

## REQUEST TO ESTABLISH DOCKET

(Please Type)

<b>Date:</b>	9/18/2007	<b>Docket No.:</b>	070641-WS
<b>1. Division Name/Staff Name:</b>	ECR-Jared Deason		
<b>2. OPR:</b>	Jared Deason, Troy Rendell <i>JD</i>		
<b>3. OCR:</b>	Katherine Fleming+ <i>KF</i>		
<b>4. Suggested Docket Title:</b>	Complaint by Warren Dunphy, on behalf of Realm Management, LLC regarding the required installation of a reuse line by Aloha Utilities, Inc.		
<b>5. Suggested Docket Mailing List (attach separate sheet if necessary)</b>			
A. Provide NAMES OR ACRONYMS ONLY if a regulated company.			
B. Provide COMPLETE NAME AND ADDRESS for all others. (Match representatives to companies.)			
1. Parties and their representatives (if any):			
Aloha Utilities, Inc.	Realm Management, LLC		
Stephen Watford	Warren Dunphy		
F. Marshall Deterding	Lee Allen		
	(See Attached)		
2. Interested persons and their representatives (if any):			
<b>6. Check one:</b>			
<input checked="" type="checkbox"/> Documentation is attached.			
<input type="checkbox"/> Documentation will be provided with recommendation.			
DOCUMENT NUMBER-DATE			
09145 OCT-58			

### **Aloha Utilities, Inc.:**

1. Stephen Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655
2. F. Marshall Deterding  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

### **Realm Management, LLC:**

1. Warren Dunphy  
Realm Management, LLC:  
5721 Richey Drive  
Port Richey, FL 34668
2. Lee Allen  
Attorney at Law  
5721 Richey Drive  
Port Richey, FL 34668

**Lee Allen**

---

**From:** <LRA727@aol.com>  
**To:** <fasano.mike.web@flsenate.gov>  
**Cc:** <jmariano@pascocountyfl.net>  
**Sent:** Saturday, March 24, 2007 1:01 PM  
**Subject:** (no subject)

Mr. Fasano,

My name is Lee Allen and I am an attorney working with Warren Dunphy in developing real estate projects. Per instructions from Mr. Dunphy and Jack Mariano, Pasco County Commissioner, they have asked me to give you a brief summary of a situation involving Aloha Utilities, a private utility company serving part of Pasco County.

Mr. Dunphy is developing a project on the northwest corner of Little Road and Springhaven Drive in Pasco County consisting of an Alli-Gators restaurant and two medical office buildings. That area is served by Aloha Utilities who provides potable water and sanitary sewer service for projects in that area. Mr. Dunphy started construction on this project in January 2006. In May 2006, we had to stop work on this project in order to resolve problems with Aloha regarding (1) the sanitary sewer connections that they required at a certain location; and (2) construction of a reclaimed water line for irrigation purposes. All of this had to be resolved before they would sign off on our DEP permits for water and sewer. Resolution of these problems lasted until July 2006. Aloha was requiring us to make a sanitary sewer connection in the right of way of Springhaven Drive and then across Springhaven Drive connecting with the sanitary sewer pumping station on the Wal-Mart property. Aloha claimed that they had easements to cross Springhaven Drive but never could provide proof of such easements. They eventually provided a letter to the Springhaven residents notifying them that the work was being done on their authorization. Ultimately we were able to come up with a plan to avoid cutting Springhaven Drive to make the sewer connections using an existing sewer line and a directional bore to the Wal-Mart pumping station.

The reclaimed water line issue was a little more complex. Aloha advised us that they would require us to design and construct, at our cost, a new 6" reclaimed water line from the connection point on the south side of SR 54, directional bore under SR 54, proceed east along SR 54 and then down Little Road to our property (\*a total distance over 2,000 feet). The reason that we were the party required to construct this reclaimed water line was that we were the next property along the route of the reclaimed water line even though there were already two other projects in development further north along Little Road. Those developments were allowed to use other water sources for irrigation until such time as the reclaimed water line was brought down Little Road. We had been fighting this requirement based on the fact that our site has minimal landscaping and irrigation needs. We wanted to use a well or even potable water for irrigation. Aloha would not agree to either of those alternatives and demanded that we enter into a "Reclaimed Water Agreement" in May under which we were obligated to design and construct the reclaimed water line within 120 days. The Agreement had a provision which provided that if any other properties connected to the reclaimed water line within five (5) years, they would be required to reimburse us for a share of the cost to design and construct the line. Their share of the costs would be based on their flow requirements. At that time we had no design plans and a rough estimate of the cost was guessed at \$50,000-60,000. We modified our loan to include that amount. Aloha had provided us with their flow estimates for each of the five properties which were supposed to connect to this reclaimed water line. Our flow share was less than 5% and the two other properties under development had a combined flow share which was less than 20%. The largest flow share was allocated for the adjacent 50 acre Manos property which is vacant and not likely to be developed within the next 5 years. After we signed off on the sanitary sewer connection design and signed the Reclaimed Water Agreement, Aloha signed off on the DEP permits in August 2006 and provided us with a copy of the completely executed Reclaimed Water Agreement.

Because of the Aloha project delays and other issues during the fall, we were forced to draw on the loan funds allocated for the reclaimed water line just to make interest payments on the loan. We were, therefore, unable to design and construct the reclaimed water line. We advised Aloha of this fact during the fall and Aloha has never formally. The project is now complete and we are in the process of securing final inspections. We presently have a temporary certificate of occupancy for the building. Our site inspection is complete except for Aloha's approval on the potable water and sanitary sewer systems. They have inspected both of those and they are fine. We have also applied for a water meter and are awaiting its installation by Aloha. Aloha has advised us that they will not give their approvals until the reclaimed water line situation is resolved. We have had our engineer prepare the design plan for the reclaimed water line and sent it to our site contractor for a proposal to build the line. We just received this proposal and the estimate is for \$177,000 and it may be higher depending on how deep the line

has to be built to keep the required separation from other lines in the right of way. We are trying to schedule a meeting with Aloha to discuss this matter. We do not have the funding to construct the line and cannot accept that we should be required to bear this economic burden when there is no chance to recover more than 20% of that cost in the future. For your information, Pasco County has a reclaimed water line directly across Little Road from our site approx. 100 feet away. If we were allowed to connect to that line, the connection cost would be less than \$20,000. Our restaurant and the medical office buildings are ready to open as soon as Aloha releases its approval of the water and sewer systems and sets the water meter. We anticipate that they will not grant that

Even though Aloha is a private utility, isn't there some authority that has some control over what they can and cannot do. Other people in the past have gone to the Public Service Commission, but they have ruled that they only have control over their rates. Hopefully, you can provide us with some direction on resolving this problem. I have copies of all the documents, aerial photos and the reclaimed water line design drawings that I can provide if needed. You may contact me at any time via phone (727) 361-8003 or at my office via e-mail at gatorrealm@verizon.net You may also contact Mr. Dunphy on his cell phone at (727) 457-5496. Any help you can provide is greatly appreciated.

Lee Allen  
Attorney At Law  
(727) 361-8003  
gatorrealm@verizon.net

\*\*\*\*\*

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**REALM MANAGEMENT, LLC**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 11, 2007

**MEMORANDUM**

Via Facsimile (850) 413-6935

Three (3) Pages

TO: Troy Rendell  
Public Service Commission

FROM: Warren<sup>WD</sup> Dunphy

RE: Aloha Utilities, Inc.  
Reclaimed Water Line Issue  
3523 Little Road (Trinity, Pasco County, Florida)

-----  
I am sending you a copy of the Complaint filed via the Internet today with the Public Service Commission. I wanted you to have a copy of the Complaint. The body of the Complaint is the following:

**Aloha is requiring Realm to design, engineer, install and secure easements for an off-site reclaimed water line from the current connection point over 2,000 linear feet away to our propertyline. That Reclaimed Water Line would only serve our property and 4 other properties to the north. The Reclaimed Water Line has a hydraulic design capacity of 47,075 gallons per day. Our property's hydraulic share is only 4.91%. Aloha required us to enter into in May 2006 a Developer Agreement and Refundable Advance Agreement (under which Aloha may collect a refundable advance fee by during the 5 year period ending May 2011 from each new customer or developer that proposes to connect to the Reclaimed Water Line equal to their prorata share of the hydraulic capacity) before signing off on our DEP Potable Water and Sanitary Sewer Permit Applications. At that time, our preliminary estimate of the Reclaimed Water Line cost without the benefit of engineered drawings was approx. \$60,000 We now have engineered drawings and Aloha is requiring us to put up a \$300,000 bond, letter of credit or cash deposit to guarantee completion of the reclaimed water line which is their estimated cost of the Reclaimed Water Line, not including any cost estimate to secure easements. One of the 5 properties that would connect to the Reclaimed Water Line would use 73.5% of the hydraulic capacity. It is farmland and will not be developed by May 2011 and Aloha refuses to extend the 5-year period to allow a reasonable period of time in which to recover the cost of the Reclaimed Water Line.**

On March 5, 2007 we applied for a water meter, paid the fees and deposit. Aloha has told us that we will not get water until we provide the \$300,000 bond, letter of credit or cash deposit to guarantee completion of the Reclaimed Water Line. Our project (a restaurant and two medical office buildings) is complete and all Pasco County inspections are complete except for Aloha's approval for water.

We ask the PSC to investigate this matter and confirm whether or not Aloha (i) has the power to force us to do this Reclaimed Water Line at our cost with almost no chance of recovering the cost above what our reasonable connection cost is and (ii) withhold giving us water so that our project may open.

Assuming that the cost of the Reclaimed Water Line is \$300,000 and a Reclaimed Water Line connection was at our Property, our connection fee would be  $4.91\% \times \$300,000 = \$14,730$ . Yet we are being forced to put up \$300,000 with almost no chance of recovering

We would appreciate your review of this matter and prompt response. If you have any questions or need anything else

### Contact and Submission Information

Please enter your contact information (\* will be required for Submission)

*First Name	Warren	*Last Name	Dunphy
*Telephone	(727) 457-5496	Email	gatorrealm@verizon.net
*Home Address	3523 Little Road		
*City	Trinity	*Florida Zip Code	34655

Please enter information about the address serviced  Same as Above

*Service Account Name	Realm Management LLC		
Service Account Number			
*Address	3523 Little Road		
*City	Trinity	*State	FL
		*Zip	34655

### Complaint Details

Aloha is requiring Realm to design, engineer, install and secure easements for an off-site reclaimed water line from the current connection point over 2,000 linear feet away to our propertyline. That Reclaimed Water Line would only serve our property and 4 other properties to the north. The Reclaimed Water Line has a hydraulic design capacity of 47,075 gallons per day. Our property's hydraulic share is only 4.91%. Aloha required us to enter into in May 2006 a Developer Agreement and Refundable Advance Agreement (under which

Have you contacted the PSC previously about this complaint?

Yes  No

### Submission Options

Submit this complaint to the Florida Public Service Commission

**REALM MANAGEMENT, LLC**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 12, 2007

**MEMORANDUM**

**Via Facsimile (850) 413-6935**

**Five (5) Pages**

**TO:** Troy Rendell  
Public Service Commission

**FROM:** Warren <sup>WD</sup>Dunphy

**RE:** Aloha Utilities, Inc.  
Reclaimed Water Line Issue  
3523 Little Road (Trinity, Pasco County, Florida)

-----  
I am sending you a copy of recent e-mails with Aloha's attorney regarding the conditions that they will require in the Letter of Credit. As you can see, there really isn't any negotiation with them. Their "realistic approach" is do what Aloha dictates or else. They won't even acknowledge that getting the required permits and building this reclaimed water line by September 1, 2007 is unrealistic.

I really have no time left to try and get some reasonable conditions in the Letter of Credit and will be forced to accept their language in order to get them to initiate water and sewer service so that my project may open as soon as possible. I do not have the financial wherewithal to hold out any longer. I anticipate providing the Letter of Credit to them this week. That is the last item that John Jenkins set out in his letter dated April 12, 2007 (\*a copy of which is attached) as a condition of Aloha initiating service. I still have no idea, however, that even if we have met all of their conditions that Aloha will approve and initiate water and sewer service to my project immediately.

Kindly let me know when the PSC will be meeting to discuss this matter and whether or not I may attend such meeting. Thank you again for all your cooperation in processing our complaint.

**Lee Allen**

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**From:** "John Jenkins" <jjenkins@rsbattorneys.com>  
**To:** "Lee Allen" <gatorrealm@verizon.net>  
**Sent:** Monday, April 23, 2007 6:10 PM  
**Subject:** RE: Aloha Utilities, Inc.; RJ Gators

I am sure Aloha would agree that it would only take down funds necessary to complete construction of this project

Having said that, it is not incumbent on Aloha to obtain a PSC Order as to Realm's obligation to honor the contract it has already breached, obtain a PSC Order that the easement or right-of-way cost Realm may now have to incur is not "cost-prohibitive", hire a contractor, obtain construction cost estimates, prove Realm is not diligently prosecuting construction of a project it will have failed to timely construct for the second time, all to try to convince a bank to honor a draw on a letter of credit for a project which Realm, for its part, has failed to finance, design, permit, or construct, and frankly has failed to demonstrate any real plan to do so in the future. No, the conditions in your 4/19 memo are not acceptable.

If this is going to move forward a more realistic approach is going to be necessary.

---

**From:** Lee Allen [mailto:gatorrealm@verizon.net]  
**Sent:** Monday, April 23, 2007 5:07 PM  
**To:** John Jenkins  
**Subject:** Re: Aloha Utilities, Inc.; RJ Gators

John,  
If our bank will accept the conditions set forth in my 4/19/2007 memo, are they acceptable? They do set forth clear conditions and written documents that can be secured and provided by Aloha.

While you may be correct in your statement that if some action of the PSC prohibits Aloha from requiring Realm to construct the reclaimed water line that Aloha could not draw on the letter of credit and it would expire by its terms, however Realm would have \$300,000 tied up for the 1-year period that the letter of credit is in force. Your proposed language also does not include any provision for limiting the amount that Aloha draws against the letter of credit to the amount necessary to complete the construction of the reclaimed water line and a requirement to provide written documentation evidencing such amount.

Finally, there is nothing in the Refundable Advance Agreement or your suggested language for the Letter of Credit that (i) obligates Aloha to use the funds to complete construction of the reclaimed water line and (ii) the September 1, 2007 date for Realm to complete the construction is impossible. We don't even have Aloha's approval of the proposed reclaimed water line route. Aloha's own engineer is still verifying whether or not the proposed reclaimed water line route along SR 54 is even feasible and if not where the line may go and whether or not it will require securing easements from Wal-Mart.

These are not unreasonable considerations and should be included to provide clear guidelines for each party and the bank providing the letter of credit. Please review with Aloha and let me know as soon as possible what is acceptable.

Lee Allen  
Attorney At Law

4/24/2007

----- Original Message -----

**From:** John Jenkins

**To:** Lee Allen

**Cc:** Pam Yacobelli ; Stephen G. Watford ; F. Marshall Deterding

**Sent:** Monday, April 23, 2007 3:17 PM

**Subject:** Aloha Utilities, Inc.; RJ Gators

Lee, I have reviewed your recent memo and do not believe the conditions identified for the Letter of Credit will be acceptable to any bank. I have never seen an L/C with anything but the clearest of conditions for verification of payee, authentication provisions, delivery of a previously identified document, or deadlines for draws. Further, if some action of the PSC prohibits a draw by Aloha, the Company will be unable to call on the Letter and it will expire by its own terms. My suggested language would be something like the following:

“Drafts up to the stated amount of this Letter of Credit will be honored when accompanied by a sworn statement of the President of Aloha Utilities, Inc. that, as of September 1, 2007, Realm Management, LLC has failed to completion construction, and convey to Aloha Utilities, Inc., a reclaimed water line as referenced in that certain Refundable Advance Agreement dated May 23, 2006 between Aloha Utilities, Inc. and Realm Management, LLC.”

Aloha would then be in a position to draw funds to complete construction of the line if not done so by the Realm.

John R. Jenkins, Esq.

Rose, Sundstrom, & Bentley, LLP

2548 Blairstone Pines Drive

Tallahassee, Florida 32301

(850) 877-6555 - Telephone

(850) 656-4029 - Facsimile

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Thank you.

LAW OFFICES

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VALERIE L. LORD  
BRIAN J. STREET

ROBERT M. C. ROSE, (1924-2006)

April 12, 2007

Leroy R. Allen, Esq.  
5721 Richey Drive  
Port Richey, Florida 34668

Re: Aloha Utilities, Inc.;  
Refundable Advance Agreement  
Our File No.: 26038.18

Dear Mr. Allen:

Pursuant to your recent request, the following items must be completed prior to initiation of service to the Realm Management LLC project:

1. The gravity sewer manholes must be opened while an Aloha Inspector is on site to check to for infiltration;
2. The force main must be properly reconnected;
3. The 2" water taps must be uncovered to ensure they are disconnected from the 2" RPZ's;
4. All water valves must be raised to finish grade and set to Aloha specifications (there are no concrete pads around them);
5. The poly tubing must be replaced from the service tap to the RPZ's with PVC schedule 80 pipe.
6. Upon completion of the water system items, a complete on-site water inspection must be undertaken to ensure all possible cross-connections are alleviated and bacteriological testing will be necessary to meet DEP permit requirements.

Pursuant to section 13 of the Refundable Advance Agreement dated May 23, 2006, Realm Management, LLC may post a bond, irrevocable letter of credit or deposit cash with the Utility in the amount of \$300,000 to secure construction of the Reclaimed Water Line. The security requirement is based on the following cost estimate:

Engineering Plans and Spec	\$25,000
Construction Management	\$10,000


Leroy R. Allen, Esq.  
 April 12, 2007  
 Page 2 of 2

Surveying	\$3,000
Permitting (DOT, Co. Rd., Wetland)	\$15,000
As-Builts	\$1,000
6" PVC C900 & HDPE Installed	\$178,000
Performance Bond	\$8,000
Misc. & Contingencies (25%)	\$37,200
	-----
	\$277,200
450 +/- 10' Wide Easement (along North R/W SR 54)	Unknown
Financial Security	\$300,000

The Company may incur additional administrative costs which it may seek to recover if this refundable advance dispute continues. In the meantime, the Company is awaiting a form of bond, letter of credit or other security to confirm it adequately secures performance under the Refundable Advance Agreement.

The Company is researching your inquiry regarding other reclaimed water customers and will follow up with that information under separate cover. In the meantime, should you have any questions please feel free to call.

Sincerely,

  
 John R. Jenkins  
 For the Firm

JRJ/kem

cc: Mr. Warren W. Dunphy  
 Mr. Stephen G. Watford  
 Ms. Pamela Yacobelli



**REALM MANAGEMENT, LLC**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 12, 2007

**MEMORANDUM**

**Via Facsimile (850) 413-6935**

**Nine (9) Pages**

**TO:** Troy Rendell  
Public Service Commission

**FROM:** <sup>WD</sup> Warren Dunphy

**RE:** Aloha Utilities, Inc.  
Reclaimed Water Line Issue  
3523 Little Road (Trinity, Pasco County, Florida)

---

Per our discussion, I am sending you a copy of the "Refundable Advance Agreement" between Aloha and Realm Management, LLC. Their engineer provided the hydraulic line capacity figure for the 6" Reclaimed Water Line (47,075 gallons per day) and provided the attached Reclaimed Water System Schedule which is attached to the Agreement. It shows our Percentage of Total Usage of the hydraulic line capacity at 4.91%.

We would appreciate your review of this matter and prompt response. If you have any questions or need anything else

## REFUNDABLE ADVANCE AGREEMENT

THIS AGREEMENT is made and entered into this 23<sup>rd</sup> day of <sup>May</sup> April, 2006, by and between **REALM MANAGEMENT, LLC**, a Florida limited liability company, hereinafter "DEVELOPER," and the **ALOHA UTILITIES, INC.**, a Florida corporation, hereinafter "ALOHA."

**WHEREAS**, DEVELOPER is desirous of extending ALOHA's water, sewer and reclaim systems in the manner described in **Exhibit "A,"** which is incorporated herein by reference (the "Project"); and,

**WHEREAS**, DEVELOPER has obtained a proposal for the Project from an independent contractor, identifying the cost of the Project (including contractor's fees) which is attached hereto as **Exhibit "B,"** and incorporated herein by reference; and,

**WHEREAS**, ALOHA is desirous of having its water, sewer and reclaim systems extended through construction of the Project, in order to serve the property identified in **Exhibit "C,"** and incorporated herein by reference.

**NOW, THEREFORE**, in consideration of the payment of \$10, and mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER and ALOHA agree as follows:

1. DEVELOPER shall pay all costs associated with the Project including, but not limited to, engineering, construction, legal, permitting, inspection and administration. Such costs shall include any reasonably and prudently incurred by Aloha as a result of the Project.
2. ALOHA may provide periodic inspection of such construction for compliance with approved plans and specifications, although it has no obligation to do so.
3. The parties agree that the hydraulic design capacity of the Project is 47,075 gallons per day ("Project Capacity") as shown on the attached Reclaimed Water System Schedule dated 2/15/2006.
4. DEVELOPER shall convey ownership of all facilities comprising the Project without encumbrances to ALOHA after completion of construction in full accordance with approved plans, specifications and permit conditions by bill of sale, easement, and other necessary documentation in a form reasonably acceptable to ALOHA, with accompanying cost records. Upon receipt of the cost information, ALOHA shall establish the Project cost for purposes of this Agreement, which shall include all costs and expenses incurred by the Developer which may be capitalized as project costs for regulatory accounting purposes ("Project Cost").
5. DEVELOPER shall provide as-built plans and specifications certified by a professional engineer registered in the State of Florida prior to acceptance by ALOHA.
6. DEVELOPER shall hold ALOHA harmless of any and all liability related to the construction, operation or maintenance of the Project incurred or occurring prior to acceptance by ALOHA, except to the extent such liability arises out of the gross negligence or willful misconduct of ALOHA.

7. ALOHA shall collect a refundable advance fee from each new customer or developer that proposes to connect directly to the Project which shall reflect the new customers pro rata share of the cost of the Project according to the hydraulic design capacity of the proposed user's demand on the Project. The refundable advance fee shall be determined by dividing the design hydraulic capacity demand of the new user by the Project Capacity, and multiplying the result by the Project Cost. ALOHA may deduct a one percent administration fee from the refundable advance fee prior to payment to DEVELOPER. The refundable advance fee shall be paid to DEVELOPER within 30 days of collection by ALOHA.

8. Hydraulic calculations shall be prepared by the DEVELOPER'S professional engineer for approval by ALOHA which approval shall not be unreasonably withheld. Design hydraulic capacity and demand calculations shall consistently utilize "peak hour" rates.

9. ALOHA shall make a refundable advance to the DEVELOPER of the amount of the fee collected from each customer or developer who directly utilizes the line extension referenced herein. Such refundable advance shall be paid prior to any customer or developer utilizing such line extensions.

10. It is specifically agreed and understood that ALOHA'S obligation hereunder shall cease five (5) years from the date of the execution hereof. Any payments made by third parties to ALOHA, its successors and assigns, subsequent to the fifth anniversary hereof shall not be subject to refundable advance treatment. Additionally, ALOHA'S obligation hereunder shall be that of a transfer agent, and ALOHA shall not, under any circumstances, have any obligation to make refunds to DEVELOPER in excess of those amounts actually collected by ALOHA from the utilization of the facilities described in Exhibit "A" by third parties.

11. This Agreement shall be governed by the laws of the State of Florida. In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses of such litigation, including reasonable attorney's fees, including appeals.

12. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

13. DEVELOPER agrees to complete construction, at its expenses, of that portion of the Project consisting of a 6" reclaimed water line extending from Aloha's existing 24" line on the south side of State Road 54 to the Property ("Reclaimed Water Line") within 120 days following Aloha's approval of the construction plans (the "Construction Deadline"). Developer shall deliver the construction plans to Aloha within sixty (60) days of the date of this Agreement, and Aloha's approval of the plans shall not be unreasonably withheld, delayed or conditioned. If Developer fails to complete construction of the Reclaimed Water Line by the Construction Deadline, Developer agrees that Aloha shall have the right to discontinue water and wastewater service to the Property until construction is completed and the Reclaimed Water Line is accepted by Aloha. The Construction Deadline may be extended due to delays beyond the control of Developer, provided Developer is diligently prosecuting completion of construction. Should any such be occasioned by Developer's inability to secure an easement or right of way approval for the Reclaimed Water Line, such delay shall not extend the Construction Deadline by more than

ninety (90) days. Aloha shall provide ten days written notice to Developer prior to discontinuing service. In order to avoid a discontinuation of service, or to reconnect service, Developer may post a bond, irrevocable standby letter of credit or deposit cash with Aloha in an amount equal to the cost of completion of construction of the Reclaimed Water Line and all appurtenant costs. In that event, Aloha shall continue or resume service to the Property pending completion of the Reclaimed Water Line.

14. Aloha agrees that it will not deny, withhold or delay any approvals needed from Aloha for the issuance of a Certificate of Occupancy by Pasco County for the R.J. Gator's restaurant on the Property as a result of Developer's failure to construct the Reclaimed Water Line prior to the date of this Agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals this 23<sup>rd</sup> day of May 2006.

WITNESSES:

ALOHA UTILITIES, INC.

Marion G. Vinyard

By: [Signature]  
Stephen Watford, President

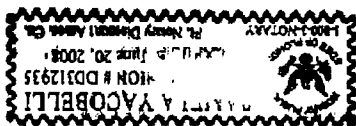
Print Name: MARTIN G. VINYARD

Jennifer Wilkowski

Print Name: Jennifer Wilkowski

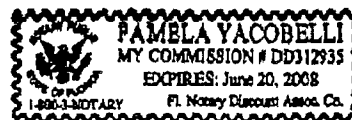
STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 23 day of May, 2006 by Stephen Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, who is personally known to me, on behalf of said Corporation.



