviewing the Contract Documents to understand the full scope and requirements.

Provide the labor, material, and services necessary to perform the Scope of Work generally described as **Temporary Access Road Package**. Goods and Services are to be provided complete as described in the referenced Contract Documents. The Scope of Work shall specifically include, but is not limited to, the following specifications:

Furnish and Install per Plans and Specifications for the above referenced project

The Subcontractor shall include work from other specifications as applicable to the work being performed.

All materials to be delivered or shipped to:

Bay Laurel North WRF

Attention: Wharton-Smith, Inc.

9269 SW 80th St.,

Ocala, FL 34481

6.1 WORK OVERVIEW

6.1.1 Perform all required layout for work performed under this contract.

6.1.2 Furnish and Install all Temporary Access Road as described below.

A. Section of Existing Road

- a) Subcontractor to include development of an existing one mile stretch of existing lime rock to include rough and finish grading, stabilized subgrade and base restoration, and paving complete. Existing road is approximately 1 mile in length and will require 22' stabilized width and a 20' paved width.
 - (i) Restore base coarse and grade as required to accept new paving, and compact to min 98% of modified proctor density. Compaction to be tested every 1,000'.
 - (ii) Over base course, apply tack coating prior to paving.
 - (iii) Install 1.5" SP-12.5 asphalt concrete over entire area.

B. New Temporary Access Road

- a) Subcontractor will be responsible for complete development of the new temporary access road. Existing site conditions are a cow field so subcontractor will need to all provide survey and layout, silt fence and erosion control, clearing, grubbing, and stripping, rough and fine grading, stabilized subgrade, stabilized base, and paving complete. The length of this section or road will be roughly 1.85 miles with a 22' stabilized width and 20' road width.
- b) Finish grade and install 12" thick stabilized subgrade, min LBR 40, 98% of modified proctor density over entire area.
- c) Over stabilized subgrade, install 6" stabilized lime rock base, 98% of modified proctor density.
- d) Over base course, apply tack prime coat prior to paving.
- e) Install 1.5" SP-12.5 asphalt concrete over entire area.

- f) Install mechanically fastened speedbumps every 1,000' entire width of the asphalt pavement. Speed bumps to be removed upon completion of the project.
 - g) Install four (4) 4" wood posts at 3' spacing on each side of the road at the speed bump locations.
- 6.1.3 Furnish, install, and manage all jobsite erosion control, SWPPP measures, and tree protection.
- A. Subcontractor is responsible for establishing a construction entrance with rock to prevent tracking onto existing roads.
 - B. Subcontractor will be responsible for obtaining all necessary FDEP permits.
 - C. Weekly SWPPP inspections, inspections after rain events, and maintenance of log is included.
 - D. Subcontractor shall mobilize to the site for maintenance within 24 hours of a rain event.
 - G. Furnish, install, and maintain silt fence on both sides of new temporary road. Any replacement due to age, weather, washout, or any other reason is included.
- 6.1.4 Clearing and grubbing
- A. Clear, grub, and strip the topsoil. Spoils to be hauled within 3 miles of the project site to Bay Laurel property.
 - B. Grubbing includes the removal and disposal of all wood or root matter below the ground surface remaining after clearing including stumps, trunks, roots, or root systems greater than 1" to a depth of 18" below the ground surface. Backfill and compact cavities left below subgrade elevation by removal of stumps or roots.
 - C. Stripping includes the removal and disposal of all organic sod, topsoil, grass and other objectional material remaining after clearing and grubbing to a depth of 6". Remove stripping from all areas that are to receive fill or pavement and from an area 5 feet outside foundation walls.
 - D. Haul off of vegetation, spoils, and debris is included.
 - 1. Material hauled off as associated with grubbing shall be included.
 - B. Provide rough grade to entire site at the completion of clearing, grubbing, and stripping.
- 6.1.5 General Installation Notes
- A. Subcontractor shall furnish and install all shoring to allow for installation of materials or to protect existing utilities and/or structures.
 - B. Testing services will be by others.
 - C. Subcontractor shall protect any existing storm structures.
 - D. Subcontractor shall be responsible for cleaning its trucks before leaving the site in order to keep the main roads and other public roads clean and free of mud and concrete from the site.
 - E. Subcontractor should have all costs related to complying in with all OSHA requirements but specifically those related to trench safety.
 - F. CMAR will provide benchmarks and/or baselines (as the site permits) for subcontractor to use. Subcontractor will provide construction staking and layout for this scope of work by a certified surveyor.
 - G. Furnish all heavy equipment to complete the scope of Work. This includes cranes (with operator), backhoes, excavators, man lifts, plate compactors, etc.