Pamela Yacobelli  
Notary Public

My Commission Expires: 6-20-08



WITNESSES:

Leroy R. Allen  
Print Name: LEROY R. ALLEN

Pamela Daly  
Print Name: Pamela Daly

REALM MANAGEMENT, LLC

By: Warren Dunphy  
Warren Dunphy  
As its Managing Member

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 26<sup>TH</sup> day of APRIL, 2006, by Warren Dunphy of the Managing Member of REALM MANAGEMENT, LLC, a FLORIDA Corporation, ~~who is personally known to me~~ or produced \_\_\_\_\_ as identification, on behalf of said corporation.

Leroy R. Allen  
Notary Public

My Commission Expires: \_\_\_\_\_  
 **Leroy R. Allen**  
Commission # DD512532  
Expires February 10, 2010  
Florida Notary Public - Insurance, Inc. 800-345-7018

**EXHIBIT A  
EXTENSION OF RECLAIMED WATER LINE**

**Connect with Aloha's existing 24-inch main on the south side of SR 54 utilizing the existing 12-inch casing installed under SR 54 which presently serves the Wal-Mart parcel. Developer to install a new 6-inch reuse main in that casing which replaces the existing 4-inch reuse line serving Wal-Mart. This new 6-inch reuse main would then be constructed within the right of way of SR 54 and right of way of Little Road to the Property.**

W1

**EXHIBIT B  
REUSE WATER LINE PROJECT COST**

(\*Developer shall obtain a proposal for the costs from an independent contractor and such proposal shall be attached hereto)

**EXHIBIT C**  
**LEGAL DESCRIPTION OF PROPERTY**  
**GATOR CROSSING AT TRINITY COMMERCIAL CONDOMINIUM**

That certain condominium parcel recorded in Condominium Plat Book 06, Page 103 of the Public Records of Pasco County, Florida.



**ALOHA UTILITIES, INC.**  
**Recycled Water System**

North Little Road Reuse Customers - Revised 02/15/06

Customer No.	Development or Owner Name	Tract Size Sq. Ft.	Percent Irrigable	Irrigated Area Sq. Ft.	Irrigation Multiplier	Annual Est. ADF GPD	Percentage of Total Usage	
1	R.J. Gators*	95,832	26.8	25,633	0.090	2,311	4.91	
2	Manos 15.0 AC parcel (Est 80% Developable)	522,720	25.0	130,680	0.090	11,761	24.98	
3	Manos 18.5 AC Parcel	805,860	25.0	201,465	0.090	18,132	38.52	
3	Chang Medical Center	60,984	25.0	15,246	0.090	1,372	2.91	
3	Trinity Springs Medical Center	143,748	25.0	35,937	0.090	3,234	6.87	
4	Seven Springs Medical Park	Lot 1	24,843	20.0	4,969	0.090	447	0.95
		Lot 2	25,447	20.0	5,089	0.090	458	0.97
		Lot 3	17,944	20.0	3,589	0.090	323	0.69
		Lot 4	82,009	20.0	16,402	0.090	1,476	3.14
		Lot 5	24,161	20.0	4,832	0.090	435	0.92
		Lot 6	24,760	20.0	4,952	0.090	446	0.95
		Lot 7	21,042	20.0	4,208	0.090	379	0.80
	Common Area	70,000	100.0	70,000	0.090	6,300	13.38	
	<b>Total</b>	<b>1,919,350</b>		<b>523,052</b>		<b>47,075</b>	<b>100</b>	

\*Irrigation quantity supplied by Developer Engineer based on two waterings/week of 0.5 inches.

REALM MANAGEMENT, LLC  
5721 Richey Drive  
Port Richey, FL 34668  
(727) 847-0771 Fax (727) 847-0909

April 12, 2007

**MEMORANDUM**

Via Facsimile (850) 413-6935

Three (3) Pages

TO: Troy Rendell  
Public Service Commission

FROM: <sup>wd</sup> Warren Dunphy

RE: Aloha Utilities, Inc.  
Reclaimed Water Line Issue  
3523 Little Road (Trinity, Pasco County, Florida)

-----  
I am faxing you a copy of correspondence received from the attorney for Aloha. It is a response to our request for a complete list of all items which are necessary before water/sewer service may be initiated. Several of these items have already been addressed with Aloha's engineer and we have instructed our site contractor to coordinate with Aloha and make sure that all of them are completed immediately.

We also requested an itemized breakdown of the \$300,000 amount that Aloha is requiring from us to secure construction of the Reclaimed Water Line. You will note that they have left a blank for the requirement of a 450 foot long 10' wide easement along the north right-of-way of State Road 54 which would be on property owned by Wal-Mart. In effect, they expect us to secure an easement from Wal-Mart no matter what the cost. In addition, they are reserving the right to add any additional administrative costs that they may incur as a result of this refundable advance agreement.

Finally, we requested written confirmation from them showing which of the 4 other properties are now obligated to connect to the reclaimed water line. I will forward a copy of their response as soon as I receive it.

Thank you again for your assistance on this matter. If you have any questions or need anything else, just let me know.

## LAW OFFICES

**ROSE, SUNDBSTROM & BENTLEY, LLP**2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
DAVID F. CHESTER  
F. MARSHALL DETERDING  
JOHN R. JENKINS, P.A.  
STEVEN T. MINDLIN, P.A.  
CHASTITY H. O'STEEN  
DAREN L. SHIFFT  
WILLIAM E. SUNDBSTROM, P.A.  
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www.rsballoorneys.comCENTRAL FLORIDA OFFICE  
SANLANDO CENTER  
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SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6331  
FAX (407) 830-8522MARTIN S. FRIEDMAN, P.A.  
VALEKIE L. LORD  
BRIAN J. STREET

ROBERT M. C. ROSE, (1924-2006)

April 12, 2007

Leroy R. Allen, Esq.  
5721 Richey Drive  
Port Richey, Florida 34668Re: Aloha Utilities, Inc.;  
Refundable Advance Agreement  
Our File No.: 26038.18

Dear Mr. Allen:

Pursuant to your recent request, the following items must be completed prior to initiation of service to the Realm Management LLC project:

1. The gravity sewer manholes must be opened while an Aloha Inspector is on site to check to for infiltration;
2. The force main must be properly reconnected;
3. The 2" water taps must be uncovered to ensure they are disconnected from the 2" RPZ's;
4. All water valves must be raised to finish grade and set to Aloha specifications (there are no concrete pads around them);
5. The poly tubing must be replaced from the service tap to the RPZ's with PVC schedule 80 pipe.
6. Upon completion of the water system items, a complete on-site water inspection must be undertaken to ensure all possible cross-connections are alleviated and bacteriological testing will be necessary to meet DEP permit requirements.

Pursuant to section 13 of the Refundable Advance Agreement dated May 23, 2006, Realm Management, LLC may post a bond, irrevocable letter of credit or deposit cash with the Utility in the amount of \$300,000 to secure construction of the Reclaimed Water Line. The security requirement is based on the following cost estimate:

Engineering Plans and Spec	\$25,000
Construction Management	\$10,000

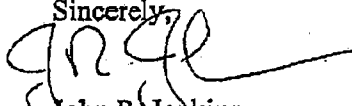
Leroy R. Allen, Esq.  
April 12, 2007  
Page 2 of 2

Surveying	\$3,000
Permitting (DOT, Co. Rd., Wetland)	\$15,000
As-Builts	\$1,000
6" PVC C900 & HDPE Installed	\$178,000
Performance Bond	\$8,000
Misc. & Contingencies (25%)	\$37,200
	-----
	\$277,200
450 +/- 10' Wide Easement (along North R/W SR 54)	Unknown
Financial Security	\$300,000

The Company may incur additional administrative costs which it may seek to recover if this refundable advance dispute continues. In the meantime, the Company is awaiting a form of bond, letter of credit or other security to confirm it adequately secures performance under the Refundable Advance Agreement.

The Company is researching your inquiry regarding other reclaimed water customers and will follow up with that information under separate cover. In the meantime, should you have any questions please feel free to call.

Sincerely,



John R. Jenkins  
For the Firm

JRJ/kem

cc: Mr. Warren W. Dunphy  
Mr. Stephen G. Waiford  
Ms. Pamela Yacobelli

REALM MANAGEMENT, LLC  
5721 Richey Drive  
Port Richey, FL 34668  
(727) 847-0771 Fax (727) 847-0909

April 13, 2007

Via US Express Mail #EB088442155 US

Troy Rendell  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

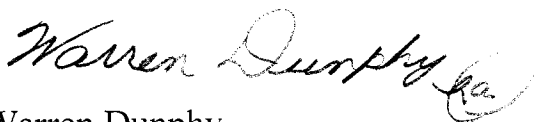
RE: Aloha Utilities, Inc.  
Reclaimed Water Line Issue  
3523 Little Road (Trinity, Pasco County, Florida)

-----  
I am sending you (i) an aerial photo of the area showing the path of the proposed Reclaimed Water Line that Aloha wants us to install; (ii) an aerial photo of the Gators site, a 95,832 square foot tract; and (iii) copies of various correspondence between Aloha and Realm Management, LLC. regarding this matter.

I want to confirm again for you that the Gators site is a 95,832 square foot project which contains a restaurant and two medical office buildings. It is set up as a land condominium with the restaurant owning its pad, and separate doctors owning their respective pads with the rest of the parcel constituting common areas governed by a master declaration under which each of the three owners shares the costs for maintaining the common areas including reclaimed water for irrigating the landscaping. You will be able to see from the aerial photo of the Gators site that landscaping is minimal.

After you have reviewed these materials, let me know if you have any questions or need anything else. Thank you again for your help on this matter.

Yours truly,  
REALM MANAGEMENT, LLC



Warren Dunphy  
Manager

07 APR 16 PM 3:28  
ECONOMIC REGULATION  
PUBLIC SERVICE  
COMMISSION





LOCATION OF PASEO SOLAR RECLAIMED WATER CONNECTION

LITTLE ROAD

SR 54

LOCATION OF ALPHA UTILITIES RECLAIMED WATER LINE CONNECTION



**Lee Allen**

---

**From:** "Lee Allen" <gatorrealm@verizon.net>  
**To:** "John Jenkins" <jjenkins@rsbattorneys.com>  
**Cc:** "Pam Yacobelli" <pam@aii.com>; <steve@AUI.com>  
**Sent:** Tuesday, April 10, 2007 4:26 PM  
**Subject:** Re: Aloha Utilities, Inc.; RJ Gators

Mr. Jenkins,

I appreciate your confirming the amount that Aloha will require to secure construction of the Reclaimed Water Line. Can you have Aloha provide us with an itemized breakdown of how that number was arrived at. We had provided to Aloha a proposal from Marolf Environmental dated 3/23/2007 to build the Reclaimed Water Line for \$177,450.

We also request that Aloha provide us with a written list specifying any other requirements for service that have not been met as of today.

Finally, can you have Aloha provide us a letter confirming that they have written agreements with Chang Medical Center, Trinity Springs Medical Center and Seven Springs Medical Park which obligates them to connect to the Reclaimed Water Line we are obligated to construct when it is constructed and to pay their prorata share as set forth in the Exhibit attached to the Refundable Advance Agreement dated May 23, 2006.

Your cooperation in getting Aloha to provide the requested information as soon as possible is greatly appreciated.

Lee Allen  
 Attorney At Law

----- Original Message -----

**From:** John Jenkins  
**To:** gatorrealm@verizon.net  
**Cc:** Pam Yacobelli ; Stephen G. Watford  
**Sent:** Tuesday, April 10, 2007 1:51 PM  
**Subject:** Aloha Utilities, Inc.; RJ Gators

Pursuant to section 13 of the Refundable Advance Agreement dated May 23, 2006, Realm Management, LLC may post a bond, irrevocable letter of credit or deposit cash with the Utility in the amount of \$300,000 to secure construction of the Reclaimed Water Line. The Company's acceptance of this security does not waive any other rights it may have under the Agreement, provided that, posting this security meets the requirement with regard to the Reclaimed Water Line such that service may be initiated to the project, provided all other requirements for service have been met.

I understood Realm Management, LLC was to have provided me with a form of a performance bond for review last week. Neither the Utility nor I have received that document.

John R. Jenkins, Esq.  
 Rose, Sundstrom, & Bentley, LLP  
 2548 Blainstone Pines Drive  
 Tallahassee, Florida 32301  
 (850) 877-6555 – Telephone  
 (850) 656-4029 - Facsimile



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Thank you.

**Lee Allen**

---

**From:** "John Jenkins" <jjenkins@rsbattorneys.com>  
**To:** <gatorrealm@verizon.net>  
**Cc:** "Pam Yacobelli" <pam@au1.com>; "Stephen G. Watford" <stevew@AU1.com>  
**Sent:** Friday, April 06, 2007 2:54 PM  
**Attach:** Aloha Ref Adv.pdf  
**Subject:** Aloha Utilities, Inc.; RJ Gators

Lee, attached please find the Refundable Advance Policy you requested.

The bond requirement for the work, if performed in the right-of-way, appears to be around \$200,000. This is consistent with your Marolf estimate plus certain other items which it did not include such as permitting and bonding.

However, notwithstanding your recent email, the drawing provided by your client's engineer shows a portion of the line outside the right-of-way. I understand there is also a retaining wall to be dealt with. The Utility has directed its engineers to visit the site and help sort this out, but I suggest you contact your client's engineer and do the same. If an easement is required, some estimate of cost must be made for that item.

John R. Jenkins, Esq.  
Rose, Sundstrom, & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850) 877-6555 - Telephone  
(850) 656-4029 - Facsimile

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Thank you.

The developer shall notify the utility of any proposed interconnection with the facilities of the utility and connection may be made without the presence of the utility inspector. However, such connection shall remain open until inspection by the utility and until notice of the approval of such connection is furnished to the developer in accordance with the practices and procedures of the utility. Any connection covered without the benefit of inspection will result in subsequent inspection. If the utility fails to inspect the connection within 48 hours after written notice that the same is ready to inspect, the connection shall be deemed approved by the utility. (25-10.J23, F.A.C.) In the event that the utility is unable to inspect the connection or the connection fails inspection, the utility will charge for re-inspection.

17.0 REFUNDABLE ADVANCES

Developer shall always be responsible for his "hydraulic share" of the cost of off-site facilities. However, occasions may arise when, for sound engineering reasons relating to Utility's master plan, it is necessary to serve a developer with facilities greater in size than the facilities related to the developer's pro rata share.

Therefore, the utility may require, in addition to the contributions set forth herein, a refundable advance by developer to temporarily defray the cost of any off-site extension of water and/or sewer mains, pumping stations, and other facilities necessary to connect the developer's property with the then proper point of interconnection with the utility's existing water and/or sewer facilities, in size needed to provide service to the subject property.

In the event that the utility requires the developer to advance to the utility additional main extension charges based upon the anticipated hydraulic load requirements of the undeveloped property in order that such facilities may be constructed to serve both the developer's property and the immediately surrounding area in accordance with the utility's master plan for service, charges paid by the developer over and above the developer's hydraulic share of the off-site facilities, shall be refunded to the developer in accordance with the terms and conditions of a refunding agreement which the utility will execute with the contributor. Notwithstanding the provisions of

President

this Section, the utility may limit the life of the refund agreement to a term of not longer than five (5) years, after which time the portion of the refund not made to the developer by the terms and conditions of the refund agreement will be cancelled. In no event shall a developer recover an amount greater than the difference between the capitalized cost of such improvements and the developer's own hydraulic share of such improvement. The utility will not include any interest upon the refund of the developer's advance. (25-10.121(20), F.A.C.)

#### 18.0 OPERATING EXPENSE DEPOSIT AND/OR GUARANTEED REVENUE

In the event that utility believes it necessary to insure its continued financial integrity, it shall guarantee revenue charge to the contributor for the purpose of paying for certain fixed charges relating to the water and sewer systems, including but not limited to debt service, taxes, depreciation and maintenance, an operating expense deposit or a guaranteed revenue.

In the alternative, at the option of the utility or not less than ten (10) days before the day on which developer's on-site systems are accepted by Utility, and on each anniversary thereof, until all plant capacity reserved for the developer is serving a consumer, developer shall pay to utility a sum of money which is equal to the minimum rate for water and sewer service for each equivalent residential connection to be served for a period of one (1) calendar year in advance. As consumers, as defined by Rule 2.0 of this Policy, are added to the system, the appropriate guaranteed revenue charge will be deducted from the amount paid by the developer and refunded by utility to the developer at the end of one year from the date of payment of the guaranteed revenue deposit.

If the developer shall fail or refuse to pay the money required by this paragraph, the agreement for reservation of plant capacity by the utility for the developer shall be void and no capacity reservation shall be reserved for such developer.

#### 19.0 ACTION BY GOVERNMENTAL AUTHORITY

Pursuant to requirements by appropriate governmental authority to limit or curtail utility services, such as irrigation, motoriums, the utility may restrict the use of utility service. Contributors and customers obtain reservation for service of service itself subject to notice of this limitation.

LEROY R. ALLEN  
Attorney At Law  
5721 Richey Drive  
Port Richey, FL 34668  
(727) 847-0771 Fax (727) 847-0909

FAXED  
4/5/2007


April 5, 2007

## MEMORANDUM

VIA FACSIMILE (850) 656-4029

Three (3) Pages

TO: John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
Aloha Utilities, Inc.

FROM:   
Lee Allen

RE: Your File No. 26038.18  
Alli-Gators Project  
3523 Little Road  
Trinity, Florida

---

Pursuant to our discussion today, my client Realm Management, LLC has been waiting for Aloha to advise us of the amount that they will require on the bond, irrevocable standby letter of credit or cash deposit for the reclaimed water line. When I called Aloha today, they advised me that all documentation had been sent to you and that you were determining the amount. I am sending you a copy of the 3/23/2007 proposal from Marolf Environmental, Inc. to construct the reclaimed water line.

I also want to bring up the issue again of having only 5 years under the Refundable Advance Agreement to recover part of the cost from any new customer or developer that connects to the reclaimed water line. We requested 10 years in our original negotiations because the largest user of the reclaimed water line (73.5%) is vacant land adjacent to the Alli-Gators Project which will not be developed within the next five years (\*attached is a list that Aloha provided us to attach to the Refundable Advance Agreement showing the number of customers and their percentage of total usage for the Reclaimed Water System) and that was refused. We want to again request that the 10-year period be granted so that we have some opportunity to recover the capital outlay for the reclaimed water line that we are being forced to make.

After your review of the proposal and discussion with Aloha, get back with me as soon as possible to get this matter wrapped up and some idea when Aloha will release our water meter so that the restaurant can open. Thank you for your prompt handling of this matter.

# MAROLF ENVIRONMENTAL, INC.

23-Mar-07

To: Gator Realm LLC

ATT: Lee Allen

Re: Alli Gators Reclaim

We are pleased to provide a quote on the above referenced project.

CLEARING GRUBBING & EARTHWORK.....	\$	-
DRAINAGE.....	\$	-
SANITARY.....	\$	-
RECLAIM WATER.....	\$	160,950.00
Includes HDPE Directional Bore, Remove 4" HDPE in 12" Casing, Install 6" PVC Reclaim Water Line, Casing Spacers & End Seals, Maintenance of Traffic, Sod replacement of disturbed areas, 2" Service to Gators & Pressure Test		
PAVING BASE & CURBS.....	\$	-
LANDSCAPING SOD & IRRIGATION.....	\$	-
LAYOUT & CERTIFIED AS BUILTS.....	\$	16,500.00
TOTAL BID PROPOSAL.....	\$	<u>177,450.00</u>

**We have specifically excluded the following:**

Tree Barricades	Dust Control	Meters	Sidewalk	Testing
Sidewalk/curb	Retaining Wall	Fence	Permits	Fees
Dumpster Pad w/Encl.	Landscaping	Irrigation	Car Stops	Bond
Pervious Parking	Root Pruning	Bollards	Meter Box	TV Sanitary
Concrete Paving	Grease Traps		HC Ramps	

**NOTES:**

1. This proposal is based on plans by Spring Eng C4.3 & C4.4
2. It is assumed that all on-site soil is of usable quality.
3. All connections to buildings are by others.
4. Marolf Environmental, Inc. will be provided a Coordinates Disk from the Engineer Via the Owner or Contractor in order for Marolf to provide the layout.
5. Above includes a Geo Tech Eng Budget of \$8,500.00

Sincerely,  
Marolf Environmental

Don Fraize Jr.

ALOHA UTILITIES, INC.  
Reclaimed Water System

North Little Road Reuse Customers - Revised 02/15/06

Customer No.	Development or Owner Name	Tract Size Sq. Ft.	Percent Irrigable	Irrigated Area Sq. Ft.	Irrigation Multiplier	Annual Est. ADF GPD	Percentage of Total Usage	
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3	Manos 18.5 AC Parcel	805,860	25.0	201,465	0.090	18,132	38.52	
3	Chang Medical Center	60,984	25.0	15,246	0.090	1,372	2.91	
3	Trinity Springs Medical Center	143,748	25.0	35,937	0.090	3,234	6.87	
4	Seven Springs Medical Park	Lot 1	24,843	20.0	4,969	0.090	447	0.95
		Lot 2	25,447	20.0	5,089	0.090	458	0.97
		Lot 3	17,944	20.0	3,589	0.090	323	0.69
		Lot 4	82,009	20.0	16,402	0.090	1,476	3.14
		Lot 5	24,161	20.0	4,832	0.090	435	0.92
		Lot 6	24,760	20.0	4,952	0.090	446	0.95
		Lot 7	21,042	20.0	4,208	0.090	379	0.80
	Common Area	70,000	100.0	70,000	0.090	6,300	13.38	
<b>Total</b>		<b>1,919,350</b>		<b>523,052</b>		<b>47,075</b>	<b>100</b>	

\*Irrigation quantity supplied by Developer Engineer based on two waterings/week of 0.5 inches.

12/15/06

TD: 12506564029

P. 9

**Lee Allen**

---

**From:** "Lee Allen" <gatorrealm@verizon.net>  
**To:** "Pam Yacobelli" <pam@aui.com>  
**Sent:** Wednesday, April 04, 2007 11:53 AM  
**Subject:** Alli-Gators Restaurant 3523 Little Road -- Reclaimed Water Line

Pam,

Both Warren and myself have called and left messages for you. We are still awaiting the information from you on what amount Aloha will require for a bond, letter or credit or cash deposit on the reclaimed water line. Kindly provide this information as soon as possible so that we know what is expected.

I also spoke with Jennifer Wilkowski this week about the possibility of using an alternative route for the reclaimed water line over the Spear Property and the Manos Property. Can Aloha give us any help with securing an easement over the Spear Property?

Finally, can you provide us a letter confirming that you have written agreements with Chang Medical Center, Trinity Springs Medical Center and Seven Springs Medical Park which obligates them to connect to the reclaimed water line we are obligated to construct and pay their prorata share as set forth in the Exhibit attached to the Refundable Advance Agreement dated May 23, 2006.

Thank you for your prompt handling of these requests.

Lee Allen



LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
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WILLIAM E. SUNDSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON

ROBERT M. C. ROSE, (1924-2006)

(850) 877-6555

FAX (850) 656-4029

www.rsbattoorneys.com

March 30, 2007

CENTRAL FLORIDA OFFICE

SANLANDO CENTER

2180 WEST STATE ROAD 434

SUITE 2118

LONGWOOD, FLORIDA 32779

(407) 830-6331

FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.

VALERIE L. LORD

BRIAN J. STREET

Mr. Warren W. Dunphy  
Realm Management, LLC  
5721 Richey Drive  
Port Richey, Florida 34668

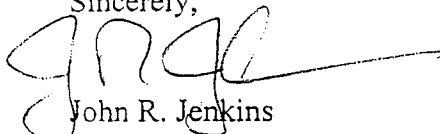
Re: Aloha Utilities, Inc.;  
Refundable Advance Agreement  
Our File No.: 26038.18

Dear Mr. Dunphy:

This firm represents Aloha Utilities, Inc. Attached please find a copy of the Refundable Advanced Agreement between Realm Management, LLC and Aloha Utilities, Inc. dated May 23, 2006. The terms of the Agreement require Realm to construct a 6" reclaimed water line at its expense and to convey the line to the Utility as a condition of service. Please make reference to the Agreement itself for the specific terms and conditions.

This letter is to advise you that Aloha deems Realm Management, LLC to be in breach of the Refundable Advance Agreement for failure to construct and convey the reclaimed water line as required in the Agreement. Aloha is considering its remedies, which may include a refusal to initiate service or a disconnection of service, as provided for in the Agreement. Please consider this letter your ten day written notice as required by the Agreement. Govern yourselves accordingly.

Sincerely,

  
John R. Jenkins  
For the Firm

JRJ/kem  
Enclosure

cc: Mr. Lee Allen (with enclosure)  
Mr. Stephen G. Watford (without enclosure)  
Ms. Pamela Yacobelli (without enclosure)

## REFUNDABLE ADVANCE AGREEMENT

THIS AGREEMENT is made and entered into this 23<sup>rd</sup> day of May, 2006, by and between **REALM MANAGEMENT, LLC**, a Florida limited liability company, hereinafter "DEVELOPER," and the **ALOHA UTILITIES, INC.**, a Florida corporation, hereinafter "ALOHA."

**WHEREAS**, DEVELOPER is desirous of extending ALOHA's water, sewer and reclaim systems in the manner described in **Exhibit "A,"** which is incorporated herein by reference (the "Project"); and,

**WHEREAS**, DEVELOPER has obtained a proposal for the Project from an independent contractor, identifying the cost of the Project (including contractor's fees) which is attached hereto as **Exhibit "B,"** and incorporated herein by reference; and,

**WHEREAS**, ALOHA is desirous of having its water, sewer and reclaim systems extended through construction of the Project, in order to serve the property identified in **Exhibit "C,"** and incorporated herein by reference.

**NOW, THEREFORE**, in consideration of the payment of \$10, and mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER and ALOHA agree as follows:

1. DEVELOPER shall pay all costs associated with the Project including, but not limited to, engineering, construction, legal, permitting, inspection and administration. Such costs shall include any reasonably and prudently incurred by Aloha as a result of the Project.
2. ALOHA may provide periodic inspection of such construction for compliance with approved plans and specifications, although it has no obligation to do so.
3. The parties agree that the hydraulic design capacity of the Project is 47,075 gallons per day ("Project Capacity") as shown on the attached Reclaimed Water System Schedule dated 2/15/2006.
4. DEVELOPER shall convey ownership of all facilities comprising the Project without encumbrances to ALOHA after completion of construction in full accordance with approved plans, specifications and permit conditions by bill of sale, easement, and other necessary documentation in a form reasonably acceptable to ALOHA, with accompanying cost records. Upon receipt of the cost information, ALOHA shall establish the Project cost for purposes of this Agreement, which shall include all costs and expenses incurred by the Developer which may be capitalized as project costs for regulatory accounting purposes ("Project Cost").
5. DEVELOPER shall provide as-built plans and specifications certified by a professional engineer registered in the State of Florida prior to acceptance by ALOHA.
6. DEVELOPER shall hold ALOHA harmless of any and all liability related to the construction, operation or maintenance of the Project incurred or occurring prior to acceptance by ALOHA, except to the extent such liability arises out of the gross negligence or willful misconduct of ALOHA.

7. ALOHA shall collect a refundable advance fee from each new customer or developer that proposes to connect directly to the Project which shall reflect the new customers pro rata share of the cost of the Project according to the hydraulic design capacity of the proposed user's demand on the Project. The refundable advance fee shall be determined by dividing the design hydraulic capacity demand of the new user by the Project Capacity, and multiplying the result by the Project Cost. ALOHA may deduct a one percent administration fee from the refundable advance fee prior to payment to DEVELOPER. The refundable advance fee shall be paid to DEVELOPER within 30 days of collection by ALOHA.

8. Hydraulic calculations shall be prepared by the DEVELOPER'S professional engineer for approval by ALOHA which approval shall not be unreasonably withheld. Design hydraulic capacity and demand calculations shall consistently utilize "peak hour" rates.

9. ALOHA shall make a refundable advance to the DEVELOPER of the amount of the fee collected from each customer or developer who directly utilizes the line extension referenced herein. Such refundable advance shall be paid prior to any customer or developer utilizing such line extensions.

10. It is specifically agreed and understood that ALOHA'S obligation hereunder shall cease five (5) years from the date of the execution hereof. Any payments made by third parties to ALOHA, its successors and assigns, subsequent to the fifth anniversary hereof shall not be subject to refundable advance treatment. Additionally, ALOHA'S obligation hereunder shall be that of a transfer agent, and ALOHA shall not, under any circumstances, have any obligation to make refunds to DEVELOPER in excess of those amounts actually collected by ALOHA from the utilization of the facilities described in Exhibit "A" by third parties.

11. This Agreement shall be governed by the laws of the State of Florida. In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses of such litigation, including reasonable attorney's fees, including appeals.

12. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

13. DEVELOPER agrees to complete construction, at its expenses, of that portion of the Project consisting of a 6" reclaimed water line extending from Aloha's existing 24" line on the south side of State Road 54 to the Property ("Reclaimed Water Line") within 120 days following Aloha's approval of the construction plans (the "Construction Deadline"). Developer shall deliver the construction plans to Aloha within sixty (60) days of the date of this Agreement, and Aloha's approval of the plans shall not be unreasonably withheld, delayed or conditioned. If Developer fails to complete construction of the Reclaimed Water Line by the Construction Deadline, Developer agrees that Aloha shall have the right to discontinue water and wastewater service to the Property until construction is completed and the Reclaimed Water Line is accepted by Aloha. The Construction Deadline may be extended due to delays beyond the control of Developer, provided Developer is diligently prosecuting completion of construction. Should any such be occasioned by Developer's inability to secure an easement or right of way approval for the Reclaimed Water Line, such delay shall not extend the Construction Deadline by more than

ninety (90) days. Aloha shall provide ten days written notice to Developer prior to discontinuing service. In order to avoid a discontinuation of service, or to reconnect service, Developer may post a bond, irrevocable standby letter of credit or deposit cash with Aloha in an amount equal to the cost of completion of construction of the Reclaimed Water Line and all appurtenant costs. In that event, Aloha shall continue or resume service to the Property pending completion of the Reclaimed Water Line.

14. Aloha agrees that it will not deny, withhold or delay any approvals needed from Aloha for the issuance of a Certificate of Occupancy by Pasco County for the R.J. Gator's restaurant on the Property as a result of Developer's failure to construct the Reclaimed Water Line prior to the date of this Agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals this 23<sup>rd</sup> day of May 2006.

WITNESSES:

ALOHA UTILITIES, INC.

Marion G. Vinyard

By: [Signature]  
Stephen Watford, President

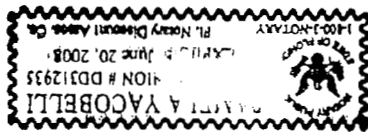
Print Name: MARTON G. VINYARD

Jennifer Wilkowski

Print Name: Jennifer Wilkowski

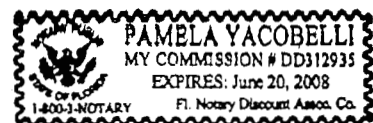
STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 23 day of May, 2006 by Stephen Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, who is personally known to me, on behalf of said Corporation.



Pamela Yacobelli  
Notary Public

My Commission Expires: 6-20-08



WITNESSES:

Leroy R. Allen

Print Name: LEROY R. ALLEN

Pamela Daly

Print Name: Pamela Daly

REALM MANAGEMENT, LLC

By: Warren Dunphy

Warren Dunphy  
As its Managing Member

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 26<sup>TH</sup> day of APRIL, 2006, by Warren Dunphy of the Managing Member of REALM MANAGEMENT, LLC, a FLORIDA Corporation, who is personally known to me or produced \_\_\_\_\_ as identification, on behalf of said corporation.

Leroy R. Allen  
Notary Public

My Commission Expires: \_\_\_\_\_



Leroy R. Allen  
Commission # DD512532  
Expires February 10, 2010  
Bonded Title Plan - Insurance, Inc. 800-385-7019

**EXHIBIT A  
EXTENSION OF RECLAIMED WATER LINE**

**Connect with Aloha's existing 24-inch main on the south side of SR 54 utilizing the existing 12-inch casing installed under SR 54 which presently serves the Wal-Mart parcel. Developer to install a new 6-inch reuse main in that casing which replaces the existing 4-inch reuse line serving Wal-Mart. This new 6-inch reuse main would then be constructed within the right of way of SR 54 and right of way of Little Road to the Property.**

**EXHIBIT B  
REUSE WATER LINE PROJECT COST**

(\*Developer shall obtain a proposal for the costs from an independent contractor and such proposal shall be attached hereto)

**EXHIBIT C**  
**LEGAL DESCRIPTION OF PROPERTY**  
**GATOR CROSSING AT TRINITY COMMERCIAL CONDOMINIUM**

That certain condominium parcel recorded in Condominium Plat Book 06, Page 103 of the Public Records of Pasco County, Florida.



**ALOHA UTILITIES, INC.**  
**Reclaimed Water System**

North Little Road Reuse Customers - Revised 02/15/06

Customer No.	Development or Owner Name	Tract Size Sq. Ft.	Percent Irrigable	Irrigated Area Sq. Ft.	Irrigation Multiplier	Annual Est. ADF GPD	Percentage of Total Usage	
1	R.J. Gators*	95,832	26.8	25,633	0.090	2,311	4.91	
2	Manos 15.0 AC parcel (Est 80% Developable)	522,720	25.0	130,630	0.090	11,761	24.98	
3	Manos 18.5 AC Parcel	805,860	25.0	201,465	0.090	18,132	38.52	
3	Chang Medical Center	60,984	25.0	15,246	0.090	1,372	2.91	
3	Trinity Springs Medical Center	143,748	25.0	35,937	0.090	3,234	6.87	
4	Seven Springs Medical Park	Lot 1	24,843	20.0	4,969	0.090	447	0.95
		Lot 2	25,447	20.0	5,089	0.090	458	0.97
		Lot 3	17,944	20.0	3,589	0.090	323	0.69
		Lot 4	82,009	20.0	16,402	0.090	1,476	3.14
		Lot 5	24,161	20.0	4,832	0.090	435	0.92
		Lot 6	24,760	20.0	4,952	0.090	446	0.95
		Lot 7	21,042	20.0	4,208	0.090	379	0.80
	Common Area	<u>70,000</u>	100.0	<u>70,000</u>	0.090	<u>6,300</u>	<u>13.38</u>	
<b>Total</b>		<b>1,919,350</b>		<b>523,052</b>		<b>47,075</b>	<b>100</b>	

\*Irrigation quantity supplied by Developer Engineer based on two waterings/week of 0.5 inches.

# MAROLF ENVIRONMENTAL, INC.

23-Mar-07

To: Gator Realm LLC

ATT: Lee Allen

Re: Alli Gators Reclaim

We are pleased to provide a quote on the above referenced project.

CLEARING GRUBBING & EARTHWORK.....	\$	-
DRAINAGE.....	\$	-
SANITARY.....	\$	-
RECLAIM WATER.....	\$	160,950.00
Includes HDPE Directional Bore, Remove 4" HDPE in 12" Casing, Install 6" PVC Reclaim Water Line, Casing Spacers & End Seals, Maintenance of Traffic, Sod replacement of disturbed areas, 2" Service to Gators & Pressure Test		
PAVING BASE & CURBS.....	\$	-
LANDSCAPING SOD & IRRIGATION .....	\$	-
LAYOUT & CERTIFIED AS BUILTS.....	\$	16,500.00
TOTAL BID PROPOSAL.....	\$	<u>177,450.00</u>

**We have specifically excluded the following:**

Tree Barricades	Dust Control	Meters	Sidewalk	Testing
Sidewalk/curb	Retaining Wall	Fence	Permits	Fees
Dumpster Pad w/Encl.	Landscaping	Irrigation	Car Stops	Bond
Pervious Parking	Root Pruning	Bollards	Meter Box	
Concrete Paving	Grease Traps		HC Ramps	TV Sanitary

**NOTES:**

1. This proposal is based on plans by Spring Eng C4.3 & C4.4
2. It is assumed that all on-site soil is of usable quality.
3. All connections to buildings are by others.
4. Marolf Environmental, Inc. will be provided a Coordinates Disk from the Engineer Via the Owner or Contractor in order for Marolf to provide the layout.
5. Above includes a Geo Tech Eng Budget of \$8,500.00

Sincerely,  
Marolf Environmental

Don Fraize Jr.

COMMISSIONERS:  
LISA POLAK EDGAR, CHAIRMAN  
MATTHEW M. CARTER II  
KATRINA J. MCMURRIAN

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

## Public Service Commission

April 13, 2007

Mr. Stephen Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**Re: Complaint filed by Warren Dunphy, on behalf of Realm Management, LLC**

Dear Mr. Watford:

As you know, we have received a complaint concerning Realm Management, LLC, filed by Warren Dunphy. In order to evaluate the complaint, staff requests the following information:

1. Provide all correspondences between Aloha Utilities, Inc. and Warren Dunphy concerning the water, wastewater, and/or reuse service which is subject to the Refundable Advance Agreement dated May 23, 2006.
2. Provide all correspondences between Rose, Sundstrom & Bentley, LLP and Warren Dunphy concerning the water, wastewater, and/or reuse service which is subject to the Refundable Advance Agreement dated May 23, 2006.
3. Provide all correspondences between Aloha Utilities, Inc. and Leroy Allen concerning the water, wastewater, and/or reuse service which is subject to the Refundable Advance Agreement dated May 23, 2006.
4. Provide all correspondences between Rose, Sundstrom & Bentley, LLP and Leroy Allen concerning the water, wastewater, and/or reuse service which is subject to the Refundable Advance Agreement dated May 23, 2006.
5. According to the Refundable Advance Agreement dated May 23, 2006, the parties agreed the hydraulic design capacity of the project is 47,075 gallons per day, which is shown on the Reclaimed Water System Schedule. Please identify which "Development or Owner Name" contained on this schedule directly relates to this agreement with Realm Management, LLC.

6. Realm Management alleges in its complaint their percentage of total usage of the hydraulic capacity is 4.91%, which is attributed to the "Gator" restaurant. Please explain and/or respond to this allegation.
7. Was the water and/or wastewater service disconnected during the week of April 9 – 13, 2007? If so, please explain why.
8. Realm Management alleges in its complaint they are being required to replace a 4 inch reuse line currently serving Wal-Mart with a 6 inch reuse line. Is this correct?
9. If so, will the Wal-Mart be serviced with reuse through this new line?
10. If so, why should Realm Management be responsible for replacing a larger line to serve an existing customer?
11. Will this new reuse line extension be used to provide service to future development in addition to those listed on the Reclaimed Water System Schedule?
12. If so, would a portion of these costs be recovered through future connection charges and refunded back to Realm Management?
13. If not, how will future reuse customers located beyond those listed on the Reclaimed Water System Schedule be served?
14. Could the potential customers listed on the Reclaimed Water System Schedule be served reuse through a 4 inch line?
15. What are the expected annual reuse revenues from each of the potential customers? Provide this information for each specific development listed on the Reclaimed Water System Schedule.
16. According to the breakdown dated April 12, 2007 from Mr. John Jenkins, there is an "unknown" cost to obtain an easement. Who is responsible for obtaining this easement?
17. Who will the easement be obtained from?
18. If Realm Management is either unable to obtain the necessary easements, or these easements are cost-prohibitive, will Aloha Utilities allow these developments to be served by potable water for irrigation?
19. Who is responsible for obtaining the necessary permits, engineering plans, as built, and installing the reuse lines?
20. Are any developments listed on the Reclaimed Water System Schedule currently customers of Aloha Utilities?
21. If so, are they using potable water for irrigation purposes?

Mr. Stephen Watford, President

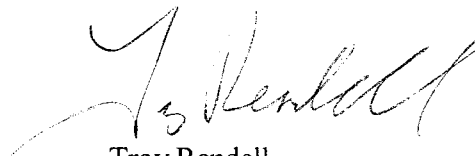
Page 3

April 13, 2007

22. If so, why weren't they required to enter into a Refundable Advance Agreement prior to obtaining service or prior to Realm Management being required to do so?
23. If Realm Management obtains the necessary security for the installation of the reuse lines, what is the time table for the restaurant to receive water and wastewater service?
24. Explain what is meant by paragraph 14 of the Refundable Advance Agreement.
25. Explain Exhibit A, entitled Extension of Reclaimed Water Line.
26. Why did Aloha provide a period of time of 5 years for the Refundable Advance Agreement, as specified in paragraph 10?
27. Who constructed and/or installed the water and wastewater lines as referenced in the Refundable Advance Agreement?
28. Are the water and wastewater lines also subject to refunds to Realm Management as outlined in paragraphs 7 through 9?
29. Has Aloha been contacted by any other development or owner listed on the Reclaimed Water System schedule? If so, please identify which one(s), the date, and the possible date of service.

In order to expedite this complaint processing, please provide this information by April 30, 2007, pursuant to Rule 25-30.355(3), Florida Administrative Code. If you have any questions, do not hesitate to contact me at (850) 413-6934.

Sincerely,



Troy Rendell

Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks)  
Office of General Counsel (Gervasi)  
John Jenkins, Rose Sundstrom & Bentley  
Warren Dunphy

COMMISSIONERS:  
LISA POLAK EDGAR, CHAIRMAN  
MATTHEW M. CARTER II  
KATRINA J. MCMURRIAN

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

## Public Service Commission

April 13, 2007

Mr. Warren Dunphy  
Realm Management, LLC  
5721 Richey Drive  
New Port Richey, FL 34668

**Re: Complaint filed by Warren Dunphy, on behalf of Realm Management, LLC**

Dear Mr. Dunphy:

We have received your complaint dated April 11, 2007, concerning Realm Management, LLC, filed by Warren Dunphy. In order to evaluate the complaint, staff requests the following information:

1. According to the Refundable Advance Agreement dated May 23, 2006, the parties agreed the hydraulic design capacity of the project is 47,075 gallons per day, which is shown on the Reclaimed Water System Schedule. Please identify which "Development or Owner Name" contained on this schedule directly relates to this agreement with Realm Management, LLC.
2. Has the irrigation system previously been connected to Aloha's potable water system? If so, please explain why.
3. Does Realm Management own or have an option to own additional developments listed on the Reclaimed Water System Schedule, other than the "R J Gator" on line 1?
4. Do you, Warren Duphy, own or have an option to own additional developments listed on the Reclaimed Water System Schedule, other than the "R J Gator" on line 1?
5. If so, please provide a listing of the other projects listed on this schedule related to number 4 and 5 above.
6. What other projects and/or developments owned by either Realm Management or Warren Duphy will be required to obtain reuse service from Aloha Utilities, Inc.?

Mr. Stephen Watford, President

Page 2

April 13, 2007

7. Are these projects and/or developments subject to the terms of the Refundable Advance Agreement?
8. Who constructed and/or installed the water and wastewater lines as referenced in the Refundable Advance Agreement?
9. Are these water and wastewater lines also subject to refunds to Realm Management as outlined in paragraphs 7 through 9?

In order to expedite this complaint processing, please provide this information by April 30, 2007. If you have any questions, do not hesitate to contact me at (850) 413-6934.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Rendell". The signature is written in a cursive style with a large initial "T".

Troy Rendell

Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks)  
Office of General Counsel (Gervasi)  
John Jenkins, Rose Sundstrom & Bentley  
Stephen Watford, Aloha Utilities, Inc.

**REALM MANAGEMENT, LLC**

**5721 Richey Drive**

**Port Richey, FL 34668**

**(727) 847-0771 Fax (727) 847-0909**

07 APR 18 AM 9: 07

FLORIDA PUBLIC SERVICE  
COMMISSION  
DIVISION OF  
ECONOMIC REGULATION

April 16, 2007

**Via Facsimile (850) 413-6935 & Regular Mail**

**Thirteen (13) Pages**

Troy Rendell  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RE: Aloha Utilities, Inc. & Realm Management, LLC  
Reclaimed Water Line Complaint  
3523 Little Road (Trinity, Pasco County, Florida)

-----  
Here are the answers to the questions set forth in your 4/13/2007 letter:

1. Realm Management, LLC is the developer of the "R.J. Gators" Development on the Reclaimed Water System Schedule. The R.J. Gators Development is an approx. 95,832 square foot parcel which contains a restaurant and two medical office buildings. It is set up as a land condominium with Realm Management, LLC owning the restaurant building pad (approx. 14,378 square feet), and separate doctor groups owning their respective pads (approx. 8,400 square feet and 5,000 square feet respectively) with the rest of the parcel (approx. 66,725 square feet) constituting common areas jointly owned and governed by a master declaration under which each of the three owners shares the costs for maintaining the common areas including the costs for reclaimed water service used for irrigation of the common areas. Attached is a copy of the recorded condominium plat of the "R.J. Gators" Development.
2. Yes, the site contractor temporarily connected the Project's irrigation system to Aloha's potable water system to pressure test the system, make bacteriological tests, provide temporary irrigation and secure County approval as part of the Site Plan review. The general contractor had a hydrant meter secured through Aloha and paid the charges assessed by Aloha for water use. The irrigation system has now been disconnected from Aloha's potable water system.



**Page 2**

**Letter to Troy Rendell**

**April 16, 2007**

3. Realm Management, LLC does not own any additional developments listed on the Reclaimed Water System Schedule other than the "R.J. Gators" project on line 1. Realm Management, LLC does have a 2-year lease with Elmer Manos for non-exclusive ingress/egress across a portion of the Manos Property (\*which property is located immediately adjacent to the north) starting from the date the Alli-Gators restaurant on the "R.J. Gators" Project opens. That lease contains a right of first refusal for Realm Management, LLC to purchase the Manos Property (i.e. the Owner shown on line 2 and line 3 of the ) if Mr. Manos receives an offer from a third party to buy the Manos Property during the 2-year Lease term. The Lease has no options to renew. Attached is a copy of the lease with Mr. Manos.
  
4. Mr. Dunphy does not own or have an option to own any additional developments listed on the Reclaimed Water System Schedule other than the "R.J. Gators" project on line 1.
  
5. N/A
  
6. Neither Realm Management, LLC nor Warren Dunphy has any other projects and/or developments that will be required to obtain reuse service from Aloha Utilities, Inc.
  
7. N/A
  
8. Realm Management, LLC constructed the offsite water and wastewater lines referenced in the Refundable Advance Agreement. Attached is a copy of the Bill of Sale under which Aloha required Realm to transfer title to the water and wastewater lines that Realm was required to constructed.

Page 3

Letter to Troy Rendell

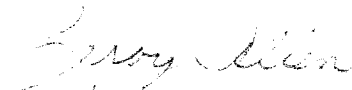
April 16, 2007

9. No, those offsite water and wastewater lines are not subject to any refunds to Realm Management, LLC as outlined in Paragraphs 7 through 9 of the Refundable Advance Agreement.

I am also enclosing a copy of the February 15, 2006 letter from Aloha's engineer (Mr. Dale Ernsberger) which confirms that Mr. Ernsberger on behalf of Aloha provided the Reclaimed Water System Schedule which is attached to the Refundable Advance Agreement.

After you have reviewed these materials, let me know if you have any questions or need anything else. Thank you again for your assistance in resolving this matter.

Yours truly,  
REALM MANAGEMENT, LLC



Leroy Allen  
Attorney

Enclosures  
cc: Warren Dunphy

THIS INSTRUMENT PREPARED BY:

John R. Jenkins, Esquire  
Rose, Sundstrom and Bentley LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301  
(850) 877-6555

RETURN TO:

Pamela Yacobelli  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115

### BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that REALM MANAGEMENT, LLC, of A FLORIDA LIMITED LIABILITY COMPANY, whose address is 5721 RICHEY DRIVE, PORT RICHEY on the County of Pasco and State of Florida ("Seller"), for and in consideration of the sum of Ten and 00/100 dollars (\$10.00), paid it by ALOHA UTILITIES, INC., a Florida corporation of 6915 Perrine Ranch Road, New Port Richey, Florida 34655 ("Buyer"), the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred and delivered, and by these presents does grant, bargain, sell, transfer and deliver unto Buyer, its executors, administrators and assigns, the following goods and chattels:

*\* SEE EXHIBIT A ATTACHED HERETO*

All utility equipment, installation, and materials including but not limited to pipelines, meters, lift stations, force mains, etc., within the following described property:

*RIGHT OF WAY OF SPRINGHAVEN BOULEVARD  
AND LITTLE ROAD (PASCO COUNTY, FLORIDA)*

Buyer is granted reasonable access to the utility equipment so that same may be used, serviced, operated, and maintained. Seller also grants to Buyer the water, reclaimed water and sewer rights and the right to serve and provide water, reclaimed water and sewer service to the property described pursuant to the ALOHA UTILITIES, INC. tariff filed with the Florida Public Service Commission.

TO HAVE AND TO HOLD the same unto the Buyer, its executors, administrators and assigns forever.

AND Seller, does, for itself and its heirs, executors and administrators, covenant to and with Buyer, its executors, administrators and assigns, that it has good right to sell the same aforesaid, and that it will warrant and defend the sale of the said property, goods and chattels hereby made, unto Buyer, its executors, administrators, and assigns against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, Seller has hereunto set its hand and seal this 28<sup>TH</sup> day of FEBRUARY, 2007.

REALM MANAGEMENT, LLC

BY: [Signature]  
MANAGER

WARREN W. DUNPHY

Print name

Signed, sealed and delivered in the presence of us:

WITNESSES:

[Signature]

LEROY R. ALLEN

Print name

[Signature]

Pamela Daly


Print name

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was sworn to and acknowledged before me this 28<sup>TH</sup> day of FEBRUARY 2007, by WARREN W. DUNPHY, MANAGER of REALM MANAGEMENT, LLC, who is personally known to me or produced \_\_\_\_\_ as identification, on behalf of said organization.

[Signature]  
NOTARY PUBLIC

My Commission Expires:

 **Leroy R. Allen**  
Commission # DD512532  
Expires February 10, 2010  
Bonded Troy Fam - Insurance, Inc. 800-365-7019

# EXHIBIT "A"

22-Feb-07

## ALOHA - ALLI - GATORS

POTABLE WATER	QTY	COST	TOTAL	MARK-UP	TOTAL
12" X 2" TAPPING SADDLE	2	175.00	350.00		0.00
2" BALL CORP STOP	2	118.00	236.00		0.00
2" BALL CURB STOP	2	143.00	286.00		0.00
2" PE TUBING	20	12.00	240.00		0.00
2" WET TAPS	2	175.00	350.00		0.00
			-		0.00
			-		0.00
<b>ABOVE PRICES MATERIALS &amp; LABOR</b>			-		0.00
			-		0.00
			-		0.00
			-		0.00
			-		0.00
			-		0.00
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			-		0.00
			-		0.00
			-		0.00
			-		0.00
			-		0.00
<b>TOTAL POTABLE WATER</b>			<b>1,462.00</b>	<b>0</b>	<b>0.00</b>
<b>FORCE MAIN</b>					
6" DIRECTIONAL BORE PE x 60'	1	4,200.00	4,200.00		
6" MJ ENDS WELD PE	2	350.00	700.00		
6" X 4" MJ WYE	1	335.00	335.00		
4" MJ 45 BENDS	3	125.00	375.00		
4" MJ GATE VALE, VALVE BOX, PAD & TAG	2	775.00	1,550.00		
4" MJ 90 BEND	1	125.00	125.00		
4" RESTRAINERS	13	75.00	975.00		
4" C900 DR-18 GREEN	20	16.00	320.00		
6" C900 -DR-18 GREEN	6	25.00	150.00		
8" x 6" MJ REDUCER	1	275.00	275.00		
			-		
			-		
<b>ABOVE PRICES MATERIALS &amp; LABOR</b>			-		
			-		
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			-		
<b>TOTAL FORCE MAIN</b>			<b>9,005.00</b>	<b>0.00</b>	<b>0.00</b>

NOTES:

**CIVIL ENGINEERING ASSOCIATES INC.**

February 15, 2006

Ms. Pam Yacobelli  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655

**Reference: Reuse Installation & Hydraulic sharing  
R. J. Gator Site**

**CEA File No. 0404-01-09**

Dear Ms. Yacobelli:

We believe utilizing the existing 12-inch casing installed to serve the Wal-Mart store for installing a new 6-inch reuse main which would serve the Wal-Mart store and the proposed Reuse customers on Little Road to be acceptable.