- H. The project site is not a secured area nor is 24hr security provided. It is the responsibility of the Subcontractor to provide for the safe storage of all materials. CMAR takes no responsibility for materials that are lost or stolen.
- I. All surveying, construction layout, etc. required to complete this scope of work is included in this Bid Package.

6.2 GENERAL REQUIREMENTS

- 6.2.1 The Subcontractor shall be bound to the Construction Manager to the same extent the Construction Manager is bound to the Owner by the terms of the Contract Documents.
- 6.2.2 Provide all management necessary to adequately support field activities and maintain Project Schedule.
- 6.2.3 The Subcontractor will be required to coordinate with all other construction trades as required to complete this Scope of Work.
- 6.2.4 This is a lump sum agreement, including all freight, taxes, and fees. A schedule of values for submittals, materials, checkout, startup, and closeout paperwork will be submitted with the return of the signed agreement for review and approval by the Construction Manager's Project Manager. No billing will be accepted without an approved Schedule of Values.
- 6.2.5 No escalation is permitted, pricing shall remain firm through project duration.
- 6.2.6 OSHA and the Construction Manager safety standards shall be followed at all times.
- 6.2.7 Proper PPE shall be worn by any personnel on the jobsite, including but not limited to delivery drivers, startup and commissioning representatives, manufacturer's representatives, and other personnel.
- 6.2.8 Scope of Work shall follow all Federal, State and Local Codes.
- 6.2.9 Subcontractor shall be responsible for providing layout and survey services as required for a complete installation. Subcontractor will provide construction staking and layout for this scope of work. If Subcontractor intends to use its own forces for layout, then Subcontractor must demonstrate competency in surveying to the Construction Manager. If the Construction Manager deems Subcontractor to be incompetent in this regard, Subcontractor will be required to utilize the services of a certified surveyor.
- 6.2.10 An emergency contact list shall be provided by the Subcontractor. This list shall include at least one point of contact that is available 24 hours a day.

6.3 PROJECT SCHEDULE

- 6.3.1 Mobilization is anticipated for April 18th, 2022. All staffing for the project shall be based upon this mobilization date.
- 6.3.2 Available work hours will be an eight (8) hour workday, Monday through Friday. The exact work times are to be determined.
- 6.3.3 CMAR observes seven (7) holidays per year. These include New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, and Christmas. Observance of these holidays shall not be a justification for an extension of time for Subcontractor. Additionally, Subcontractor Installer may observe additional holidays if desired, but any impacts to the project schedule, and associated costs, will be Subcontractor's responsibility.

- 6.3.4 Subcontractor shall sufficiently staff the job so that overtime work is not required. In the event that overtime work is required, requests for overtime work will be made by Subcontractor to CMAR at least one (1) week in advance. Subcontractor will agree to pay CMAR costs for supervision (\$110.00 per hour), CMAR truck cost (\$45.00 per day), and any Owner / Engineer inspector costs.
- 6.3.5 Delays to Subcontractor's work by others will not be justification for additional compensation if Subcontractor has other work available at the jobsite while mobilized.
- 6.3.6 Multiple mobilizations will be required.
- 6.3.7 The Subcontractor will be responsible for all CMAR extended overhead, temporary facilities, and equipment charges for any delays to the critical path of the schedule.

6.4 SUBMITTAL REQUIREMENTS

- 6.4.1 A site-specific safety manual must be provided prior to starting work.

6.5 REPORTING

- 6.5.1 The Subcontractor shall provide all Owner requested documentation as required in the Contract Documents.
- 6.5.2 The Subcontractor shall provide detailed daily reports as outlined in the Contract Documents.
- 6.5.3 The Subcontractor shall provide a sample daily report document, indicating all information to be included within the report, prior to starting work.

6.6 FIELD & MANAGEMENT SERVICES

- 6.6.1 Subcontractor shall provide full time onsite supervision at all times that work is being performed under this contract. In the event that Subcontractor fails to do so, CMAR will provide supervision and all costs will be back charged to the Subcontractor superintendent will be required to attend all requested progress, safety, scheduling, coordination, and quality control meetings. Meetings of other natures may be required as requested by Engineer, Owner, or CMAR.
- 6.6.2 Subcontractor shall provide a dedicated project manager for the project. Project manager shall remain actively involved in the project. Project manager will be required to attend all requested progress, safety, scheduling, coordination, and quality control meetings. Meetings of other natures may be required as well.
- 6.6.3 Subcontractor will coordinate with CMAR and other project contractors as necessary to facilitate a proper installation

6.7 TECHNICAL QUALIFICATIONS STATEMENT

- 6.7.1 This subcontract is contingent upon approval of submittals by the Engineer of Record in accordance with contract documents referenced here-in. Any work or fabrication performed without approved submittals will be at the sole risk of the Subcontractor unless directed by Wharton-Smith, Inc. otherwise in writing.
- 6.7.2 All work shall be performed in accordance with the project plans and specifications, Bay Laurel Center CDD regulations, any/all pertinent building codes (such as any UL requirements), and OSHA regulations, without exception.
- 6.7.3 This agreement shall be considered lump sum based on the quantities shown on the contract documents or quantities indicated in subsections of this agreement.

6.8 DAVIS-BACON WAGES AND CERTIFIED PAYROLL

- 6.8.1 As indicated in the Contract Documents, this Project has Davis-Bacon and Certified Payroll requirements outlined in the contract specifications. The Subcontractor must abide by the requirements set forth in the Contract Documents. Completing certified payroll for the previous month will be required prior to acceptance of monthly application for payment.

6.9 DOMESTIC PREFERENCES FOR PROCUREMENT

- 6.9.1 The recipients and subrecipients must to the greatest extent practical give preference to the purchase, acquisition, or use of goods, products, or materials produced in the United States in accordance with 2 CFR 200.322.

6.10 CONTRACT PLANS, SPECIFICATIONS, AND ADDENDA

- 6.10.1 A complete set of Project Plans, Specifications and Addenda as prepared by Kimley-Horn. is being provided for coordination of your work including Division 1, General Requirements, of the contract between the Owner and Wharton-Smith, Inc., the conditions of which must abide.

6.11 INSURANCE

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END OF SECTION

SECTION 7 – BID FORM

Project: Bay Laurel North WRF
 Bid Package: Temporary Access Road
 To: Curtis Matte – Senior Project Manager
 Wharton-Smith, Inc.
 cmatte@whartonsmith.com

Bidder Information:

Company: Ciraco Underground, Inc.
 Contact Name: Scott O'Neal Title: Project Manager
 Address: P.O. Box 1017
Belleview, FL 34421
 Phone Number: 352-347-2035 Fax: 352-347-2392

Bid Proposal Documentation Checklist (check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Bid Form | <input type="checkbox"/> Value Engineering Proposal |
| <input type="checkbox"/> Sanctions and Litigation | <input checked="" type="checkbox"/> Certificate of Insurance |
| <input checked="" type="checkbox"/> Licenses | <input type="checkbox"/> Clarifications |

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- Bidder accepts all the terms and conditions of the Bid Documents.
- Bidder has examined copies of all the Bid Documents and the following addenda:

No. 1 Dated 3/8/22 No. _____ Dated _____

No. 2 Dated 3/10/22 No. _____ Dated _____

- Bidder has carefully examined the site and locality where the work is to be performed and the legal requirements (federal, state, and local laws, ordinances, rules, and regulations) and conditions affecting cost, degree of difficulty, progress or performance of the work and has made such independent investigations as Bidder deems necessary.
- Bidder has reviewed and understands the Project Schedule provided in the Bid Documents and commits to perform and complete the Scope of Work of this Bid Proposal within the durations indicated and shall meet all milestone dates detailed therein. Bidder understands that time is of the essence and any delays in completion of any portion of the Work may result in damages.

6. This Bid is genuine and (a) not made in the interest or on behalf of any undisclosed person, firm, or corporation (b) is not submitted in the conformity with any agreement or rules of any group, association, organization, or corporation (c) Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid (d) Bidder has not solicited or induced any person, firm or corporation to refrain from bidding (e) Bidder has not sought by collusion to obtain for himself any advantage over any other Bidder or over Owner.
7. This Bid Proposal will remain open for acceptance by the Construction Manager for a period of one hundred and eighty (180) days after the date submitted. The price is to be valid for the duration of the Project Schedule after execution of a Subcontract Agreement.
8. The total base bid includes all labor, material, equipment, taxes, overhead, profit and all other costs required to complete the scope of this Bid Package as outlined in the Bid Documents.