The existing service should be excavated on both sides to confirm location and size and to plan how to install the larger piping. Coordination with Wal-Mart is absolutely required.

Attached is a revised Reuse Table showing watering quantities based on two waterings per week and shows the Percentage of usage for each reuse customer based on hydraulic capacity.

If you have any questions, please telephone.

Sincerely,

*CIVIL ENGINEERING ASSOCIATES, INC.*



Dale D. Emsberger, P.E.  
de/de

**ALOHA UTILITIES, INC.**  
**Reclaimed Water System**

North Little Road Reuse Customers - Revised 02/15/06

Customer No.	Development or Owner Name	Tract Size Sq. Ft.	Percent Irrigable	Irrigated Area Sq. Ft.	Irrigation Multiplier	Annual Est. ADF GPD	Percentage of Total Usage
1	R.J. Gators*	95,832	26.8	25,683	0.090	2,311	4.91
2	Manos 15.0 AC parcel (Est 80% Developable)	522,720	25.0	130,680	0.090	11,761	24.98
3	Manos 18.5 AC Parcel	805,860	25.0	201,465	0.090	18,132	38.52
3	Chang Medical Center	60,984	25.0	15,246	0.090	1,372	2.91
3	Trinity Springs Medical Center	143,748	25.0	35,937	0.090	3,234	6.87
4	Seven Springs Medical Park	Lot 1	20.0	4,969	0.090	447	0.95
		Lot 2	20.0	5,089	0.090	458	0.97
		Lot 3	20.0	3,589	0.090	323	0.69
		Lot 4	20.0	16,402	0.090	1,476	3.14
		Lot 5	20.0	4,832	0.090	435	0.92
		Lot 6	20.0	4,952	0.090	446	0.95
		Lot 7	20.0	4,208	0.090	379	0.80
	Common Area	<u>70,000</u>	100.0	<u>70,000</u>	0.090	<u>6,300</u>	<u>13.38</u>
	<b>Total</b>	1,919,350		523,052		47,075	100

\*Irrigation quantity supplied by Developer Engineer based on two waterings/week of 0.5 inches.

**REALM MANAGEMENT, LLC**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

May 22, 2006

Elmer Manos *372-6585*  
3533 Little Road  
Trinity, FL 34655-1811

Dear Elmer:

Per our discussion, this letter will confirm our agreement for you to lease to my company (Realm Management, LLC) a portion of your property which is shown highlighted in yellow on the attached Sketch. This highlighted area shall be called the "Leased Area". The terms of the Lease are as follows:

**Lease Term:** Two (2) years starting on the date that the Alli-Gators restaurant opens on the adjacent parcel which is owned by Realm Management, LLC

**Rent:** per month plus sales tax. This is the only rent that we will pay and you will still be responsible for paying all real estate taxes for your property. The monthly rent shall be payable on the 1<sup>st</sup> of each month during the Lease Term. We shall send the monthly rent payment to you at 3533 Little Road, Trinity, FL 34655-1811 or to such other address that you notify us you want it sent.

**Uses:** We will have a non-exclusive right to occupy and use the Leased Area, including the right to drive across your property to get to the Alli-Gators restaurant or back out to Little Road through your entrances. We acknowledge that you or your tenants will continue to drive across the Leased Area and continue to operate the fruit stand and the water business on your property. We also acknowledge that a portion of the Leased Area is already subject to an easement granted to The Southern Tower Company of Tampa, Inc., its successors and assigns for non-exclusive ingress and egress purposes.



Page 2

Letter Agreement with Elmer Manos

May 22 2006

**Work:** We will provide and maintain a security camera and lighting system for the Leased Area and agree to maintain both of those items during the term of this Lease at my sole expense. We will also pay any utility charges for the security camera and lighting system for the Leased Area.

**Maintenance:** We shall assume the sole duty, responsibility and obligation of maintaining the surface of the Leased Area upon the land involved in a condition as good or better than the condition which existed on the Lease Area when it was turned over us.

**Insurance:** We will carry general liability insurance on the Leased Areas to protect you against any property damage or personal injury caused by our acts on the Leased Area with limits not less than \$1,000,000 each person and \$2,000,000 each occurrence and with Property Damage limits not less than \$500,000. We will protect and defend you against any lawsuits filed against you because of our acts.

**Obey Laws:** We shall obey and comply with all laws, rules and regulations with respect to our use of the Leased Area. We shall not misuse or damage your property and we will not create, store or dispose of any hazardous waste or hazardous substances on the Leased Area.

**Restoration:** At the end of the Lease Term, we will repair any damage to the Leased Area and leave it the same or better condition as when this Lease started.

Page 3

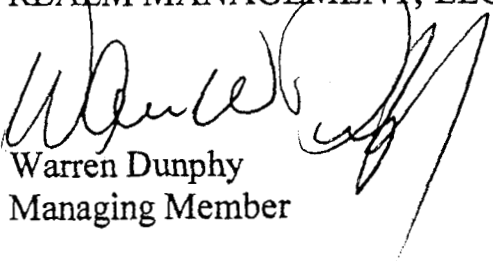
Letter Agreement with Elmer Manos

May 22 2006

**Option to Buy:** If you receive an offer, letter of intent or term sheet from a financially qualified third party to buy all of your property which also contains the Leased Area and you want to sell, you agree to provide us with a copy of such offer and give us an opportunity to match such offer by notifying you with 20-days after you send us the offer that we will purchase your property on the same terms as those set forth in such offer.

This letter sets forth the lease terms that we have agreed upon. If they are acceptable to you, kindly sign below. Thank you for again for your patience and cooperation. I look forward to a long and mutually beneficial relationship.

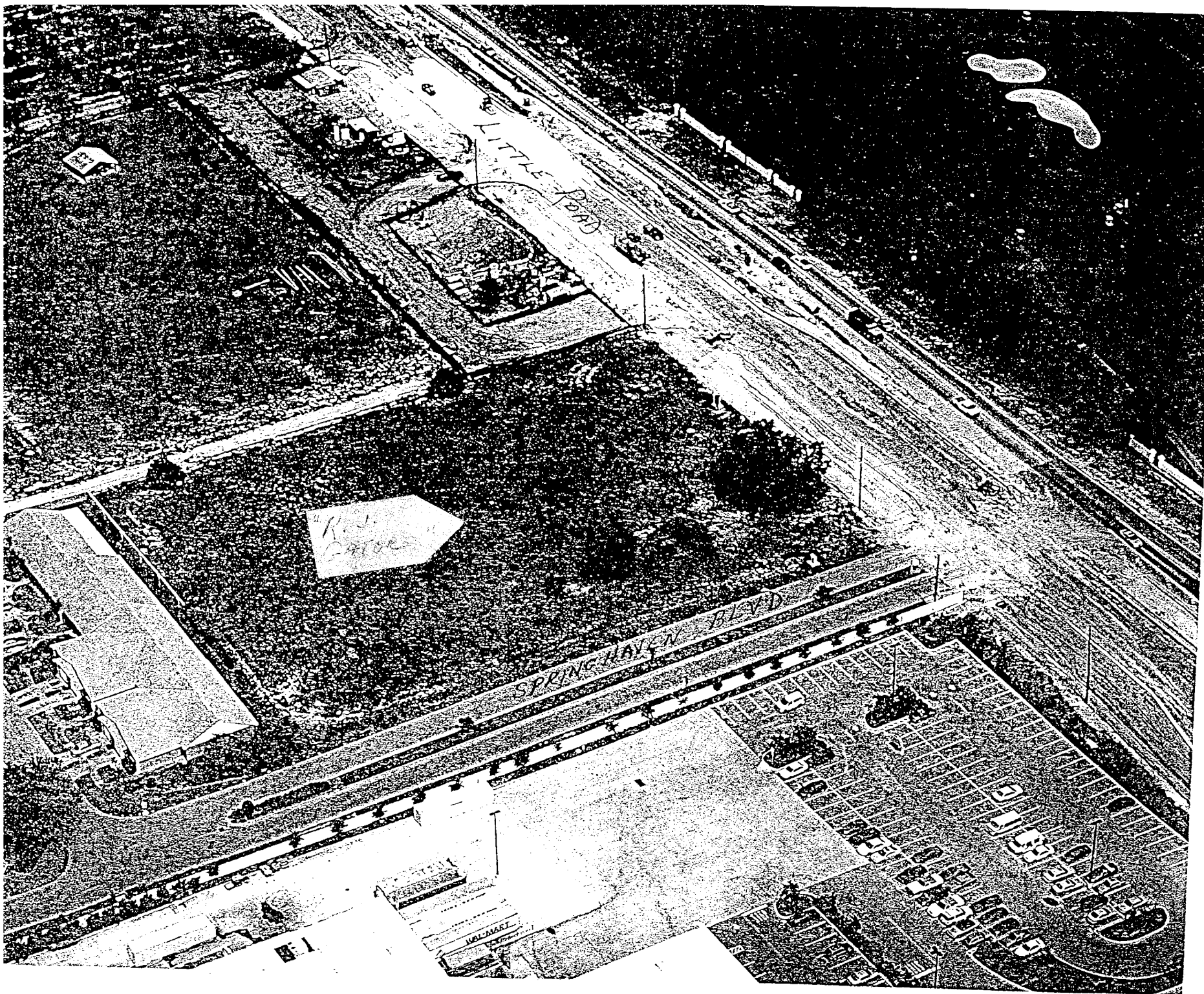
Yours very truly,  
REALM MANAGEMENT, LLC

  
Warren Dunphy  
Managing Member

**ACKNOWLEDGED & AGREED**

By: Elmer Manos  
ELMER MANOS

Date: 5/23/06



SKETCH

# GATOR CROSSING AT TRINITY COMMERCIAL CONDOMINIUM

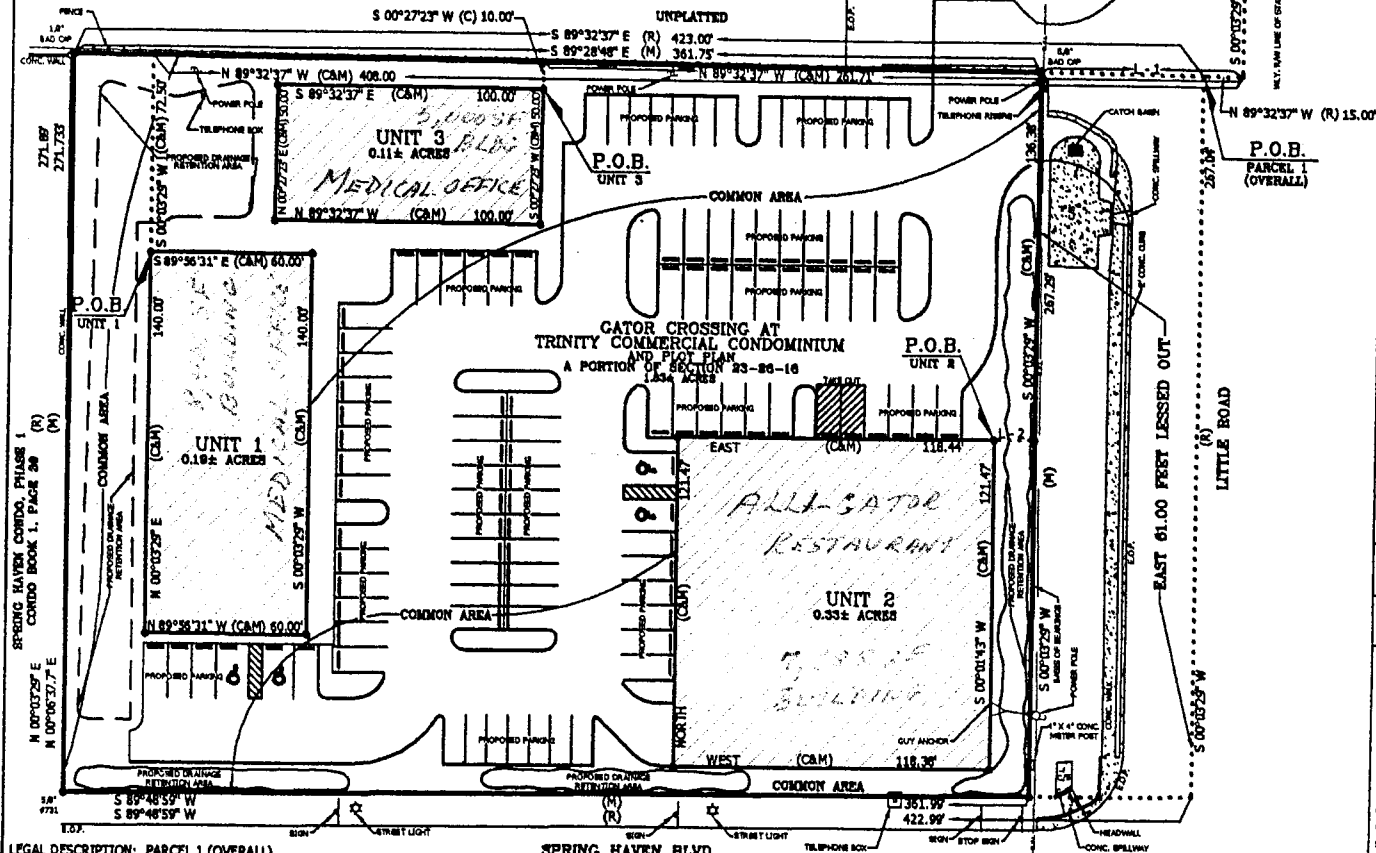
SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST  
BEARING BASIS ESTABLISHED FROM: THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD 54 AS PER DEED

### ABBREVIATIONS

AC = ACME AC = AIR CONDITION ALUM = ALUMINUM AMB = AMBIENT BLDG = BUILDING BLK = BLOCK BLVD = BOULEVARD BNDY = BOUNDARY C = CALCULATED C = CENTERLINE CB = CONCRETE BLOCK	CD = CIRCULAR DISTANCE CONC = CONCRETE CR = CONCRETE CURB COR = CORNER COV = COVERED CT = COURT DL = DRIVE DRAIN = DRAINAGE RETENTION AREA DRAIN = DRAINAGE RIGHT-OF-WAY E = EMBANKMENT SUC = STRUCTURE	BUN = BURNED BLT = BATTERY BULB = BULB BOP = BORDER OF PAVEMENT BWT = BURNED FPO = FLOOR H = HORIZONTAL HAWK = HAWK H.D.L. = HOME OR LUM H.N. = NORTH O.U.L. = OVERHEAD UTILITY LINE	OR = OFFICIAL RECORD BOOK P.O.C. = POINT OF COMMENCEMENT P.O. = POINT OF CURVATURE P.P. = PERMANENT CONTROL POINT P.I. = POINT OF INTERSECTION P.T. = POINT OF TANGENCY P.C. = POINT OF BEGINNING P.E. = POINT OF ENDING P.M. = PERMANENT REFERENCE POINT P.L. = RECORD P.O. = POINT	RR = RAILROAD R&L = RAILROAD R.O.W. = RIGHT-OF-WAY S = SOUTH S.C. = SCHEDULED S.E. = SECTION S.L. = SOUTHWESTLY T.M. = TRANSVERSE T.W. = TOWNSHIP T.P. = TYPICAL V = VERT	M.L.V. = METER M.T. = METRE M.O. = MORE OR LESS (w/ #) AS PER DEED M. = MILES M.H.W. = MEAN HIGH WATER M.L.W. = MEAN LOW WATER M.T. = METER M.D. = MORE OR LESS DISTANCE M.P. = MORE OR LESS DISTANCE
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**PLOT PLAN NOTE:** The common elements consist of the portions of property not included within any unit. Limited common elements consist of the area for an identification sign adjacent to Little Road which is reserved in the Declaration for use by the owners of Unit 1 and Unit 3.

**NOTE:** This survey is true and correct and was made on the ground under my supervision as per the field notes shown hereon and correctly shows the boundary lines, dimensions and area of the land indicated hereon and each individual parcel thereof indicated hereon.



**LEGAL DESCRIPTION: PARCEL 1 (OVERALL)**  
A PORTION OF THE SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA.  
COMMENCE AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA; THENCE NORTH 89°29'37" WEST, ALONG THE NORTHERLY LINE OF THE SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA; THENCE SOUTH 00°03'29" WEST ALONG THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD 54, 45.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD 54; THENCE SOUTH 00°03'29" WEST ALONG THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD 54, 90.40 FEET; THENCE NORTH 89°32'37" WEST, 15.00 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00°03'29" WEST, 267.04 FEET; THENCE SOUTH 89°48'59" WEST, 422.99 FEET; THENCE NORTH 00°03'29" EAST, 271.89 FEET; THENCE SOUTH 89°32'37" EAST, 423.00 FEET TO THE POINT OF BEGINNING.

LESS THE EAST 61.00 FEET FOR ROAD RIGHT-OF-WAY.

CONTAINING 66,725 SQUARE FEET MORE OR LESS, 1.53 ACRES MORE OR LESS.

**LINE DATA**  
L-1  
N 89°32'37" W (C) 76.00'  
L-2  
WEST (C) 15.00'

### REVISIONS

PARCEL 4 LEGAL & SKETCH, NOTES 11-07-05 M.S.  
REVISED SKETCH AND NOTES 11-30-05 M.S.

CERTIFIED TO:

REALM MANAGEMENT, L.L.C.  
BAA REALTY INVESTMENTS, L.L.C.  
TRINITY PROFESSIONAL, L.L.C.  
THE BANK OF BIRMINGHAM  
AM SOUTH BANK  
TRINITY TITLE OF PASCO, INC.  
UNITED GENERAL TITLE INSURANCE COMPANY



SCALE: 1" = 30.0'

SHEET 1 OF 1

## BAY LAND SURVEYING

CERTIFICATE OF AUTHORIZATION # 4184  
6802 COMMERCE BLVD.  
PORT RICHEY, FLORIDA 34668  
PHONE (727) 845-1738 / FAX (727) 844-3038  
PHONE (352) 686-8340 / FAX (352) 683-5405

DRAWN BY:

MARC SOLOMONSON

DATE OF DRAWING:

10-04-05

SURVEY:

BOUNDARY

DATE OF FIELD WORK:

08-18-05

CREW CHIEF:

R. FLOYD

WORK ORDER NO.:

05-1083

I, Chad E. White, a registered surveyor, number LS 6226 State of Florida, a surveyor authorized to practice in the State of Florida, hereby certify that the construction of the proposed improvements described in the Exhibit of the Declaration of Condominium of "GATOR CROSSING AT TRINITY COMMERCIAL CONDOMINIUM", a Condominium, to which this Surveyor's Certificate is attached, said "Exhibit A" consisting of one page, is substantially complete, so that the material, together with the contents of the Declaration relating to matters of survey describing the Condominium Property is an accurate representation of the location and dimensions of the proposed improvements, and the identification, location and dimensions of the common elements, and each unit can be determined from these materials and that proposed improvements, including landscaping, utility service and access to the units and common element facilities have been accurately represented.

*Chad E. White 12/6/05*

CHAD E. WHITE SURVEYOR AND MAPPER #6226

**LEROY R. ALLEN**  
**Attorney At Law**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 17, 2007

**Via Facsimile (850) 656-4029 & E-Mail**

John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

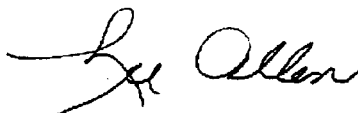
RE: Aloha Utilities, Inc.  
Items Completed Prior to Initiation of Service  
Your File No. 26038.18

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On behalf of Realm Management, LLC ("Realm"), this letter is to advise you that Realm is making arrangements to provide an irrevocable standby letter of credit for the \$300,000 as required by Aloha Utilities, Inc. to serve as financial security under the Refundable Advance Agreement. We will need the exact contingency language required by Aloha to insert in that letter of credit. Will you provide that language as soon as possible. We also want to include specific language in the letter of credit that addresses the contingency of a Florida Public Service Commission ruling either that (i) Aloha may not require Realm to construct the Reclaimed Water Line or (ii) that if Realm is either unable to obtain the necessary easements or the easements are cost-prohibitive as determined by the Public Service Commission then Realm will not be required to construct the Reclaimed Water Line. I will provide that language to you.

Your cooperation in the providing us your client's contingency language as soon as possible is necessary to .

Yours truly,



Lee Allen  
Attorney At Law

cc: Mr. Warren Dunphy  
Mr. Troy Rendell via fax (850) 413-6935  
Ms. Pam Yacobell via fax (727) 372-2677

COMMISSIONERS:  
LISA POLAK EDGAR, CHAIRMAN  
MATTHEW M. CARTER II  
KATRINA J. MCMURRIAN

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

## Public Service Commission

April 17, 2007

Mr. Stephen Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**Re: Complaint filed by Warren Dunphy, on behalf of Realm Management, LLC**

Dear Mr. Watford:

As a follow up concerning the complaint filed by Realm Management, LLC, staff requests the following information:

1. Provide the average annual reuse consumption for the Wal-Mart currently being served through the existing 4 inch reuse line. This should be for the calendar year 2006.
2. Provide the maximum daily reuse consumption for the Wal-Mart currently being served through the existing 4 inch reuse line. This should be for the calendar year 2006.
3. Provide a copy of any developer agreement or service agreement between Aloha Utility, Inc. and the existing Wal-Mart located on State Road 54.
4. Where is the existing reuse connection serving the Wal-Mart currently located?
5. Provide a copy of any documentation between Aloha Utility, Inc. and Chang Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, service agreement, or e-mail.
6. Provide a copy of any documentation between Aloha Utility, Inc. and Trinity Springs Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, service agreement, or e-mail.

Mr. Stephen Watford, President

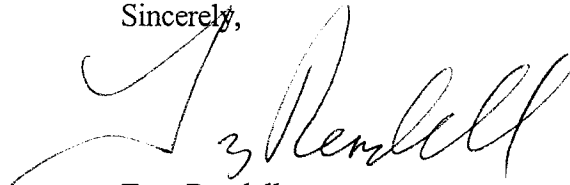
Page 2

April 17, 2007

7. Provide a copy of any documentation between Aloha Utility, Inc. and Seven Springs Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, service agreement, or e-mail.

In order to expedite this complaint processing, please provide this information by May 2, 2007, pursuant to Rule 25-30.355(3), Florida Administrative Code. If you have any questions, do not hesitate to contact me at (850) 413-6934.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Rendell". The signature is written in a cursive style with a large initial "T" and a long, sweeping underline.

Troy Rendell

Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks)  
Office of General Counsel (Gervasi)  
John Jenkins, Rose Sundstrom & Bentley  
Warren Dunphy

**REALM MANAGEMENT, LLC**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 26, 2007

**MEMORANDUM**

Via Facsimile (850) 413-6935

Eleven (11) Pages

TO: Troy Rendell  
Public Service Commission

FROM: Warren<sup>WD</sup> Dunphy

RE: Aloha Utilities, Inc. & Realm Management, LLC  
Reclaimed Water Line Issue  
3523 Little Road (Trinity, Pasco County, Florida)

-----

You should have received a copy of the 4/24/2007 letter from Ms. Pamela Yacobelli of Aloha Utilities to me regarding the "Items To Be Completed Prior To Initiation Of Service". Items #1-6 in her letter were completed and inspected by Aloha on April 16, 2007 at which time we requested written confirmation from Aloha of that fact. One new item that they are now requiring from us is the payment of \$57,849.56 for increased service availability charges pursuant to Order PSC-07-0281-S-WU issued by the Public Service Commission on April 2, 2007. After researching that order, we have now learned that the last day to file an objection to those increased service availability charges was April 23, 2007. It is interesting to note that they never replied to that request until April 24, 2007 at which time they also notified us of the increased service availability charges.

We paid service availability charges of \$197,506.75 to Aloha for the R.J. Gators Restaurant on September 5, 2005. Subsequently, those service availability charges were recalculated on November 17, 2005 (\*a copy of Aloha's recalculation of those charges is attached hereto) and we received a refund of \$90,014.71 in November 2005.

We started construction on this project in November 2005 and it was finally completed in early March 2007. On March 9, 2007 we submitted our "Application



For Water, Sewer And Reclaimed Water Services" (\*a copy of which is attached hereto) and paid the meter costs and required deposit along with the other documentation required by Aloha. Some of the submitted documentation had to be corrected and everything except the "As-Built Utility Plan" was completed prior to April 2, 2007. The only reason that the "As-Built Utility Plan" was not completed sooner was our engineer was unable to get hold of Aloha's engineer to verify exactly what was needed for the revised drawings. That revised "As-Built Utility Plan" were delivered to Aloha on April 23, 2007.

We recognize that the last day to file an objection to the increased service availability charges was April 23, 2007. Based on the mitigating circumstances in this case that there was an ongoing dispute between Realm and Aloha over the reclaimed water line which caused the delay in getting water/sanitary service connected, is there any way that we can still file a protest to the increased service availability charges or have the matter regarding Realm's obligation to pay the increased service charges considered as part of our complaint with PSC?

# Aloha Utilities, Inc.

6915 Perrine Ranch Road  
New Port Richey, FL 34655  

---

(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com

November 17, 2005

Mr. Warren Dunphy  
Realm Management, Inc.  
9020 Ranch del Rio Drive, Suite 104  
New Port Richey, FL 34655

RE: R.J. Gators - Little Road

Dear Mr. Dunphy:

Please find below a listing of the fees due for the project listed above. Please note that should actual consumption exceed the estimate that additional impact fees may be required.