Item No.	Brief Description of Item	QTY	UM	Unit Price	Total Price
1.	New Temporary Access Road (Approximately 2 miles)	1	LS	\$ 773,590.70	\$ 773,590.70
2.	Existing Road Modifications (Approximately 1.25 miles)	1	LS	\$ 288,996.60	\$ 288,996.60
3.	Payment and Performance Bonds	1	LS	\$ 11,000.00	\$ 11,000.00
4.	Indemnification	1	LS	\$ 100.00	\$ 100.00


TOTAL BASE BID: \$ 1,073,687.30

(TOTAL BASE BID AMOUNT WRITTEN IN WORDS)

One Million Seventy Three Thousand Six Hundred Eighty Seven Dollars and Thirty Cents

Total Time to Complete Scope (Workdays) 120

The undersigned hereby certifies that Bidder has carefully reviewed the Bid Documents and with full knowledge and understanding of the requirements of the Bid Documents and that this Bid Proposal meets all specifications, terms, and conditions contained in the Bid Documents, in its entirety.



Signature

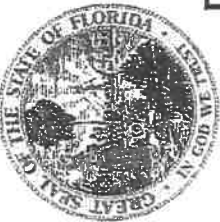
Justin Ciraco/Vice President

Print Name / Title

3/15/22

Date

Ron DeSantis, Governor



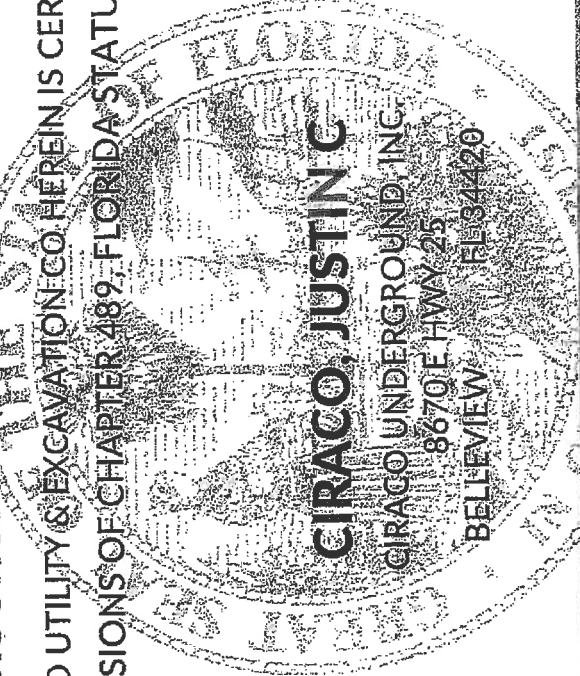
Halsey Beshears, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

CONSTRUCTION INDUSTRY LICENSING BOARD

THE UNDERGROUND UTILITY & EXCAVATION CO. HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 489, FLORIDA STATUTES



LICENSE NUMBER: CUC1224975

EXPIRATION DATE: AUGUST 31, 2022

Always verify licenses online at MyFloridaLicense.com



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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/06/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Brown & Brown of Florida, Inc. 1720 SE 16th Avenue, Suite 201 Ocala FL 34471		CONTACT NAME: Brenda Bouchard AAI, CPIW PHONE (A/C, No, Ext): (352) 732-5010 FAX (A/C, No): (352) 732-5344 E-MAIL ADDRESS: brenda.bouchard@bbocale.com	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: National Trust Insurance Company NAIC # 20141	
		INSURER B: FCCI Insurance Company NAIC # 10178	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 21-22 **REVISION NUMBER:**


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			GL10005099602	08/07/2021	08/07/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 150,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY			CA10005100002	08/07/2021	08/07/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PIP-Basic \$ 10,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			UMB100051002	08/07/2021	08/07/2022	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC010005981302	08/07/2021	08/07/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Rented/Leased Equipment			CM10005099902	08/07/2021	08/07/2022	Limit 300,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

" For Bidding Purposes"

CERTIFICATE HOLDER**CANCELLATION**

Ciraco Underground, Inc. P. O. Box 1017 Belleview FL 34421-1017	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Sterling Seacrest Pritchard

3111 West Dr Martin Luther King Jr Boulevard
Suite 350
Tampa, FL 33607

813.498.1183 office
813.464.7807 fax

www.sterlingseacrest.com

March 14, 2022

Wharton-Smith, Inc.

**RE: Ciraco Underground, Inc.
Status of Bondability**

To Whom It May Concern:

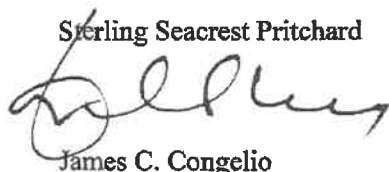
Sterling Seacrest Pritchard is proud to represent Ciraco Underground, Inc. We consider them to be a premier contractor in their field and we do not hesitate to recommend them for your project needs.

Travelers Casualty and Surety Company of America has an A.M. Best rating of "A++, XV" and provides a bonding program to Ciraco Underground, Inc. with single bond limits up to \$10,000,000 and an aggregate program of \$20,000,000. These limits are not to be construed as maximums but are established to handle the daily needs of our client.

As always, Travelers Casualty and Surety Company of America reserves the right to perform standard underwriting at the time of any bond request. This includes, but will not be limited to, the acceptability of the contract documents, bond forms and project financing. We assume no liability for any reason if we do not execute the bonds as requested. This letter is not an assumption of liability, nor should it be considered a bid, payment, or performance bond. If you should have any questions, please do not hesitate to contact us.

Sincerely,

Sterling Seacrest Pritchard



James C. Congelio



ADDENDUM #1

Bay Laurel Center
North Water Reclamation Facility Project

BID PACKAGE: **ALL BID PACKAGES**

THIS BID IS SUBMITTED TO: **WHARTON-SMITH, INC.
CURTIS MATTE – SENIOR PROJECT MANAGER
WHARTON-SMITH, INC.
CMATTE@WHARTONSMITH.COM**

LAST DAY FOR QUESTIONS **03/09/2022**
BIDS DUE: **03/15/2022 at 12:00PM**
Bids received late will not be reviewed after the bid date.

Please review Addendum No. 1 which is now incorporated as a formal bidding document and is to be incorporated into All Bid Packages as part of the Scope of Work. Any changes or additions that are included as part of this addendum are to be incorporated into your bid.

ALL PACKAGES:

1. Bid date has been extended:
 - a. All bids are due 03/15/2022 at 12:00PM

Early Clearing:

1. Revised Bid Form adding the following items:
 - a. Final Install Cattle Fencings – 350 FT
 - b. Temporary 4 Strand Barbwire Cattle Fencing – 350 FT
 - c. Alternate #2 – Stabilized Subgrade and Asphalt for Trailer Areas
2. Clearing Area Rev 1 Drawing
 - a. Capturing additional clearing for RIB Pond Location
3. Overall Drawing – Rev1
 - a. Capturing additional clearing for RIB Pond Location
4. Parking Rows to be divided with 4x4 posts and horizontal 2x4's.

Temporary Access Road:

1. Revised Bid Form adding the following items:
 - a. New Temporary Access Road (Approximately 2 miles)
 - b. Existing Road Modifications (Approximately 1.25 miles)

END OF ADDENDUM #1

ADDENDUM #2

Bay Laurel Center
North Water Reclamation Facility Project

BID PACKAGE:

ALL BID PACKAGES

THIS BID IS SUBMITTED TO:

WHARTON-SMITH, INC.
CURTIS MATTE – SENIOR PROJECT MANAGER
WHARTON-SMITH, INC.
CMATTE@WHARTONSMITH.COM

LAST DAY FOR QUESTIONS
BIDS DUE:

03/09/2022
03/15/2022 at 12:00PM
Bids received late will not be reviewed after the bid date.

Please review Addendum No. 2 which is now incorporated as a formal bidding document and is to be incorporated into All Bid Packages as part of the Scope of Work. Any changes or additions that are included as part of this addendum are to be incorporated into your bid.

ALL PACKAGES:

1. Bid Questions:
 - a. Attached document outlining questions received by 03/09/2022 and corresponding responses.

END OF ADDENDUM #2

**Bay Laurel North WRF
GMP #01 Bidder Questions**

Contractor
Engineer

Wharton-Smith Inc.
Kimley-Horn

Comment No.	Bid Question/Comment	Response to Question
1	Please provide a tentative schedule day.	Mobilization is now 05/02/2022.
2	Are the scales accurate on the Google Earth plans?	Yes
3	Do all construction clearing perimeters receive silt fence?	Yes
4	Does both side of the temporary road need silt fence?	Yes
5	Does the existing road need silt fence?	No
6	Does the subgrade and asphalt for the trailer area refer to the 250'x150' section only or the entire parking area?	Entire area within the the chain link fence.
7	Do you want limerock for that area as well?	Limerock for entire area inside chain link fence at trailer compound area.
8	Project will be based on burning on-site open burn 10000if set back and curtain burning 300 if set back.	Air curtain to be utilized for all burning on site.