R.J. Gators Restaurant

Water Impact Fees	6,667 gpd x 3.333	22.22 ERC's	\$ 22,221.11
Sewer Impact Fees	6,667 gpd x 12.79	51.68 ERC's	\$ 85,270.93

Commercial Retail Buildings

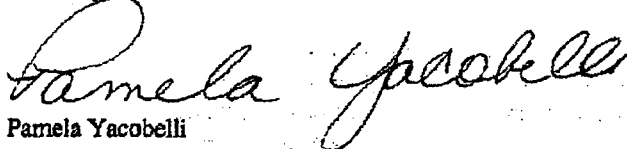
Water Impact Fees	2,010 gpd x 3.333	6.70 ERC's	\$ 6,699.33
Sewer Impact Fees	2,010 gpd x 12.79	15.58 ERC's	\$ 25,707.90

TOTAL			\$139,899.27
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Meter Fees and deposits will be determined at a later date. We also require a letter stating the cost estimate of the contributed property along with a check for 10% of this figure for Administration Costs. Prior to DEP forms being signed, we must have a signed Developer Agreement (with exhibit), Construction Plans must be approved and all Impact Fees paid.

Should you require any additional information, please do not hesitate to contact our office.

Sincerely,



Pamela Yacobelli  
Administration Manager

PY/jlw

cc: Bridget Begey, Van Bebber & Associates VIA FASCIMILE  
Roland P. Dove, P.E., Spring Engineering, Inc. VIA FASCIMILE

# Aloha Utilities, Inc.

6915 Perrine Ranch Road  
 New Port Richey, FL 34655

(727) 372-0115 Fax (727) 372-2677  
 www.aloha-water.com

January 23, 2007

Mr. Warren W. Dunphy  
 Realm Management, LLC  
 5721 Richey Drive  
 Port Richey, FL 34668

RE: Gator Crossing

Dear Mr. Dunphy:

This letter is to provide you information on the meter costs and deposits required for the above-referenced project.

<u>Alli Gators Restaurant</u>		<u>Commercial Buildings</u>	
1 1/2" Potable Meter	\$ 323.68	1 1/2" Potable Meter	\$ 323.68
Commercial Meter Box	\$ 45.30	Commercial Meter Box	\$ 45.30
Deposit	\$3,819.00	Deposit	\$1,349.00
Connect Fee	\$ 15.00	Connect Fee	\$ 15.00
Total	\$4,202.98	Total	\$1,732.98

I have enclosed two copies of our application for service. The application should be completed by the person who will be responsible for paying the monthly bills for each of the accounts. The deposit and connection fees should also be paid by the appropriate person/company as they will be receiving the refund if the buildings ever change ownership.

Meters of this size are not kept in stock. They will be ordered as soon as payment is received. Please allow approximately 4-6 weeks for delivery of meters.

We have not yet been provided information as to the size of the reclaim meter(s) that will be required for this project. As soon as we receive this information, we will calculate the appropriate fees and order the meter after payment has been received. Should you have any questions, please do not hesitate to contact our office.

Sincerely,



Jennifer Wilkowski  
 Development Review Technician III

/j/w

Enclosures

admin\letters\07\dupj\Gator Crossing

**LEROY R. ALLEN**  
**Attorney At Law**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

March 9, 2007

**VIA HAND DELIVERY**

Jennifer Wilkowski  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

RE: Gator Crossings  
3523 Little Road (Trinity, Florida)

---

On behalf of Realm Management, LLC ("Realm"), I am submitting to you the following items that you have requested regarding the above-referenced project:

1. **"Application For Water, Sewer And Reclaimed Water Services" signed by Alli-Gators Of Trinity, LLC (the company operating the restaurant) and Check #1098 in the amount of \$4,202.98 for the meter costs and required deposit**
2. **"Engineer's Certificate Of Completion"**
3. **Two (2) copies of the FDEP "Request For Approval To Place A Domestic Wastewater Collectoin/Transmission System Into Operation"**
4. **Four (4) copies of the "As-Built Utility Plan"**
5. **Copy of the "Bacteriological Test Report"**
6. **Signed "Bill of Sale" for Water & Sewer Systems**
7. **Signed "Grant Of Easement"**
8. **Signed "Assignment Of Warranties And Bonds"**

Page 2

Letter to Ms. Jennifer Wilkowski

March 9, 2007

9. "Contractor's Warranty" signed by VanBebber & Associates, Inc.
10. "Contractor's Final Affidavit And Release of Lien" signed by VanBebber & Associates, Inc.

Under separate cover, Rollie Dove from Spring Engineering will be sending you one (1) set of mylars and the CAD files on the project. In addition, he is waiting for your engineer to provide him with as-built drawings of the Wal-Mart reclaimed water line under SR 54 so that he can complete our reclaimed water line drawings and submit them to you.

If you have any questions or need anything else, just give me a call.

Yours truly,



Lee Allen  
Attorney At Law

Enclosures

# Aloha Utilities, Inc.

6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com

## APPLICATION FOR WATER, SEWER AND RECLAIMED WATER SERVICES (RECLAIMED WATER SERVICE IS NOT AVAILABLE IN ALL AREAS)

Name ALLIGATORS OF TRINITY, LLC  
Service Address 3523 LITTLE ROAD Lot #: \_\_\_\_\_  
TRINITY, FL 34655  
D.L.#: \_\_\_\_\_ S.S.#: \_\_\_\_\_  
Phone #: \_\_\_\_\_ Verified I.D.: \_\_\_\_\_

### MAILING ADDRESS (If different than service address)

5721 RICHEY DRIVE  
PORT RICHEY, FL 34668

### RENTER - LANDLORD'S NAME AND ADDRESS

REALM MANAGEMENT, LLC  
5721 RICHEY DRIVE  
PORT RICHEY, FL 34668

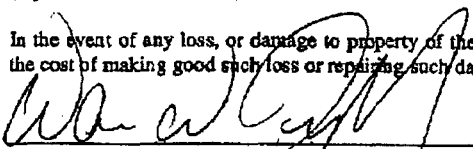
DATE SERVICE TO BE COMMENCED \_\_\_\_\_

**NOTE:** Before service will be commenced, the Customer must pay the appropriate meter fee, reuse service connection charge and the applicable deposit pursuant to Company's Tariff.

This Application constitutes an Agreement for Service; and the Company and the Customer are bound by its terms, as well as those of the Company's Tariff and the Rules of the Florida Public Service Commission, both of which are incorporated herein by reference.

The Customer shall exercise reasonable diligence to protect the Company's property on the Customer's premises, and shall knowingly permit no one but the Company's agents, or persons authorized by law, to have access to the Company's pipes and apparatus. Customer has been provided with a copy of Aloha Utilities Cross Connection Control Plan and received notification of reuse signs as required by Florida Department of Environmental Protection rule.

In the event of any loss, or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

  
Signature of Applicant WARREN W. DUNPHY  
AS ITS MANAGER

2/23/2007  
Date

REDACTED

1098

REALM MANAGEMENT, LLC  
6721 RICHEY DRIVE  
PORT RICHEY, FL 34668

DATE 3/9/2007

93-1542/631

PAY TO THE  
ORDER OF

ALOHA UTILITIES, INC.

\$ 4,202.98

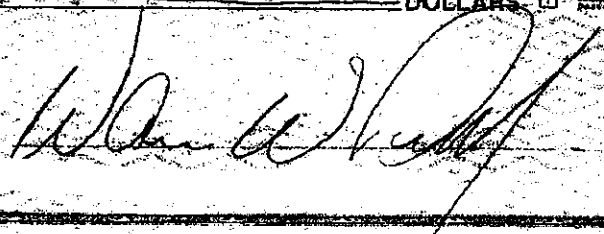
FOUR THOUSAND TWO HUNDRED TWO AND 98/100

DOLLARS

 Cortez Community  
MEMBER OF FL 2ND DISTRICT BANK  
www.cortezcommunitybank.com

GATORS TRINITY

FOR METER COSTS & DEPOSITS



<b>ALOHA UTILITIES, INC.</b> 6915 Perrine Ranch Rd. (727) 372-0115 New Port Richey, FL 34655-3904		<b>19719</b> DATE <u>9/9/07</u>
RECEIVED FROM	<u>Realon Management, LLC</u>	
THE SUM OF	<u>Alligators of Trinity, LLC</u>	DOLLARS \$ <u>4,202.98</u>
FOR	<u>1 1/2" Potable Meter \$ 323.68; Meter Box \$ 45.30; Deposit \$ 3819.00</u>	
AMOUNT OF ACCOUNT	\$ _____	<u>Connect \$15.00</u>
AMOUNT PAID	\$ _____	<b>Thank You!</b>
BALANCE DUE	\$ _____	BY <u>JW</u> <u>ck # 1098</u>
<input type="checkbox"/> CASH <input checked="" type="checkbox"/> CHECK <input type="checkbox"/> M.O. <input type="checkbox"/> CREDIT CARD		



**ENGINEER CERTIFICATE OF COMPLETION**

TO ALOHA UTILITIES, INC., I Roland P. Dove, P.E., a Registered Professional Engineer in the State of Florida, License Number 36933, do hereby certify that I have examined the Plats of \_\_\_\_\_ (subdivision name), otherwise known as R.J. Gators-Little Road (project), as filed by Realm Management Co (Name of Owner) located in Section 23, Township 26, Range 16, Pasco County, Florida, and the Plans and Specifications for said Project and subdivision as prepared by Spring Engineering and dated December 13, 2002 and revised on 1/20/03 through and 3/08/07, as approved by Aloha Utilities, Inc., for improvements in the above said subdivision plans and plats and do hereby certify and warrant to Aloha Utilities, Inc., that the sanitary sewer lines, fixtures and equipment; water distribution lines, fixtures and equipment; and reclaim water distribution lines, fixtures and equipment and system (System) have been substantially completed in accord with plans, specifications and plat specifications referenced above, and do hereby certify and warrant to Aloha Utilities, Inc. that the said System has been inspected and tested, and said System has satisfactorily met or passed the testing requirements of the system as specified or required by the Department of Environmental Protection, or as contained in plat, plans and specifications for the project as approved by Aloha Utilities, Inc., or as contained in Specifications Booklet of Aloha Utilities, Inc.

Executed this 8th day of March, 2007.

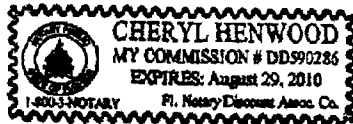
By: Roland P. Dove

STATE OF FLORIDA  
COUNTY OF PASCO

Sworn to and subscribed before me this 8th day of March, 2007, by Roland P. Dove, P.E. of Spring Engineering, Inc., a Florida Corporation, who is personally known to me or produced personally known as identification.

Notary Public: Cheryl Henwood

My Commission Expires:



**LEROY R. ALLEN**  
**Attorney At Law**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 16, 2007  
Via Facsimile (850) 656-4029

John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

RE: Aloha Utilities, Inc.  
Items Completed Prior to Initiation of Service  
Your File No. 26038.18

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On behalf of Realm Management, LLC ("Realm"), this letter is to confirm that an Inspector from Aloha Utilities, Inc. (i.e. Alan) met with Realm's site contractor (i.e. Mr. Bobby Krull of Marolf Environmental, Inc.) today at the Site to inspect the six items identified in your 4/12/2007 letter to me (the "Letter") as certain items that needed to be completed prior to initiation of water/wastewater service to the Realm Project located at 3523 Little Road, Trinity, Florida. The Aloha Inspector verbally confirmed to Realm's site contractor that Items 1-6 in the Letter have been satisfactorily completed.

Kindly verify that fact with Aloha and have them send written confirmation to Realm as soon as possible that Items 1-6 in the Letter are completed. Your cooperation in the prompt handling of this matter is greatly appreciated.

Yours truly,



Lee Allen  
Attorney At Law

cc: Mr. Warren Dunphy  
Mr. Troy Rendell via fax (850) 413-6935  
Ms. Pam Yacobell via fax (727) 372-2677

**REALM MANAGEMENT, LLC**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 27, 2007

**MEMORANDUM**

**Via Facsimile (850) 413-6935**

**TO:** Troy Rendell  
Public Service Commission

**FROM:** Warren<sup>wd</sup> Dunphy

**RE:** Aloha Utilities, Inc. & Realm Management, LLC  
Reclaimed Water Line Issue  
3523 Little Road (Trinity, Pasco County, Florida)

---

I received your fax regarding the mail that came back. You addressed it to "NEW PORT RICHEY" when it should read "PORT RICHEY. I don't know why the US Post Office didn't figure that out since you had the correct zip code. The correct address mailing address is:

**5721 Richey Drive**  
**Port Richey, FL 34668**

LAW OFFICES

**ROSE, SUNDSTROM & BENTLEY, LLP**

2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
DAVID F. CHESTER  
F. MARSHALL DETERDING  
JOHN R. JENKINS, P.A.  
STEVEN T. MINDLIN, P.A.  
CHASITY H. O'STEEN  
DAREN L. SHIPPY  
WILLIAM E. SUNDSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON

ROBERT M. C. ROSE, (1924-2006)

(850) 877-6555  
FAX (850) 656-4029  
www.rsbatorneys.com

**CENTRAL FLORIDA OFFICE**  
**SANLANDO CENTER**  
**2180 WEST STATE ROAD 434**  
**SUITE 2118**  
**LONGWOOD, FLORIDA 32779**  
(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD  
BRIAN J. STREET

May 1, 2007  
VIA HAND DELIVERY

RECEIVED  
PUBLIC UTILITIES SERVICE  
07 MAY -2 AM 10:02  
DIVISION OF  
ECONOMIC REGULATION

Mr. Troy Rendell  
Public Utilities Supervisor  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Aloha Utilities, Inc.  
Complaint filed By Warren Dunphy on Behalf of Realm Management, LLC  
Our File No. 26038.01

Dear Mr. Rendell:

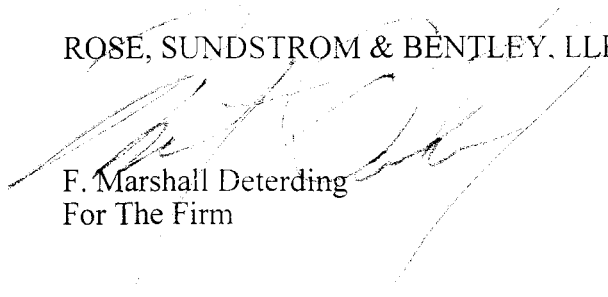
I am attaching hereto the responses of Aloha Utilities, Inc. to your letter dated April 13, 2007 to Stephen Watford, President of Aloha. We have attempted to answer as thoroughly as we can all of the questions outlined in your letter.

We are concerned that the tenor of the questions appear to suggest that reuse service is somehow required to be a viable economic service standing alone. This is not the case. Reuse service is, in actuality, first a foremost a method for effluent disposal. It is encouraged and even required, not only by the Water Management District and DEP, but by the Florida Public Service Commission itself. We would be glad to have a conference call to discuss the issues raised in this particular case or as to reuse service in general. However, we believe that some of the questions posed by your letter suggest an improper emphasis on economic value to reuse as a stand alone service.

If you have any questions in this regard, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP

  
F. Marshall Deterding  
For The Firm

FMD/tms

cc: Rosanne Gervasi, Esquire  
Cheryl Bulecza-Banks  
Bart Fletcher

May 1, 2007

**Responses to Troy Rendell's letter dated April 13, 2007  
Re: Complaint filed by Warren Dunphy, on behalf of Realm Management, LLC.**

- 1. Provide all correspondences between Aloha Utilities, Inc. and Warren Dunphy concerning the water, wastewater, and/or reuse service which is subject to the Refundable Advance Agreement dated May 23, 2006.**

Attached as Exhibit "A."

- 2. Provide all correspondences between Rose, Sundstrom & Bentley, LLP and Warren Dunphy concerning the water, wastewater, and/or reuse service which is subject to the Refundable Advance Agreement dated May 23, 2006.**

Attached as Exhibit "B."

- 3. Provide all correspondences between Aloha Utilities, Inc. and Leroy Allen concerning the water, wastewater, and/or reuse service which is subject to the Refundable Advance Agreement dated May 23, 2006.**

Attached as Exhibit "A."

- 4. Provide all correspondences between Rose, Sundstrom & Bentley, LLP and Leroy Allen concerning the water, wastewater, and/or reuse service which is subject to the Refundable Advance Agreement dated May 23, 2006.**

Attached as Exhibit "C."

- 5. According to the Refundable Advance Agreement dated May 23, 2006, the parties agreed the hydraulic design capacity of the project is 47,075 gallons per day, which is shown on the Reclaimed Water System Schedule. Please identify which "Development or Owner Name" contained on this schedule directly relates to this agreement with Realm Management, LLC.**

The "Development or Owner Name" that relates to Realm Management on the Reclaimed Water System Schedule is R.J. Gators.

- 6. Realm Management alleges in its complaint their percentage of total usage of the hydraulic capacity is 4.91%, which is attributed to the "Gator" restaurant. Please explain and/or respond to this allegation.**

Aloha believes that the issue of their size of the "Gator" restaurant's hydraulic capacity is irrelevant. The Utility has been told by the Commission, approximately eight years ago, to aggressively pursue the implementation of reuse. As with the Utility's standard Service Availability Policy for water and wastewater service, all off-site facilities are required to be constructed and contributed by developers. This developer is being required to extend a line

from the adjacent property to his property and because he is being asked to oversize it, he is entitled to a substantial refund if subsequent developers utilize a portion of that line. Therefore, the Refundable Advance Agreement is actually a substantial benefit to this developer, rather than the standard requirement that he extend the line from the adjacent property to his property.

The "Gator" restaurant constitutes 4.91% of the overall hydraulic capacity of the line required to be constructed from the existing connection to the adjacent Wal-Mart to the front of the restaurant location immediately adjacent thereto. However, as with all developers receiving water, sewer, or reclaimed water service from Aloha, it is the developer's responsibility to extend the off-site facilities in order to reach their property. This is in accordance with the Utility's Service Availability Policy which has been uniformly applied for over 26 years. Therefore, their percentage responsibility in extending the reuse line from Wal-Mart to their property is actually 100%. The hydraulic share cost method charging them ultimately with only 4.91% of the cost of the line which they are constructing, if anything, understates their overall responsibility for the facilities to be constructed. If the line were being constructed solely to serve the RJ Gators property and 100% applicable to them, it would be too small in order to provide reuse to the adjacent properties that will be developed at a later time. However, its cost would be only slightly less than the cost of putting in the oversized line that will enable not only service to other customers, but the developer's ability to receive refunds from other customers. For this reason, while the ultimate responsibility of the restaurant has been established at only 4.91%, their real share of the total cost should be substantially higher.

**7. Was the water and/or wastewater service disconnected during the week of April 9 – 13, 2007? If so, please explain why.**

Aloha Utilities installed a Hydrant Meter for construction purposes only for the Gator's contractor on 3/28/06. On April 10, 2007, our field inspector was on site and discovered a cross connection with the hydrant meter being directly connected to their irrigation system. This is in violation of our cross connection policies and those of the DEP. According to our cross connection policies, he immediately disconnected the cross connection by removing the hydrant meter to protect our system. He continued to investigate the area and discovered that someone had "straight piped" potable water service from Aloha's potable water main without authorization or a meter into the building and to the irrigation system. Not only is this a violation of the regulations of the Florida Department of Environmental Protection, but it is also considered a first degree misdemeanor pursuant to section 812.14 Florida Statutes.

**8. Realm Management alleges in its complaint they are being required to replace a 4 inch reuse line currently serving Wal-Mart with a 6 inch reuse line. Is this correct?**

No. That was their choice rather than do their own Jack and Bore and a new reuse line to serve this property across State Road 54. It was approved as an option their engineers could consider to help keep costs down.

**9. If so, will the Wal-Mart be serviced with reuse through this new line?**

Yes. Wal-Mart is already served through the 4" line which was constructed by them at the time of development of their property. What Realm Management is doing is simply replacing the 4" line within the sleeve under the highway which serves Wal-Mart with a larger reuse main to serve themselves and Wal-Mart and some others.

**10. If so, why should Realm Management be responsible for replacing a larger line to serve an existing customer?**

Realm Management's choice. They could construct a separate line to bring reuse water to their property. We don't do developer's designs for them. This was an option that was approved to help minimize their cost. They could certainly Jack and Bore SR 54 and run their own line just like Wal-Mart did. The replacement of the 4" line under State Road 54 with a 6" line is a minor part of this project. The great majority of the developer's costs are from extending the reuse line from the adjacent property (Wal-Mart) to their property.

**11. Will this new reuse line extension be used to provide service to future development in addition to those listed on the Reclaimed Water System Schedule?**

No, there are no further anticipated reuse customers to be served off of this line, other than those listed in the reclaimed water schedule.

**12. If so, would a portion of these costs be recovered through future connection charges and refunded back to Realm Management?**

Not applicable. See answer to Question 11 above.

**13. If not, how will future reuse customers located beyond those listed on the Reclaimed Water System Schedule be served?**

Not applicable. See answer to Question 11 above.

**14. Could the potential customers listed on the Reclaimed Water System Schedule be served reuse through a 4 inch line?**

No, according to our professional engineer, the 4" line is inadequate to provide service both to the Wal-Mart, the Gator property and the other persons who would need reuse water, as outlined in the reclaim water service system schedule. This would create a possibility of pressure and service problems for the customers being served.

**15. What are the expected annual reuse revenues from each of the potential customers? Provide this information for each specific development listed on the Reclaimed Water System Schedule.**

Please see attachment titled Estimated Annual Reuse Revenue (Exhibit "D").

**16. According to the breakdown dated April 12, 2007 from Mr. John Jenkins, there is an "unknown" cost to obtain an easement. Who is responsible for obtaining this easement?**

Realm Management LLC

**17. Who will the easement be obtained from?**

Wal-Mart

- 18. If Realm Management is either unable to obtain the necessary easements, or these easements are cost-prohibitive, will Aloha Utilities allow these developments to be served by potable water for irrigation?**

No. In accordance with the Utility's standard Service Availability Policy as contained within its tariff for over 25 years, the developer is required to obtain any necessary easements in order for service to be extended through off-site facilities. Allowing Realm Management, or any developer to determine what it is "unable to obtain" or "cost prohibitive" will substantially increase the cost of not only negotiating developer agreements in the future, but will substantially increase the costs to service the general body of ratepayers, if Aloha is required to fund any such costs. Aloha is willing to assist the developer in working with Wal-Mart, to the extent necessary, to obtain the appropriate easements.

**This was a provision agreed to by the developer in the Agreement last May. Any developer has to consider all costs that will be incurred in developing their project. Certainly, one would assume that when Realm signed an agreement promising to secure this easement that they would have already quantified the costs of doing so. Now is not the time to determine cost possibilities. Prior to signing the Agreement would have been.**

- 19. Who is responsible for obtaining the necessary permits, engineering plans, as built, and installing the reuse lines?**

The Developer – Realm Management LLC

- 20. Are any developments listed on the Reclaimed Water System Schedule currently customers of Aloha Utilities?**

Yes, Chang Medical Center.

- 21. If so, are they using potable water for irrigation purposes?**

No. We have found out that this customer is currently using an irrigation well. According to the Developer Agreement Amendment for Reclaimed Water that they signed, as soon as reclaim water is brought to a specific location, they are to discontinue all other sources of irrigation and use the reclaim as their sole source of irrigation water.

- 22. If so, why weren't they required to enter into a Refundable Advance Agreement prior to obtaining service or prior to Realm Management being required to do so?**

This customer has had service with Aloha Utilities since 1999, prior to reclaim being available.

- 23. If Realm Management obtains the necessary security for the installation of the reuse lines, what is the time table for the restaurant to receive water and wastewater service?**

The Utility has been working with Realm Management continuously, despite the existence of the pending Complaint, to try and assist them in obtaining service as quickly as possible. However, the delays for the last year are the results solely of Realm Management's failure to move forward with their obligation under the original Developer Agreement and the Refundable



Advance Agreement dated approximately one year ago.

If the necessary security for installation of the reuse line and other requirements as imposed by Aloha under its uniform Service Availability Policy are met by Realm Management, the Utility should be able to provide water and wastewater service to the Realm Management property within a few days, provided the FDEP reviews and issues their authorizations immediately.

**24. Explain what is meant by paragraph 14 of the Refundable Advance Agreement.**

The purpose of this paragraph is to allow, as outlined in the previous paragraphs, the developer to provide appropriate security to ensure the construction of the reuse line, but not to deny other services to developer for the failure to complete construction of the reclaimed water line prior to the date of the Agreement. The Agreement is dated May 2006.

**25. Explain Exhibit A, entitled Extension of Reclaimed Water Line.**

Exhibit A describes the "Project" to be completed by the developer under the Refundable Advance Agreement.

**26. Why did Aloha provide a period of time of 5 years for the Refundable Advance Agreement as specified in paragraph 10?**

This is the period of time required for refundable advances under Section 17 of Aloha's uniform Service Availability Policy approved by the Florida Public Service Commission, and the period of time that has been utilized in all Refundable Advance Agreements pursuant to that tariff since its enactment 26 years ago.

**27. Who constructed and/or installed the water and wastewater lines as referenced in the Refundable Advance Agreement?**

The scope of work which is to be performed under the Refundable Advance Agreement, as described in Exhibit A, is to install a reclaim water line. This reclaim water line has not yet been constructed or installed. This is to be completed by the Developer.

**28. Are the water and wastewater lines also subject to refunds to Realm Management as outlined in paragraphs 7 through 9?**

No.

**29. Has Aloha been contacted by any other development or owner listed on the Reclaimed Water System schedule? If so, please identify which one(s), the date, and the possible date of service.**

Yes.

Trinity Springs Medical Center – Due to the difficulty getting a total cost for this project for the Refundable Advance Agreement with Gators, Aloha Utilities has not had any contact with the developer of this property for over six months.

Chang Medical Center – This is an existing customer who will connect to the reclaim as soon as

the Trinity Springs Medical Center project has brought the reclaim line up from Gators to the southern corner of the Chang Medical Center property.

Seven Springs Medical Park – The Developer of this project is the same person who owns the Chang Medical Center. A Developer Agreement Amendment for Reclaimed Water was executed in September of 2005 that says that they will use reclaimed water for their sole irrigation purposes as soon as the reclaim line is brought to the southern corner of the Chang Medical Center property.

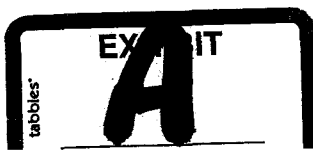
*admin1/letters/07pscomp/gators*

**Subject:** Refundable Advance Agreement  
**From:** Development <development@aloha-water.com>  
**Date:** Wed, 18 Jan 2006 08:35:27 -0500  
**To:** lee@floridamagicvacation.com

As requested, please find attached our Refundable Advance Agreement.

Aloha Utilities, Inc.  
Development Department

<b>Refundable Advance Agreement.doc</b>	<b>Content-Type:</b> application/msword <b>Content-Encoding:</b> base64
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## REFUNDABLE ADVANCE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ a Florida corporation, hereinafter "DEVELOPER," and the ALOHA UTILITIES, INC., a Florida corporation, hereinafter "ALOHA."

WHEREAS, DEVELOPER is desirous of extending ALOHA's water, sewer and reclaim systems in the manner described in **Exhibit "A,"** which is incorporated herein by reference (the "Project"); and,

WHEREAS, DEVELOPER has obtained a proposal for the Project from an independent contractor, identifying the cost of the Project (including contractor's fees) which is attached hereto as **Exhibit "B,"** and incorporated herein by reference; and,

WHEREAS, ALOHA is desirous of having its water, sewer and reclaim systems extended through construction of the Project in order to serve the property identified in **Exhibit "C,"** and incorporated herein by reference.

NOW, THEREFORE, in consideration of the payment of \$10, and mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER and ALOHA agree as follows:

1. DEVELOPER shall pay all costs associated with the Project including, but not limited to, engineering, construction, legal, permitting, inspection and administration. Such costs shall include any reasonably and prudently incurred by Aloha as a result of the Project.
2. ALOHA may provide periodic inspection of such construction for compliance with approved plans and specifications, although it has no obligation to do so.
3. The parties agree that the hydraulic design capacity of the Project is \_\_\_\_\_ gallons per day ("Project Capacity").
4. DEVELOPER shall convey ownership of all facilities comprising the Project without encumbrances to ALOHA after completion of construction in full accordance with approved plans, specifications and permit conditions by bill of sale, easement, and other necessary documentation in a form reasonably acceptable to ALOHA, with accompanying cost records. Upon receipt of the cost information, ALOHA shall establish the Project cost for purposes of this Agreement, which shall include all costs and expenses incurred by the Developer which may be capitalized as project costs for regulatory accounting purposes ("Project Cost").
5. DEVELOPER shall provide as-built plans and specifications certified by a professional engineer registered in the State of Florida prior to acceptance by ALOHA.
6. DEVELOPER shall hold ALOHA harmless of any and all liability related to the construction, operation or maintenance of the Project incurred or occurring prior to acceptance by ALOHA, except to the extent such liability arises out of the gross negligence or willful misconduct of ALOHA.

7. ALOHA shall collect a refundable advance fee from each new customer or developer that proposes to connect directly to the Project which shall reflect the new customers pro rata share of the cost of the Project according to the hydraulic design capacity of the proposed user's demand on the Project. The refundable advance fee shall be determined by dividing the design hydraulic capacity demand of the new user by the Project Capacity, and multiplying the result by the Project Cost. ALOHA may deduct a one percent administration fee from the refundable advance fee prior to payment to DEVELOPER. The refundable advance fee shall be paid to DEVELOPER within 30 days of collection by ALOHA.

8. Hydraulic calculations shall be prepared by the DEVELOPER'S professional engineer for approval by ALOHA which approval shall not be unreasonably withheld. Design hydraulic capacity and demand calculations shall consistently utilize "peak hour" rates.

9. ALOHA shall make a refundable advance to the DEVELOPER of the amount of the fee collected from each customer or developer who directly utilizes the line extension referenced herein. Such refundable advance shall be paid prior to any customer or developer utilizing such line extensions.

10. It is specifically agreed and understood that ALOHA'S obligation hereunder shall cease five (5) years from the date of the execution hereof. Any payments made by third parties to ALOHA, its successors and assigns, subsequent to the seventh anniversary hereof shall not be subject to refundable advance treatment. Additionally, ALOHA'S obligation hereunder shall be that of a transfer agent, and ALOHA shall not, under any circumstances, have any obligation to make refunds to DEVELOPER in excess of those amounts actually collected by ALOHA from the utilization of the facilities described in Exhibit "A" by third parties.

11. This Agreement shall be governed by the laws of the State of Florida. In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses of such litigation, including reasonable attorney's fees, including appeals.

12. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

IN WITNESS WHEREOF, the parties have set their hands and seals this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

WITNESSES:

ALOHA UTILITIES, INC.

\_\_\_\_\_

By: \_\_\_\_\_  
Stephen G. Watford, President

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Stephen G. Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, who is personally known to me, on behalf of said Corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

WITNESSES:

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ of \_\_\_\_\_ a \_\_\_\_\_ Corporation, who is personally known to me or produced \_\_\_\_\_ as identification, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

## **Facsimile Cover Sheet**

<b>To:</b> Lee Allen	<b>Fax:</b> 847-0909
<b>From:</b> Jennifer Wilkowski	<b>Pages:</b> 5
<b>Date:</b> 2/23/2006	<b>Time:</b> 11:15 a.m.

**Comments:** Attached is a revised Refundable Advance Agreement with the corrected time period in paragraph 10.



## REFUNDABLE ADVANCE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a Florida corporation, hereinafter "DEVELOPER," and the **ALOHA UTILITIES, INC.**, a Florida corporation, hereinafter "ALOHA."

**WHEREAS**, DEVELOPER is desirous of extending ALOHA's water, sewer and reclaim systems in the manner described in **Exhibit "A,"** which is incorporated herein by reference (the "Project"); and,

**WHEREAS**, DEVELOPER has obtained a proposal for the Project from an independent contractor, identifying the cost of the Project (including contractor's fees) which is attached hereto as **Exhibit "B,"** and incorporated herein by reference; and,

**WHEREAS**, ALOHA is desirous of having its water, sewer and reclaim systems extended through construction of the Project, in order to serve the property identified in **Exhibit "C,"** and incorporated herein by reference.

**NOW, THEREFORE**, in consideration of the payment of \$10, and mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER and ALOHA agree as follows:

1. DEVELOPER shall pay all costs associated with the Project including, but not limited to, engineering, construction, legal, permitting, inspection and administration. Such costs shall include any reasonably and prudently incurred by Aloha as a result of the Project.
2. ALOHA may provide periodic inspection of such construction for compliance with approved plans and specifications, although it has no obligation to do so.
3. The parties agree that the hydraulic design capacity of the Project is \_\_\_\_\_ gallons per day ("Project Capacity").
4. DEVELOPER shall convey ownership of all facilities comprising the Project without encumbrances to ALOHA after completion of construction in full accordance with approved plans, specifications and permit conditions by bill of sale, easement, and other necessary documentation in a form reasonably acceptable to ALOHA with accompanying cost records. Upon receipt of the cost information, ALOHA shall establish the Project cost for purposes of this Agreement, which shall include all costs and expenses incurred by the Developer which may be capitalized as project costs for regulatory accounting purposes ("Project Cost").
5. DEVELOPER shall provide as-built plans and specifications certified by a professional engineer registered in the State of Florida prior to acceptance by ALOHA.
6. DEVELOPER shall hold ALOHA harmless of any and all liability related to the construction, operation or maintenance of the Project incurred or occurring prior to acceptance by ALOHA, except to the extent such liability arises out of the gross negligence or willful misconduct of ALOHA.

7. ALOHA shall collect a refundable advance fee from each new customer or developer that proposes to connect directly to the Project which shall reflect the new customers pro rata share of the cost of the Project according to the hydraulic design capacity of the proposed user's demand on the Project. The refundable advance fee shall be determined by dividing the design hydraulic capacity demand of the new user by the Project Capacity, and multiplying the result by the Project Cost. ALOHA may deduct a one percent administration fee from the refundable advance fee prior to payment to DEVELOPER. The refundable advance fee shall be paid to DEVELOPER within 30 days of collection by ALOHA.

8. Hydraulic calculations shall be prepared by the DEVELOPER'S professional engineer for approval by ALOHA which approval shall not be unreasonably withheld. Design hydraulic capacity and demand calculations shall consistently utilize "peak hour" rates.

9. ALOHA shall make a refundable advance to the DEVELOPER of the amount of the fee collected from each customer or developer who directly utilizes the line extension referenced herein. Such refundable advance shall be paid prior to any customer or developer utilizing such line extensions.

10. It is specifically agreed and understood that ALOHA'S obligation hereunder shall cease five (5) years from the date of the execution hereof. Any payments made by third parties to ALOHA, its successors and assigns, subsequent to the fifth anniversary hereof shall not be subject to refundable advance treatment. Additionally, ALOHA'S obligation hereunder shall be that of a transfer agent, and ALOHA shall not, under any circumstances, have any obligation to make refunds to DEVELOPER in excess of those amounts actually collected by ALOHA from the utilization of the facilities described in Exhibit "A" by third parties.

11. This Agreement shall be governed by the laws of the State of Florida. In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses of such litigation, including reasonable attorney's fees, including appeals.

12. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

IN WITNESS WHEREOF, the parties have set their hands and seals this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

WITNESSES:

ALOHA UTILITIES, INC.

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Stephen G. Watford, President

\_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Stephen G. Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, who is personally known to me, on behalf of said Corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

WITNESSES:

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ Corporation, who is personally known to me or produced \_\_\_\_\_ as identification, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Sending Confirm

Date : FEB 23 2006 THU 11:16AM  
Name : ALOHA UTILITIES  
Tel. : 7273722577

Phone	:	8470909
Pages	:	5
Start Time	:	02-23 11:14AM
Elapsed Time	:	01'36"
Mode	:	ECM
Result	:	Ok

**Subject:** Refundable Advance Agreement  
**From:** Development <development@aloha-water.com>  
**Date:** Thu, 09 Mar 2006 16:35:41 -0500  
**To:** Lee Allen <gatorrealm@verizon.net>

Mr. Allen,

Pursuant to our telephone conversation, please find attached the revised Refundable Advance Agreement from our attorney.

Sincerely,

Jennifer Wilkowski  
Administrative Assistant  
Aloha Utilities, Inc.

RefundableAdvanceAgreement-RJGATORS-ONLY3.7.06.doc

**Content-Type:** application/msword  
**Content-Encoding:** base64

## REFUNDABLE ADVANCE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a Florida corporation, hereinafter "DEVELOPER," and the ALOHA UTILITIES, INC., a Florida corporation, hereinafter "ALOHA."

WHEREAS, DEVELOPER is desirous of extending ALOHA's water, sewer and reclaim systems in the manner described in **Exhibit "A,"** which is incorporated herein by reference (the "Project"); and,

WHEREAS, DEVELOPER has obtained a proposal for the Project from an independent contractor, identifying the cost of the Project (including contractor's fees) which is attached hereto as **Exhibit "B,"** and incorporated herein by reference; and,

WHEREAS, ALOHA is desirous of having its water, sewer and reclaim systems extended through construction of the Project in order to serve the property identified in **Exhibit "C,"** and incorporated herein by reference.

NOW, THEREFORE, in consideration of the payment of \$10, and mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER and ALOHA agree as follows:

1. DEVELOPER shall pay all costs associated with the Project including, but not limited to, engineering, construction, legal, permitting, inspection and administration. Such costs shall include any reasonably and prudently incurred by Aloha as a result of the Project.
2. ALOHA may provide periodic inspection of such construction for compliance with approved plans and specifications, although it has no obligation to do so.
3. The parties agree that the hydraulic design capacity of the Project is \_\_\_\_\_ gallons per day ("Project Capacity").
4. DEVELOPER shall convey ownership of all facilities comprising the Project without encumbrances to ALOHA after completion of construction in full accordance with approved plans, specifications and permit conditions by bill of sale, easement, and other necessary documentation in a form reasonably acceptable to ALOHA, with accompanying cost records. Upon receipt of the cost information, ALOHA shall establish the Project cost for purposes of this Agreement, which shall include all costs and expenses incurred by the Developer which may be capitalized as project costs for regulatory accounting purposes ("Project Cost").
5. DEVELOPER shall provide as-built plans and specifications certified by a professional engineer registered in the State of Florida prior to acceptance by ALOHA.
6. DEVELOPER shall hold ALOHA harmless of any and all liability related to the construction, operation or maintenance of the Project incurred or occurring prior to acceptance by ALOHA, except to the extent such liability arises out of the gross negligence or willful misconduct of ALOHA.

7. ALOHA shall collect a refundable advance fee from each new customer or developer that proposes to connect directly to the Project which shall reflect the new customers pro rata share of the cost of the Project according to the hydraulic design capacity of the proposed user's demand on the Project. The refundable advance fee shall be determined by dividing the design hydraulic capacity demand of the new user by the Project Capacity, and multiplying the result by the Project Cost. ALOHA may deduct a one percent administration fee from the refundable advance fee prior to payment to DEVELOPER. The refundable advance fee shall be paid to DEVELOPER within 30 days of collection by ALOHA.

8. Hydraulic calculations shall be prepared by the DEVELOPER'S professional engineer for approval by ALOHA which approval shall not be unreasonably withheld. Design hydraulic capacity and demand calculations shall consistently utilize "peak hour" rates.

9. ALOHA shall make a refundable advance to the DEVELOPER of the amount of the fee collected from each customer or developer who directly utilizes the line extension referenced herein. Such refundable advance shall be paid prior to any customer or developer utilizing such line extensions.

10. It is specifically agreed and understood that ALOHA'S obligation hereunder shall cease five (5) years from the date of the execution hereof. Any payments made by third parties to ALOHA, its successors and assigns, subsequent to the fifth anniversary hereof shall not be subject to refundable advance treatment. Additionally, ALOHA'S obligation hereunder shall be that of a transfer agent, and ALOHA shall not, under any circumstances, have any obligation to make refunds to DEVELOPER in excess of those amounts actually collected by ALOHA from the utilization of the facilities described in Exhibit "A" by third parties.

11. This Agreement shall be governed by the laws of the State of Florida. In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses of such litigation, including reasonable attorney's fees, including appeals.

12. This Agreement shall be binding on and made to the benefit of the parties, their respective successors and assigns.

13. DEVELOPER agrees to complete construction, at its expenses, of that portion of the Project consisting of a 6" reclaimed water line extending from Aloha's existing 24" line on the south side of State Road 54 to the Property ("Reclaimed Water Line") within 120 days following Aloha's approval of the construction plans which Developer has delivered to Aloha on or before the date of this Agreement (the "Construction Deadline"). If Developer fails to complete construction of the Reclaimed Water Line by the Construction Deadline, Developer agrees that Aloha shall have the right to discontinue water and wastewater service to the Property until construction is completed and the Reclaimed Water Line is accepted by Aloha. Aloha shall provide ten days written notice to Developer prior to discontinuing service. In order to avoid a discontinuation of service, or to reconnect service, Developer may post a bond or deposit cash with Aloha in an amount equal to the cost of completion of construction of the Reclaimed Water Line and all appurtenant costs. In that event, Aloha shall continue or resume service to the Property pending completion of the Reclaimed Water Line.



14. Aloha agrees that it will not deny, withhold or delay any approvals needed from Aloha for the issuance of a Certificate of Occupancy by Pasco County for the R.J. Gator's restaurant on the Property as a result of Developer's failure to construct the Reclaimed Water Line prior to the date of this Agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

WITNESSES:

ALOHA UTILITIES, INC.

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Stephen Watford, President

\_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Stephen Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, who is personally known to me, on behalf of said Corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

WITNESSES:

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ a \_\_\_\_\_ Corporation, who is personally known to me or produced \_\_\_\_\_ as identification, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

## Facsimile Cover Sheet

<b>To:</b> Lee Allen	<b>Fax:</b> 847-0909
R J Gators	
<b>From:</b> Pamela Yacobelli	<b>Pages:</b> 2
<b>Date:</b> 4/17/2006	<b>Time:</b> 8:10 a.m.

**Comments:** As requested.

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655*  

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*(727) 372-0111 Fax (727) 372-2677*  
*www.aloha-water.com*

April 17, 2006

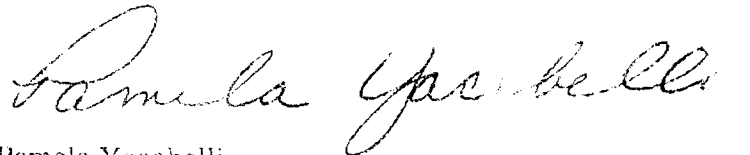
Mr. Leroy Allen  
Realm Management  
5721 Richey Drive  
Port Richey, FL 34668

Dear Mr. Allen:

In response to your question regarding the pressure in our reclaim water system, the average pressure is 65 to 70 psi.

Should you have any further questions, please do not hesitate to call me.

Sincerely,



Pamela Yacobelli  
Administration Manager

/py

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

## Facsimile Cover Sheet

<b>To:</b> Lee Allen	<b>Fax:</b> 847-0909
Realm Management	
<b>From:</b> Pamela Yacobelli	<b>Pages:</b> 4
<b>Date:</b> 4/19/2006	<b>Time:</b> 5:00 p.m.

**Comments:** Sections of the developer agreement with S & K Developers regarding easements.

## DEVELOPER AGREEMENT

THIS AGREEMENT made and entered into this 4th day of October, 1984, by and between S. & K. Development of Pasco County, Inc., a Florida corporation, hereinafter referred to as "Developer", and ALOHA UTILITIES, INC., a Florida corporation, hereinafter referred to as "Service Company",

WHEREAS, Developer owns or is about to acquire a fee interest in certain lands located in Pasco County, Florida, and described in Exhibit "A", attached hereto and made a part hereof as if fully set out in this paragraph and hereinafter referred to as the "Property", and Developer presently intends to develop the Property into a community of individually metered homes, including but not limited to single family and or multi-family homes or units, as applicable, and appurtenant facilities; and

WHEREAS, in order to meet the financial and general requirements of Federal, State and local governmental agencies, including, but not limited to, the Department of Environmental Regulation, the Florida Public Service Commission and other agencies having jurisdiction over the Service Company or the Property (herein generally called "Public Agencies"), it is necessary that adequate central water distribution and sewage collection services be provided to serve the Property, the occupants of each home and the appurtenant facilities to be located on the Property; and

WHEREAS, Developer is not certified to provide central water distribution and sewage collection services to serve the Property, but is desirous of promoting the construction of such facilities so that the Property will receive adequate water and sewage service; and

WHEREAS, the Service Company is willing to provide, in accordance with the provisions of this Agreement, central water treatment and distribution and sewage collection and treatment services to the Property and thereafter operate applicable facilities so that the occupants of the improvement on the Property and the appurtenant facilities will receive an adequate water supply and sewage collection and disposal service from Service Company;

NOW, THEREFORE, for and in consideration of the premises the mutual undertakings and agreements herein contained and assumed, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer and Service Company hereby covenant and agree as follows:

sewage collection systems installed by Developer shall constitute the assumption of responsibility by Service Company for the continuous operation and maintenance of such systems from that date forward.

9. Application for Service: Consumer Installation. Developer, or any owner of any parcel of the Property, or any occupant of any residence, building or unit located thereon, shall not have the right to and shall not connect any Consumer Installation to the on-site water distribution and sewage collection systems until formal written application has been made to Service Company by the prospective consumer of service, or on their behalf, and the meter installation fee has been paid in accordance with the then effective rules and regulations of Service Company, and approval has been granted for such connection.

10. Easements - Developer agrees to grant and give to Service Company a non-exclusive right or privilege to maintain, repair, replace, construct and operate said on-site water distribution systems and sewage treatment and collection facilities in the area to be designated by Developer. Mortgagees, if any, holding prior liens on the Property shall, upon the reasonable request of Service Company be required to give to Service Company assurance by way of a "non-disturbance agreement" that in the event of foreclosure, mortgagee would continue to recognize the easement rights of Service company as long as Service Company complied with the terms of this Agreement.

Developer hereby further agrees that the foregoing grants shall include the necessary right of ingress and egress to any part of the Property upon which Service Company is maintaining, repairing, or operating such facilities; that the foregoing grants shall be for such period of time as Service Company or its successors or assigns operate such facilities; and that where roads cross easement areas such roads shall be constructed in accordance with commonly accepted engineering practices of Pasco County, Florida, or as otherwise required by law. The use of easement area by Service Company shall not preclude the use by Developer or other utilities of these easement areas, such as, for cable television, telephone, electric, roads or walkways, provided, however, that the same shall not reasonably interfere with Service Company's utilization of same and shall be in compliance with commonly accepted engineering practices of Pasco County, Florida or as otherwise required by law. Service Company acknowledges its understanding that easements granted may cross, at one or more points storm sewers, cable lines, telephone lines and other utility systems or easement rights now or hereafter in

existence, and Service Company expressly agrees to exercise the highest degree of care in order to avoid damage to or interference with any such other utilities or easement rights. Grantee further agrees to cooperate as necessary with all other grantees having similar rights within or serving the Property.

Service Company hereby agrees that all easement grants will be utilized in accordance with the established and generally accepted practice of the water and sewer industry with respect to the installation, maintenance, repair, replacement, construction and operation of all its facilities in any of the easement areas. Service Company agrees that it will at all times maintain such facilities in good order, condition and repair, at its sole cost and expense, in accordance with all standards and specifications which may be prescribed by any governmental or regulatory authority having jurisdiction. All such maintenance, repair, replacement and construction shall be done as expeditiously as possible in accordance with standard industry and engineering practices with no unreasonable obstruction of or interference with or destruction of the ordinary flow of pedestrian or vehicular traffic or the use, occupancy or condition of the Property, and, except in cases of emergency in which no prior notice shall be required, Service Company shall give Developer no less than twenty-four (24) hours notice of work within the easement areas, and shall cooperate with Developer in preserving such things as shrubbery, plants, fences or other structures placed within the easement areas. Service Company shall restore easement areas only to the extent of sodding and restoring sidewalks and pavement and Service Company shall not be responsible for restoring such things as shrubbery, plants, fences or other structures placed within the easement areas.

11. Agreement to Serve - Service Company covenants and agrees that upon the completion of construction of the on-site water distribution and sewage collection services facilities by Developer, its inspection, and the issuance of the final letter of acceptance by Service Company, Service Company will connect or oversee the connection of the on-site water distribution and sewage collection services facilities installed by Developer to the central facilities of Service Company. Such connection shall at all times be in accordance with rules, regulations and orders of the applicable governmental authorities. Service Company agrees that once it provides water distribution and sewage collection services to the Property and Developer or others have connected Consumer Installations to its system, thereafter, Service Company, its successors and assigns will continuously provide, at its cost and expense, but in accordance with the other provisions of this Agreement and the rules and regulations and rate schedule set by applicable government authorities, water



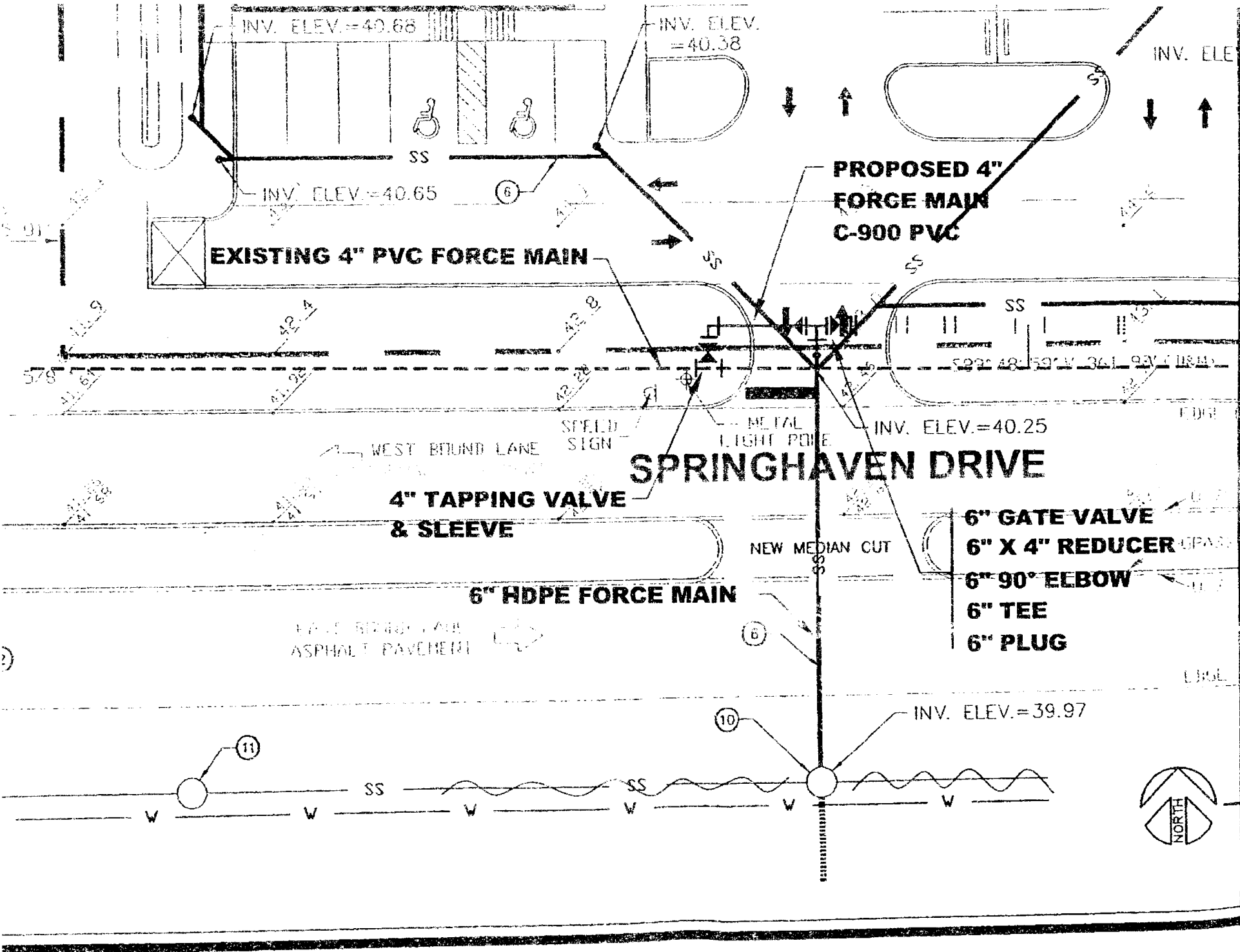
# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

## Facsimile Cover Sheet

<b>To:</b> Lee Allen	<b>Fax:</b> 847-0909
Donnie Fraize	843-0650
<b>From:</b> Pamela Yacobelli	<b>Pages:</b> 2
<b>Date:</b> 5/11/2006	<b>Time:</b> 11:45 a.m.

Comments: I just received this from Dale



INV. ELEV.=40.68

INV. ELEV.=40.38

INV. ELE

INV. ELEV.=40.65

EXISTING 4" PVC FORCE MAIN

PROPOSED 4" FORCE MAIN C-900 PVC

SPRINGHAVEN DRIVE

4" TAPPING VALVE & SLEEVE

6" HDPE FORCE MAIN

6" GATE VALVE  
6" X 4" REDUCER  
6" 90° ELBOW  
6" TEE  
6" PLUG

INV. ELEV.=40.25

INV. ELEV.=39.97

ASPHALT PAVEMENT



## REFUNDABLE ADVANCE AGREEMENT

THIS AGREEMENT is made and entered into this 23<sup>rd</sup> day of May, 2006, by and between **REALM MANAGEMENT, LLC**, a Florida limited liability company, hereinafter "DEVELOPER," and the **ALOHA UTILITIES, INC.**, a Florida corporation, hereinafter "ALOHA."

**WHEREAS**, DEVELOPER is desirous of extending ALOHA's water, sewer and reclaim systems in the manner described in **Exhibit "A,"** which is incorporated herein by reference (the "Project"); and,

**WHEREAS**, DEVELOPER has obtained a proposal for the Project from an independent contractor, identifying the cost of the Project (including contractor's fees) which is attached hereto as **Exhibit "B,"** and incorporated herein by reference; and,

**WHEREAS**, ALOHA is desirous of having its water, sewer and reclaim systems extended through construction of the Project, in order to serve the property identified in **Exhibit "C,"** and incorporated herein by reference.

**NOW, THEREFORE**, in consideration of the payment of \$10, and mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER and ALOHA agree as follows:

1. DEVELOPER shall pay all costs associated with the Project including, but not limited to, engineering, construction, legal, permitting, inspection and administration. Such costs shall include any reasonably and prudently incurred by Aloha as a result of the Project.
2. ALOHA may provide periodic inspection of such construction for compliance with approved plans and specifications, although it has no obligation to do so.
3. The parties agree that the hydraulic design capacity of the Project is 47,075 gallons per day ("Project Capacity") as shown on the attached Reclaimed Water System Schedule dated 2/15/2006.
4. DEVELOPER shall convey ownership of all facilities comprising the Project without encumbrances to ALOHA after completion of construction in full accordance with approved plans, specifications and permit conditions by bill of sale, easement, and other necessary documentation in a form reasonably acceptable to ALOHA, with accompanying cost records. Upon receipt of the cost information, ALOHA shall establish the Project cost for purposes of this Agreement, which shall include all costs and expenses incurred by the Developer which may be capitalized as project costs for regulatory accounting purposes ("Project Cost").
5. DEVELOPER shall provide as-built plans and specifications certified by a professional engineer registered in the State of Florida prior to acceptance by ALOHA.
6. DEVELOPER shall hold ALOHA harmless of any and all liability related to the construction, operation or maintenance of the Project incurred or occurring prior to acceptance by ALOHA, except to the extent such liability arises out of the gross negligence or willful misconduct of ALOHA.

7. ALOHA shall collect a refundable advance fee from each new customer or developer that proposes to connect directly to the Project which shall reflect the new customers pro rata share of the cost of the Project according to the hydraulic design capacity of the proposed user's demand on the Project. The refundable advance fee shall be determined by dividing the design hydraulic capacity demand of the new user by the Project Capacity, and multiplying the result by the Project Cost. ALOHA may deduct a one percent administration fee from the refundable advance fee prior to payment to DEVELOPER. The refundable advance fee shall be paid to DEVELOPER within 30 days of collection by ALOHA.

8. Hydraulic calculations shall be prepared by the DEVELOPER'S professional engineer for approval by ALOHA which approval shall not be unreasonably withheld. Design hydraulic capacity and demand calculations shall consistently utilize "peak hour" rates.

9. ALOHA shall make a refundable advance to the DEVELOPER of the amount of the fee collected from each customer or developer who directly utilizes the line extension referenced herein. Such refundable advance shall be paid prior to any customer or developer utilizing such line extensions.

10. It is specifically agreed and understood that ALOHA'S obligation hereunder shall cease five (5) years from the date of the execution hereof. Any payments made by third parties to ALOHA, its successors and assigns, subsequent to the fifth anniversary hereof shall not be subject to refundable advance treatment. Additionally, ALOHA'S obligation hereunder shall be that of a transfer agent, and ALOHA shall not, under any circumstances, have any obligation to make refunds to DEVELOPER in excess of those amounts actually collected by ALOHA from the utilization of the facilities described in Exhibit "A" by third parties.

11. This Agreement shall be governed by the laws of the State of Florida. In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses of such litigation, including reasonable attorney's fees, including appeals.

12. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

13. DEVELOPER agrees to complete construction, at its expenses, of that portion of the Project consisting of a 6" reclaimed water line extending from Aloha's existing 24" line on the south side of State Road 54 to the Property ("Reclaimed Water Line") within 120 days following Aloha's approval of the construction plans (the "Construction Deadline"). Developer shall deliver the construction plans to Aloha within sixty (60) days of the date of this Agreement, and Aloha's approval of the plans shall not be unreasonably withheld, delayed or conditioned. If Developer fails to complete construction of the Reclaimed Water Line by the Construction Deadline, Developer agrees that Aloha shall have the right to discontinue water and wastewater service to the Property until construction is completed and the Reclaimed Water Line is accepted by Aloha. The Construction Deadline may be extended due to delays beyond the control of Developer, provided Developer is diligently prosecuting completion of construction. Should any such be occasioned by Developer's inability to secure an easement or right of way approval for the Reclaimed Water Line, such delay shall not extend the Construction Deadline by more than

ninety (90) days. Aloha shall provide ten days written notice to Developer prior to discontinuing service. In order to avoid a discontinuation of service, or to reconnect service, Developer may post a bond, irrevocable standby letter of credit or deposit cash with Aloha in an amount equal to the cost of completion of construction of the Reclaimed Water Line and all appurtenant costs. In that event, Aloha shall continue or resume service to the Property pending completion of the Reclaimed Water Line.

14. Aloha agrees that it will not deny, withhold or delay any approvals needed from Aloha for the issuance of a Certificate of Occupancy by Pasco County for the R.J. Gator's restaurant on the Property as a result of Developer's failure to construct the Reclaimed Water Line prior to the date of this Agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals this 23<sup>rd</sup> day of May, 2006.

WITNESSES:

ALOHA UTILITIES, INC.

Marion G. Vinyard

By: [Signature]  
Stephen Watford, President

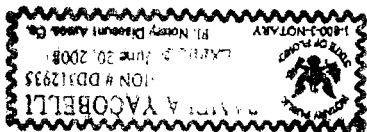
Print Name: MARION G. VENYARD

Jennifer Wilkowski

Print Name: Jennifer Wilkowski

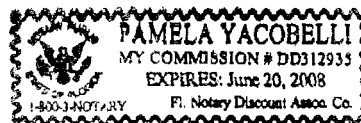
STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 23 day of May, 2006 by Stephen Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, who is personally known to me, on behalf of said Corporation.



Pamela Yacobelli  
Notary Public

My Commission Expires: 6-20-08



WITNESSES:

Leroy R. Allen

Print Name: LEROY R. ALLEN

Pamela Daly

Print Name: PAMELA DALY

REALM MANAGEMENT, LLC

By:

Warren Dunphy  
As its Managing Member

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 26<sup>TH</sup> day of APRIL, 2006, by Warren Dunphy of the Managing Member of REALM MANAGEMENT, LLC, a FLORIDA Corporation, who is personally known to me or produced \_\_\_\_\_ as identification, on behalf of said corporation.

Leroy R. Allen  
Notary Public

My Commission Expires: \_\_\_\_\_



Leroy R. Allen  
Commission # DD512532  
Expires February 10, 2010  
Berkley Tray Fast - Insurance, Inc. 800-385-7018

**EXHIBIT A**  
**EXTENSION OF RECLAIMED WATER LINE**

**Connect with Aloha's existing 24-inch main on the south side of SR 54 utilizing the existing 12-inch casing installed under SR 54 which presently serves the Wal-Mart parcel. Developer to install a new 6-inch reuse main in that casing which replaces the existing 4-inch reuse line serving Wal-Mart. This new 6-inch reuse main would then be constructed within the right of way of SR 54 and right of way of Little Road to the Property.**

**EXHIBIT B**  
**REUSE WATER LINE PROJECT COST**

(\*Developer shall obtain a proposal for the costs from an independent contractor and such proposal shall be attached hereto)



**EXHIBIT C**  
**LEGAL DESCRIPTION OF PROPERTY**  
**GATOR CROSSING AT TRINITY COMMERCIAL CONDOMINIUM**

That certain condominium parcel recorded in Condominium Plat Book 06, Page 103 of the Public Records of Pasco County, Florida.

**ALOHA UTILITIES, INC.**  
 Reclaimed Water System

North Little Road Reuse Customers - Revised 02/15/06

Customer No.	Development or Owner Name	Tract Size Sq. Ft.	Percent Irrigable	Irrigated Area Sq. Ft.	Irrigation Multiplier	Annual Est. ADF GPD	Percentage of Total Usage	
1	R.J. Gators*	95,832	26.8	25,693	0.090	2,311	4.91	
2	Manos 15.0 AC parcel (Est 80% Developable)	522,720	25.0	130,680	0.090	11,761	24.98	
3	Manos 18.5 AC Parcel	805,860	25.0	201,465	0.090	18,132	38.52	
3	Chang Medical Center	60,984	25.0	15,246	0.090	1,372	2.91	
3	Trinity Springs Medical Center	143,748	25.0	35,937	0.090	3,234	6.87	
4	Seven Springs Medical Park	Lot 1	24,843	20.0	4,969	0.090	447	0.95
		Lot 2	25,447	20.0	5,089	0.090	458	0.97
		Lot 3	17,944	20.0	3,589	0.090	323	0.69
		Lot 4	82,099	20.0	16,402	0.090	1,476	3.14
		Lot 5	24,161	20.0	4,832	0.090	435	0.92
		Lot 6	24,760	20.0	4,952	0.090	446	0.95
		Lot 7	21,042	20.0	4,208	0.090	379	0.80
	Common Area	<u>70,000</u>	100.0	<u>70,000</u>	0.090	<u>6,300</u>	<u>13.38</u>	
	<b>Total</b>	<b>1,919,350</b>		<b>523,052</b>		<b>47,075</b>	<b>100</b>	

\*Irrigation quantity supplied by Developer Engineer based on two waterings/week of 0.5 inches.

**Subject:** Re: Gators Project 3523 Little Road (Trinity, Florida)

**From:** Pam Yacobelli <pam@aui.com>

**Date:** Tue, 01 Aug 2006 12:04:02 -0400

**To:** Lee Allen <gatorrealm@verizon.net>

Lee,

Steve is in Tampa today but I will have them signed as soon as he gets in tomorrow and I will give you a call as soon as that is done.

Pam

Lee Allen wrote:

Pam,

I delivered a check for the \$14,693.93 Administrative Costs due on this project to Jennifer Wilkowski today. That should complete all of the items Alona requested. Can we get the Developer Agreement, Refundable Advance Agreement and Water & Sewer DEP forms completed and signed immediately.

Kindly let me know when I can pick up these completed items. Your cooperation in the prompt handling of this matter is greatly appreciated.

Lee Allen

Attorney At Law

**Subject:** Re: Gators Project 3523 Little Road (Trinity, Florida)  
**From:** Pam Yacobelli <pam@aui.com>  
**Date:** Wed, 02 Aug 2006 08:48:47 -0400  
**To:** Lee Allen <gatorrealm@verizon.net>

Lee,

We will need Warren to come by and change and initial the change on the developer agreement for the Administration Costs. This can be done when the DEP forms are signed.

Thank you for all your help and understanding during this process.

Pam

Lee Allen wrote:

Pam,

I delivered a check for the \$14,693.93 Administrative Costs due on this project to Jennifer Wilkowski today. That should complete all of the items Aloha requested. Can we get the Developer Agreement, Refundable Advance Agreement and Water & Sewer DEP forms completed and signed immediately.

Kindly let me know when I can pick up these completed items. Your cooperation in the prompt handling of this matter is greatly appreciated.

Lee Allen  
Attorney At Law

**Subject:** Re: Gators Project 3523 Little Road (Trinity, Florida)

**From:** Pam Yacobelli <pam@aui.com>

**Date:** Wed, 02 Aug 2006 13:43:48 -0400

**To:** Lee Allen <gatorrealm@verizon.net>

Lee,

Your DEP forms are ready, please make sure I have Warren here to fix the Developer Agreement before I can release the DEP forms.

Also it has been over 60 days and we still do not have the construction plans for the reuse according to our agreement.

Pam

Lee Allen wrote:

Pam,

I delivered a check for the \$14,693.93 Administrative Costs due on this project to Jennifer Wilkowski today. That should complete all of the items Alona requested. Can we get the Developer Agreement, Refundable Advance Agreement and Water & Sewer DEP forms completed and signed immediately.

Kindly let me know when I can pick up these completed items. Your cooperation in the prompt handling of this matter is greatly appreciated.

Lee Allen  
Attorney At Law

**DEVELOPER AGREEMENT AMENDMENT FOR RECLAIMED WATER**

**THIS AGREEMENT**, is made and entered into this 20<sup>th</sup> day of September, 2005, between Seven Springs Medical Park, Inc., a Florida corporation, whose address is 5307 Main Street, Suite 102, New Port Richey, FL 34652-2513 ("Developer"), and ALOHA UTILITIES, INC. a Florida Corporation whose address is 6915 Perrine Ranch Road, New Port Richey, Florida 34655, ("Service Company").

**WHEREAS**, Developer and Service Company entered into a Developer Agreement dated Feb 24, 2005, ("Developer Agreement"); and,

**WHEREAS**, the parties wish to amend the Developer Agreement to provide that Service Company will agree to begin to provide water and sewer service to the seven proposed lots within Seven Springs Medical Park, subject to Developer agreeing to take reclaimed water at such time in the future as Service Company makes it available to the Property (as defined in the Developer Agreement).

**NOW, THEREFORE**, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. At its sole expense, Developer will install reclaimed water lines throughout the Property prior to Service Company beginning to provide water and sewer service to the Property. The on-site reclaimed water lines will be stubbed out at the southeast corner of the current property line of 3633 Little Road (Parcel ID #23-26-16-0000-01800-0010).
2. Within 30 days following notice of availability from Service Company Developer shall, at its sole expense, connect all seven lots on the Property, as well as the existing medical park, to the Service Company's reclaimed water system. All current irrigation, whether by well or potable water, shall be disconnected and all lots and properties shall thereafter exclusively use reclaimed water provided by Service Company for all irrigation purposes.
3. Other than as amended hereby, all terms and conditions set forth in the Developer Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Developer Agreement Amendment for Reclaimed Water, with any named Exhibits attached, to be executed in counterpart, each of which counterpart shall be considered an original executed copy of this Agreement.

WITNESSES:

Jennifer Wilkowski  
Print Name: Jennifer Wilkowski

ALOHA UTILITIES, INC.

By: Stephen G. Watford, Pres.  
Stephen G. Watford

Crystal Hinton  
Print Name: Crystal Hinton

WITNESSES:

Jayne K Miller  
Print Name: Jayne K Miller

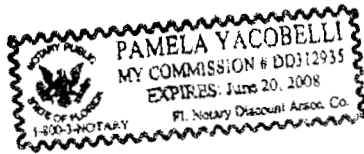
By: Fong Mei Chang  
Print Name: \_\_\_\_\_

Sing Long Chang  
Print Name: Sing Long Chang

Fong Mei CHANG

STATE OF FLORIDA  
COUNTY OF pasco

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of September  
2005, by Stephen G. Watford, who is personally known to me.



Pamela Yacobelli

Print Name Pamela Yacobelli  
Notary Public  
State of Florida at Large  
My Commission Expires: 6-20-08

STATE OF FLORIDA  
COUNTY OF pasco

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of Sept  
2005, by Fong Mei Chang, who is personally known to me or who has produced  
\_\_\_\_\_ as identification.

Christine Borgan

Print Name: Christine Borgan  
Notary Public  
State of Florida at Large  
My Commission Expires:





# *Aloha Utilities, Inc.*

*6915 Perrino Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

## **Facsimile Cover Sheet**

<b>To:</b> Lee Allen	<b>Fax:</b> 847-0909
<b>Cc:</b> Warren Dunphy	<b>Fax:</b> 847-0909
<b>From:</b> Jennifer Wilkowski	<b>Pages:</b> 3
<b>Date:</b> 2/16/2006	<b>Time:</b> 2:45 p.m.

**Comments:** Pam asked me to send this to you in her absence.

***CIVIL ENGINEERING ASSOCIATES INC.***

February 15, 2006

Ms. Pam Yacobelli  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655

**Reference: Reuse Installation & Hydraulic Sharing  
R. J. Gator Site**

**CEA File No. 0404-01-09**

Dear Ms. Yacobelli:

We believe utilizing the existing 12-inch casing installed to serve the Wal-Mart store for installing a new 6-inch reuse main which would serve the Wal-Mart store and the proposed Reuse customers on Little Road to be acceptable.

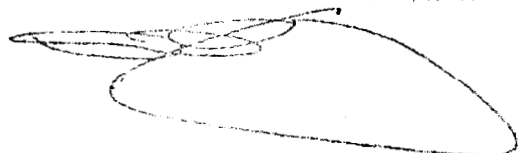
The existing service should be excavated on both sides to confirm location and size and to plan how to install the larger piping. Coordination with Wal-Mart is absolutely required.

Attached is a revised Reuse Table showing watering quantities based on two waterings per week and shows the Percentage of usage for each reuse customer based on hydraulic capacity.

If you have any questions, please telephone.

Sincerely,

*CIVIL ENGINEERING ASSOCIATES, INC.*



Dale D. Ernsberger, P.E.

de/de

**ALOHA UTILITIES, INC.  
Reclaimed Water System**

North Little Road Reuse Customers - Revised 02/15/06

Customer No.	Development or Owner Name	Tract Size Sq. Ft.	Percent Irrigable	Irrigated Area Sq. Ft.	Irrigation Multiplier	Annual Est. ADF GPD	Percentage of Total Usage	
1	R.J. Gators*	95,832	26.8	25,683	0.090	2,311	4.91	
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		Lot 4	82,000	20.0	16,402	0.090	1,476	3.14
		Lot 5	24,151	20.0	4,832	0.090	435	0.92
		Lot 6	24,760	20.0	4,952	0.090	446	0.95
		Lot 7	21,042	20.0	4,208	0.090	379	0.80
	Common Area	<u>70,000</u>	100.0	<u>70,000</u>	0.090	<u>6,300</u>	13.38	
<b>Total</b>		<b>1,919,350</b>		<b>523,052</b>		<b>47,075</b>	<b>100</b>	

\*Irrigation quantity supplied by Developer Engineer based on two waterings/week of 0.5 inches.

Sending Confirm

Date : FEB-16-2006 THU 02:48PM  
Name : ALOHA UTILITIES  
Tel. : 727322677

Phone	:	8470939
Pages	:	3
Start Time	:	02-16 02:47PM
Elapsed Time	:	00'52"
Mode	:	ECM
Result	:	Ok

**REALM MANAGEMENT, LLC**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771      Fax    (727) 847-0909**

April 27, 2007

**Via Facsimile (850) 656-4029 & Federal Express**

John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

RE: Aloha Utilities, Inc.  
Escrow of Checks/Letter of Credit Required Prior to Aloha Initiation of Service  
Your File No. 26038.18

-----  
This Escrow Letter Agreement ("Agreement") establishes certain escrow procedures to be followed by Realm Management, LLC ("Realm") as the party in interest and Rose, Sundstrom & Bentley, LLP as escrow agent (the "Escrow Agent") with respect to depositing certain checks/Letter of Credit with Escrow Agent as a condition to securing the initiation of potable water and sanitary wastewater service from Aloha Utilities, Inc. to the Gator Crossing At Trinity project (which includes the Alli-Gators restaurant and two medical office buildings) located at 3523 Little Road, Trinity, Pasco County, Florida (the "Project")

On or about April 30, 2007 Realm shall complete delivery to Escrow Agent of the following:

1. **An original Irrevocable Letter of Credit #153, issue date on or before April 30, 2007 drawn on Intervest National Bank in favor of Aloha;**
2. **A Cortez Community Bank Official Check #5132 in the amount of Fifty Seven Thousand Dollars (\$57,000) payable to Aloha Utilities, Inc.; and**
3. **Realm Management, LLC Check #1051 in the amount of Eight Hundred Forty Nine and 56/100 Dollars (\$849.56) payable to Aloha Utilities, Inc.**

**(Cumulatively referred to as the "Realm Documents")**

Escrow Agent shall provide Aloha Utilities, Inc. and Realm telephonic or written confirmation of receipt of the Realm Documents. Following such notice, Mr. Donnie Fraize of Marolf Environmental shall provide to Escrow Agent a written notice confirming that Aloha Utilities, Inc. has initiated potable water and sanitary sewer service to the Project (the "Service Notice Confirmation").

Upon Escrow Agent's receipt of the Service Notice Confirmation, Escrow Agent is hereby authorized to disburse the Realm Documents to Aloha Utilities, Inc. and the parties shall consider this Escrow Agreement closed. In the event that Escrow Agent has not received the Service Notice Confirmation by 5:00 PM EST on May 2, 2007, the Escrow Agent shall promptly return the Realm Documents to Realm and this Escrow Agreement shall be considered closed. At such time as this Escrow Agreement



Page 2

Letter to John R. Jenkins, Esq.

April 27, 2007

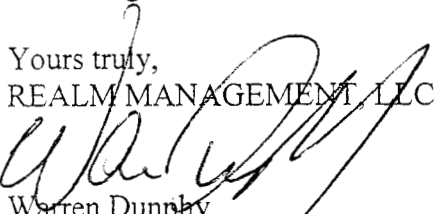
is considered closed, the Escrow Agent shall give verbal or written notice to Aloha and Realm and shall have no further responsibility under this Agreement.

Upon Escrow Agent's receipt of the Service Notice Confirmation, Escrow Agent is hereby authorized to disburse the Realm Documents to Aloha Utilities, Inc. and the parties shall consider this Escrow Agreement closed. In the event that Escrow Agent has not received the Service Notice Confirmation by 5:00 PM EST on May 4, 2007, the Escrow Agent shall promptly return the Realm Documents to Realm and this Escrow Agreement shall be considered closed. At such time as this Escrow Agreement is considered closed, the Escrow Agent shall give verbal or written notice to Aloha and Realm and shall have no further responsibility under this Agreement.

The duties of the Escrow Agent are ministerial and mechanical in nature and solely to receive and disburse the funds and documents as provided herein. The Escrow Agent shall not be deemed to be the agent of Realm. The Escrow Agent shall not be liable for any act or omission on the part of the Escrow Agent unless taken or suffered in bad faith or in willful disregard of the provisions of this Agreement or involving gross negligence. Realm agrees to indemnify and hold the Escrow Agent harmless from and against all liabilities, damages, costs and expenses (including without limitation intended by way of example only, reasonable attorneys' fees, disbursements and amounts paid in settlement of claims) incurred in connection with any claim arising out of or connected with the performance of the Escrow Agent's duties under this Agreement, excluding only those liabilities, damages, costs and expenses arising out of acts or omissions on the part of the Escrow Agent taken or suffered in bad faith or in willful disregard of this Agreement or involving the Escrow Agent's gross negligence. All notices to the Escrow Agent hereunder shall be sent by original to Escrow Agent's Tallahassee office or, if by fax, to (850) 656-2209, Attn: John R. Jenkins, Esq.

Please indicate your assent and agreement to the foregoing by countersigning one copy of this letter and faxing it back me. If you have any questions on this Escrow Agreement, just give me a call.

Yours truly,  
REALM MANAGEMENT, LLC

  
Warren Dunphy  
Manager

**THE ABOVE REQUIREMENTS AND ESCROW INSTRUCTIONS  
ARE AGREED TO AND ACCEPTED:**

ROSE, SUNDSTROM & BENTLEY, LLP

By: \_\_\_\_\_



**Cortez Community BANK**  
 1000 S. BROAD STREET  
 BROOKSVILLE, FL 34601-3117

OFFICIAL CHECK

No. 5132

4/27/2007

PAY TO THE ORDER OF Aloha Utilities

\$ 57,000.00

Security features included. Details on back.

Fifty-Seven Thousand dollars\*\*\*\*\*

PURCHASER Increased Impact Fees

MEMBER FDIC

*[Handwritten Signature]*  
 AUTHORIZED SIGNATURE

**REDACTED**

**REALM MANAGEMENT LLC**  
 5721 RICHEY DR  
 PORT RICHEY, FL 34668

1051

Date 4/27/07

35-9384/1130  
 92

Pay to the Order of Aloha Utilities Inc \$ 849.56

Eight Hundred Forty Nine and 56/100 Dollars

Security features included. Details on back.

**ENCOREBANK**

We keep doing it right  
 2506 G McMULLEN BOOTH RD.  
 CLEARWATER, FLORIDA 33761

For Service Availability Fees

*[Handwritten Signature]*

(LF)

LAW OFFICES

ROSE, SUNDBSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

Fax (850) 656-4029

www.rsbatorneys.com

CENTRAL FLORIDA OFFICE

SANLANDO CENTER

2180 WEST STATE ROAD 434

SUITE 2118

LONGWOOD, FLORIDA 32779

(407) 830-6531

FAX (407) 830-8522

FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
DAVID F. CHESTER  
F. MARSHALL DETERDING  
JOHN R. JENKINS, P.A.  
STEVEN T. MINDLIN, P.A.  
CHASITY H. O'STEEN  
DAREN L. SHIPPY  
WILLIAM E. SUNDBSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON

March 30, 2007

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD  
BRIAN J. STREET

ROBERT M. C. ROSE, (1924-2006)

Mr. Warren W. Dunphy  
Realm Management, LLC  
5721 Richey Drive  
Port Richey, Florida 34668

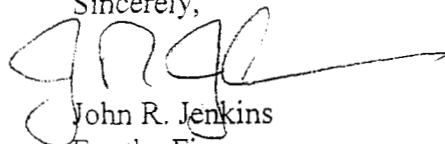
Re: Aloha Utilities, Inc.;  
Refundable Advance Agreement  
Our File No.: 26038.18

Dear Mr. Dunphy:

This firm represents Aloha Utilities, Inc. Attached please find a copy of the Refundable Advanced Agreement between Realm Management, LLC and Aloha Utilities, Inc. dated May 23, 2006. The terms of the Agreement require Realm to construct a 6" reclaimed water line at its expense and to convey the line to the Utility as a condition of service. Please make reference to the Agreement itself for the specific terms and conditions.

This letter is to advise you that Aloha deems Realm Management, LLC to be in breach of the Refundable Advance Agreement for failure to construct and convey the reclaimed water line as required in the Agreement. Aloha is considering its remedies, which may include a refusal to initiate service or a disconnection of service, as provided for in the Agreement. Please consider this letter your ten day written notice as required by the Agreement. Govern yourselves accordingly.

Sincerely,

  
John R. Jenkins  
For the Firm

JRJ/kem

Enclosure

cc: Mr. Lee Allen (with enclosure)  
Mr. Stephen G. Watford (without enclosure)  
Ms. Pamela Yacobelli (without enclosure)



**Katie Murphy**

---

**From:** Katie Murphy  
**Sent:** Thursday, April 12, 2007 11:52 AM  
**To:** 'gatorrealm@verizon.net'  
**Cc:** 'pam@aui.com'; 'stevev@aui.com'; Marty Deterding  
**Subject:** Alli-Gators Project  
**Attachments:** Dunphy letter 4.12.07.pdf

Attached please find a copy of a letter concerning the Alli-Gators project that will also be sent through the mail. Should you have any questions, please do not hesitate to contact me. Thank you.

**Katie Murphy**  
**Assistant to John R. Jenkins, Esq.**  
**Rose, Sundstrom & Bentley, LLP**  
**2548 Blairstone Pines Drive**  
**Tallahassee, Florida 32301**  
**(850) 877-6555**  
**(850) 656-4029 (fax)**

NOTICE: This email message and any attachments to this email message contain confidential information that is legally privileged. If you are not the intended recipient, you must not review, retransmit, convert to hard copy, copy, use or disseminate this email or any attachments to it. If you have received this email in error, please notify us immediately by return email or by telephone at 888-877-6555 and delete the original and all copies of this transmission (including any attachments). Thank you.

LAW OFFICES

ROSE, SUNDBSTROM & BENTLEY, LLP  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.  
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(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD  
BRIAN J. STREET

April 12, 2007

Mr. Warren W. Dunphy  
Realm Management, LLC  
5721 Richey Drive  
Port Richey, Florida 34668

Re: Aloha Utilities, Inc.;  
Alli-Gators Project  
Our File No.: 26038.18

Dear Mr. Dunphy:

This is to advise you that on April 10, 2007, an inspector from Aloha Utilities, Inc. was dispatched to the site of the Alli-Gators project to investigate a concern raised by the Utility's engineer that the force main piping shown on the record drawings did not conform to the approved plans for utility construction on the site. In the course of that visit it was determined that someone had straight piped water service into the building and connected the irrigation system to the potable water supply without a meter. A hydrant meter had been previously installed for construction water to the site. The inspector turned off the construction meter and discovered continuing water pressure in the building and to the irrigation system.

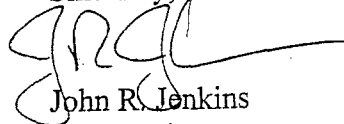
These actions are a violation of the regulations of the Florida Department of Environmental Protection ("DEP"). DEP regulations require a letter of clearance from DEP as a condition of initiation of service to the property. This could also be considered a cross connection to Aloha introducing the possibility of contamination to the potable water system. Connection of the irrigation system effectively bypasses the back-flow preventer installed to protect the remainder of the potable water system from possible contamination.

In addition to the DEP requirements, pursuant to section 812.14 Florida Statutes, it is unlawful for any person to make, or cause to be made, a connection with a service pipe to a water utility without the consent of the utility. Any person willfully violating this section is guilty of a first degree misdemeanor and also may be subject to liability in a civil action.

Mr. Warren W. Dunphy  
April 12, 2007  
Page 2 of 2

The Utility has shut off all the lines until this matter is resolved and it ensures that no cross connection exists and the system is cleared for use. In the meantime, the parties must determine sewer line construction conforms to the approved plans.

Sincerely,



John R. Jenkins  
For the Firm

JRJ/kem

cc: Mr. Lee Allen  
Mr. Stephen G. Watford  
Ms. Pamela Yacobelli

**Katie Murphy**

---

**From:** Lee Allen [gatorrealm@verizon.net]  
**Sent:** Monday, April 23, 2007 5:07 PM  
**To:** John Jenkins  
**Subject:** Re: Aloha Utilities, Inc.; RJ Gators  
**Follow Up Flag:** Follow up  
**Flag Status:** Red

John,  
If our bank will accept the conditions set forth in my 4/19/2007 memo, are they acceptable? They do set forth clear conditions and written documents that can be secured and provided by Aloha.

While you may be correct in your statement that if some action of the PSC prohibits Aloha from requiring Realm to construct the reclaimed water line that Aloha could not draw on the letter of credit and it would expire by its terms, however Realm would have \$300,000 tied up for the 1-year period that the letter of credit is in force. Your proposed language also does not include any provision for limiting the amount that Aloha draws against the letter of credit to the amount necessary to complete the construction of the reclaimed water line and a requirement to provide written documentation evidencing such amount.

Finally, there is nothing in the Refundable Advance Agreement or your suggested language for the Letter of Credit that (i) obligates Aloha to use the funds to complete construction of the reclaimed water line and (ii) the September 1, 2007 date for Realm to complete the construction is impossible. We don't even have Aloha's approval of the proposed reclaimed water line route. Aloha's own engineer is still verifying whether or not the proposed reclaimed water line route along SR 54 is even feasible and if not where the line may go and whether or not it will require securing easements from Wal-Mart.

These are not unreasonable considerations and should be included to provide clear guidelines for each party and the bank providing the letter of credit. Please review with Aloha and let me know as soon as possible what is acceptable.

Lee Allen  
Attorney At Law

----- Original Message -----

**From:** John Jenkins  
**To:** Lee Allen  
**Cc:** Pam Yacobelli ; Stephen G. Watford ; F. Marshall Deterding  
**Sent:** Monday, April 23, 2007 3:17 PM  
**Subject:** Aloha Utilities, Inc.; RJ Gators

Lee, I have reviewed your recent memo and do not believe the conditions identified for the Letter of Credit will be acceptable to any bank. I have never seen an L/C with anything but the clearest of conditions for verification of payee, authentication provisions, delivery of a previously identified document, or deadlines for draws. Further, if some action of the PSC prohibits a draw by Aloha, the Company will be unable to call on the Letter

4/24/2007



**LEROY R. ALLEN**  
**Attorney At Law**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 19, 2007

**Via Facsimile (850) 656-4029 & E-Mail**

John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

RE: Aloha Utilities, Inc.  
Letter of Credit Required Prior to Initiation of Service  
Your File No. 26038.18

-----  
On behalf of Realm Management, LLC ("Realm"), this letter is to advise you again that Realm is making arrangements to provide an irrevocable standby letter of credit (the "Letter of Credit") for the \$300,000 as required by Aloha Utilities, Inc. ("Aloha") to serve as financial security under the Refundable Advance Agreement to guarantee construction of the Reclaimed Water Line. Aloha has imposed this requirement as a condition to approving and initiating water and sanitary sewer service for the Realm Project located at 3523 Little Road, Trinity, Florida (the "Project"). I have tried to reach you for the past two days to get whatever conditions language that Aloha wants in the Irrevocable Standby Letter of Credit. In an effort to help secure the Letter of Credit as quickly as possible, I have drafted the following conditions for your review:

**Funds drawn under this Letter of Credit are available upon demand against your sight draft on us accompanied by the following documents:**

- 1. Written Proof from the Florida Public Service Commission confirming that Aloha has the authority to require Realm to construct the Reclaimed Water Line pursuant to the terms of the Refundable Advance Agreement.**
- 2. Written proof from the Florida Public Service Commission confirming that Aloha may require Realm to secure the necessary easements and right of way approvals to construct the Reclaimed Water Line and that the cost for securing such easements and right of way approvals was not cost-prohibitive.**
- 3. Affidavit from Aloha signed by an authorized representative of Aloha Utilities, Inc. that Realm has failed to complete construction of the Reclaimed Water Line within the one (1) year period from the date of this Letter of Credit and is not on the date of the Affidavit diligently prosecuting completion of construction of the Reclaimed Water Line accompanied by (i) a written list of the remaining costs necessary for Aloha to complete**

Page 2

Letter to John Jenkins, Esq.

April 19, 2007

construction of the Reclaimed Water Line; and (ii) a construction contract between Aloha and a contractor to complete the construction of the Reclaimed Water Line (the "Construction Contract").

#### SPECIAL CONDITIONS

1. Only partial drawings are permitted upon Aloha's submission of each draw requests under the Construction Contract.
2. If at any time during the one (1) year period from the date of this Letter of Credit, the Florida Public Service Commission determines that (i) Aloha does not have the authority to require Realm to construct the Reclaimed Water Line pursuant to the terms of the Refundable Advance Agreement, or (ii) due to Realm's inability to secure the easements and right of way approvals or that the cost to secure the easements and right of way approvals was cost prohibitive as determined by the Florida Public Service Commission that Aloha may not require Realm to construct the Reclaimed Water Line pursuant to the terms of the Refundable Advance Agreement; then Realm may cancel this Letter of Credit upon written notice to the Bank accompanied by the written determination from the Florida Public Service Commission.

After your review of these conditions and discussion with Aloha, let me know that the language is satisfactory so that Realm can proceed. Your cooperation in the prompt handling of this matter is appreciated.

Yours truly,



Lee Allen  
Attorney At Law

cc: Mr. Warren Dunphy  
Mr. Troy Rendell via fax (850) 413-6935  
Ms. Pam Yacobell via fax (727) 372-2677

**Katie Murphy**

---

**From:** Lee Allen [gatorrealm@verizon.net]  
**Sent:** Tuesday, April 17, 2007 1:53 PM  
**To:** John Jenkins  
**Subject:** Aloha Utilities & Realm Management Reclaimed Water Issue  
**Follow Up Flag:** Follow up  
**Flag Status:** Red  
**Attachments:** #Fax to Aloha Attorney 4-17-2007.doc

Attached is a letter regarding what contingency language Aloha is going to require in the Irrevocable Standby Letter Of Credit that Realm is in the process of arranging. Having that language now would expedite the process. Can you discuss with Aloha and send me the contingency language as soon as possible.

Lee Allen  
Attorney At Law

**LEROY R. ALLEN**  
**Attorney At Law**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 17, 2007

**Via Facsimile (850) 656-4029 & E-Mail**

John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
2548 Blainstone Pines Drive  
Tallahassee, FL 32301

RE: Aloha Utilities, Inc.  
Items Completed Prior to Initiation of Service  
Your File No. 26038.18

---

On behalf of Realm Management, LLC ("Realm"), this letter is to advise you that Realm is making arrangements to provide an irrevocable standby letter of credit for the \$300,000 as required by Aloha Utilities, Inc. to serve as financial security under the Refundable Advance Agreement. We will need the exact contingency language required by Aloha to insert in that letter of credit. Will you provide that language as soon as possible. We also want to include specific language in the letter of credit that addresses the contingency of a Florida Public Service Commission ruling either that (i) Aloha may not require Realm to construct the Reclaimed Water Line or (ii) that if Realm is either unable to obtain the necessary easements or the easements are cost-prohibitive as determined by the Public Service Commission then Realm will not be required to construct the Reclaimed Water Line. I will provide that language to you.

Your cooperation in the providing us your client's contingency language as soon as possible is necessary to .

Yours truly,

Lee Allen  
Attorney At Law

cc: Mr. Warren Dunphy  
Mr. Troy Rendell via fax (850) 413-6935  
Ms. Pam Yacobell via fax (727) 372-2677



**LEROY R. ALLEN**  
**Attorney At Law**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 17, 2007

Via Facsimile (850) 656-4029 & E-Mail

John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

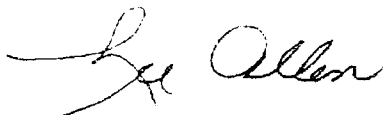
RE: Aloha Utilities, Inc.  
Items Completed Prior to Initiation of Service  
Your File No. 26038.18

---

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Your cooperation in the providing us your client's contingency language as soon as possible is necessary to .

Yours truly,



Lee Allen  
Attorney At Law

cc: Mr. Warren Dunphy  
Mr. Troy Rendell via fax (850) 413-6935  
Ms. Pam Yacobell via fax (727) 372-2677

**LEROY R. ALLEN**  
**Attorney At Law**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

April 2, 2007

## MEMORANDUM

VIA FACSIMILE (850) 656-4029

One (1) Page

TO: John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
Aloha Utilities, Inc.

FROM: *lg*  
Lee Allen

RE: Your File No. 26038.18  
Alli-Gators Project  
3523 Little Road  
Trinity, Florida

-----  
Pursuant to our discussion today, my client Realm Management, LLC will secure a performance bond for the reclaimed water line and submit it to Aloha. In order to secure that bond, we will need certain language governing the conditions for the bond. Rather than us drafting the language for the bond conditions, submitting the bond to Aloha Utilities and then having Aloha send it to you for review, it would be quicker and more efficient for you to provide us the exact language that Aloha will require for the bond conditions. Are you able to do that?

I have also requested a copy of the performance bond form from the surety and will send you and Aloha a copy as soon as I receive it.

Thank you again for your help today. Aloha did call Mr. Dunphy today and confirmed to him that they will require a performance bond and are determining the amount needed.

**Katie Murphy**

---

**From:** Katie Murphy  
**Sent:** Tuesday, April 03, 2007 11:38 AM  
**To:** 'gatorrealm@verizon.net'  
**Subject:** Alli-Gators Project performance bond

Good morning, Mr. Allen. In response to your fax, Mr. Jenkins dictated the paragraph below.

In my experience, the form of the bond is standardized. Therefore, please provide a copy of the bond form to me, and if that meets the company's requirements, we will sign off on that. In the meantime, should you have any questions, please feel free to contact me.

**Katie Murphy**  
**Assistant to John R. Jenkins, Esq.**  
**Rose, Sundstrom & Bentley, LLP**  
**2548 Blairstone Pines Drive**  
**Tallahassee, Florida 32301**  
**(850) 877-6555**  
**(850) 656-4029 (fax)**

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**Katie Murphy**

---

**From:** Katie Murphy  
**Sent:** Thursday, April 12, 2007 11:51 AM  
**To:** 'gatorrealm@verizon.net'  
**Cc:** 'pam@aui.com'; 'steve@aui.com'; Marty Deterding  
**Subject:** Refundable Advance Agreement  
**Attachments:** Allen RAA letter 4.12.07.pdf

Attached please find a copy of Refundable Advance Agreement that we will also be sending through the mail. Should you have any questions, please do not hesitate to contact me. Thank you.

**Katie Murphy**  
**Assistant to John R. Jenkins, Esq.**  
**Rose, Sundstrom & Bentley, LLP**  
**2548 Blairstone Pines Drive**  
**Tallahassee, Florida 32301**  
**(850) 877-6555**  
**(850) 656-4029 (fax)**

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LAW OFFICES

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2548 BLAIRSTONE PINES DRIVE  
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(407) 830-6331

FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.

VALERIE L. LORD

BRIAN J. STREET

April 12, 2007

Leroy R. Allen, Esq.  
5721 Richey Drive  
Port Richey, Florida 34668

Re: Aloha Utilities, Inc.;  
Refundable Advance Agreement  
Our File No.: 26038.18

Dear Mr. Allen:

Pursuant to your recent request, the following items must be completed prior to initiation of service to the Realm Management LLC project:

1. The gravity sewer manholes must be opened while an Aloha Inspector is on site to check to for infiltration;
2. The force main must be properly reconnected;
3. The 2" water taps must be uncovered to ensure they are disconnected from the 2" RPZ's;
4. All water valves must be raised to finish grade and set to Aloha specifications (there are no concrete pads around them);
5. The poly tubing must be replaced from the service tap to the RPZ's with PVC schedule 80 pipe.
6. Upon completion of the water system items, a complete on-site water inspection must be undertaken to ensure all possible cross-connections are alleviated and bacteriological testing will be necessary to meet DEP permit requirements.

Pursuant to section 13 of the Refundable Advance Agreement dated May 23, 2006, Realm Management, LLC may post a bond, irrevocable letter of credit or deposit cash with the Utility in the amount of \$300,000 to secure construction of the Reclaimed Water Line. The security requirement is based on the following cost estimate:

Engineering Plans and Spec	\$25,000
Construction Management	\$10,000

Leroy R. Allen, Esq.  
April 12, 2007  
Page 2 of 2

Surveying	\$3,000
Permitting (DOT, Co. Rd., Wetland)	\$15,000

As-Builts	\$1,000
6" PVC C900 & HDPE Installed	\$178,000
Performance Bond	\$8,000
Misc. & Contingencies (25%)	\$37,200

-----  
\$277,200

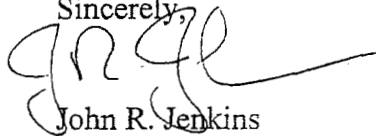
450 +/- 10' Wide Easement (along North R/W SR 54)	Unknown
--	---------

Financial Security	\$300,000
--------------------	-----------

The Company may incur additional administrative costs which it may seek to recover if this refundable advance dispute continues. In the meantime, the Company is awaiting a form of bond, letter of credit or other security to confirm it adequately secures performance under the Refundable Advance Agreement.

The Company is researching your inquiry regarding other reclaimed water customers and will follow up with that information under separate cover. In the meantime, should you have any questions please feel free to call.

Sincerely,



John R. Jenkins  
For the Firm

JRJ/kem

cc: Mr. Warren W. Dunphy  
Mr. Stephen G. Watford  
Ms. Pamela Yacobelli

**Katie Murphy**

---

**From:** Lee Allen [gatorrealm@verizon.net]  
**Sent:** Tuesday, April 10, 2007 4:27 PM  
**To:** John Jenkins  
**Cc:** Pam Yacobelli; stevew@AUI.com  
**Subject:** Re: Aloha Utilities, Inc.; RJ Gators  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Mr. Jenkins,

I appreciate your confirming the amount that Aloha will require to secure construction of the Reclaimed Water Line. Can you have Aloha provide us with an itemized breakdown of how that number was arrived at. We had provided to Aloha a proposal from Marolf Environmental dated 3/23/2007 to build the Reclaimed Water Line for \$177,450.

We also request that Aloha provide us with a written list specifying any other requirements for service that have not been met as of today.

Finally, can you have Aloha provide us a letter confirming that they have written agreements with Chang Medical Center, Trinity Springs Medical Center and Seven Springs Medical Park which obligates them to connect to the Reclaimed Water Line we are obligated to construct when it is constructed and to pay their prorata share as set forth in the Exhibit attached to the Refundable Advance Agreement dated May 23, 2006.

Your cooperation in getting Aloha to provide the requested information as soon as possible is greatly appreciated.

Lee Allen  
Attorney At Law

----- Original Message -----

**From:** John Jenkins  
**To:** gatorrealm@verizon.net  
**Cc:** Pam Yacobelli ; Stephen G. Watford  
**Sent:** Tuesday, April 10, 2007 1:51 PM  
**Subject:** Aloha Utilities, Inc.; RJ Gators

Pursuant to section 13 of the Refundable Advance Agreement dated May 23, 2006, Realm Management, LLC may post a bond, irrevocable letter of credit or deposit cash with the Utility in the amount of \$300,000 to secure construction of the Reclaimed Water Line. The Company's acceptance of this security does not waive any other rights it may have under the Agreement, provided that, posting this security meets the requirement with regard to the Reclaimed Water Line such that service may be initiated to the project, provided all other requirements for service have been met.

I understood Realm Management, LLC was to have provided me with a form of a performance bond for review last week. Neither the Utility nor I have received that document.

John R. Jenkins, Esq.  
Rose, Sundstrom, & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301

(850) 877-6555 – Telephone  
(850) 656-4029 - Facsimile

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Thank you.



**Katie Murphy**

---

**From:** Lee Allen [gatorrealm@verizon.net]  
**Sent:** Thursday, April 05, 2007 4:28 PM  
**To:** John Jenkins  
**Subject:** Re: Aloha Utilities, Inc.; RJ Gators  
**Follow Up Flag:** Follow up  
**Flag Status:** Red

John,

Does anyone at Aloha know what they are doing? Last May when the Refundable Advance Agreement was signed, Aloha was advised that the reclaimed water line would be constructed in the right-of-way of SR 54 and Little Road because everyone agreed that it would be almost impossible to get any easement from Wal-Mart. That is confirmed in Exhibit A attached to the Refundable Advance Agreement. In addition, two weeks ago we submitted to Aloha our engineer's drawing showing the reclaimed water line being constructed in the right of way of SR 54 and Little Road.

I appreciate your explanation of the 5-year refundable advance period being part of Aloha's Service Availability Policy approved by PSC. Could you supply me with a copy of that document? If there is a 5-year limitation, is there any prohibition from Aloha agreeing to extend the 5-year period in the refundable advance agreement at the end of the initial 5-year period if Aloha is still providing reclaimed water service in its area?

Lee Allen  
Attorney At Law

----- Original Message -----

**From:** John Jenkins  
**To:** gatorrealm@verizon.net  
**Cc:** Pam Yacobelli ; stevew@auj.com  
**Sent:** Thursday, April 05, 2007 2:59 PM  
**Subject:** Aloha Utilities, Inc.; RJ Gators

Lee, I have looked at reuse line cost info from you and the Company. They are not that far apart. The Marolf proposal excludes permitting and a bond which Aloha estimated at \$18,000. The big question mark is an unknown cost associated with what they understand to be an approximately 450' easement across the WalMart property. What is the story with that?

As to the refundable advance time period, five years is the standard set forth in Aloha's Service Availability Policy which was approved by the PSC. This is a standard applied uniformly in the service area which is why the Company has confirmed its use here.

John R. Jenkins, Esq.  
Rose, Sundstrom, & Bentley, LLP  
2548 Blaiirstone Pines Drive  
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Thank you.

LEROY R. ALLEN  
Attorney At Law  
5721 Richey Drive  
Port Richey, FL 34668  
(727) 847-0771 Fax (727) 847-0909

April 5, 2007

## MEMORANDUM

VIA FACSIMILE (850) 656-4029

Three (3) Pages

TO: John R. Jenkins, Esq.  
Rose, Sundstrom & Bentley, LLP  
Aloha Utilities, Inc.

FROM: *LA*  
Lee Allen

RE: Your File No. 26038.18  
Alli-Gators Project  
3523 Little Road  
Trinity, Florida

---

Pursuant to our discussion today, my client Realm Management, LLC has been waiting for Aloha to advise us of the amount that they will require on the bond, irrevocable standby letter of credit or cash deposit for the reclaimed water line. When I called Aloha today, they advised me that all documentation had been sent to you and that you were determining the amount. I am sending you a copy of the 3/23/2007 proposal from Marolf Environmental, Inc. to construct the reclaimed water line.

I also want to bring up the issue again of having only 5 years under the Refundable Advance Agreement to recover part of the cost from any new customer or developer that connects to the reclaimed water line. We requested 10 years in our original negotiations because the largest user of the reclaimed water line (73.5%) is vacant land adjacent to the Alli-Gators Project which will not be developed within the next five years (\*attached is a list that Aloha provided us to attach to the Refundable Advance Agreement showing the number of customers and their percentage of total usage for the Reclaimed Water System) and that was refused. We want to again request that the 10-year period be granted so that we have some opportunity to recover the capital outlay for the reclaimed water line that we are being forced to make.

After your review of the proposal and discussion with Aloha, get back with me as soon as possible to get this matter wrapped up and some idea when Aloha will release our water meter so that the restaurant can open. Thank you for your prompt handling of this matter.

# MAROLF ENVIRONMENTAL, INC.

23-Mar-07

To: Gator Realm LLC

ATT: Lee Allen

Re: All Gators Reclaim

We are pleased to provide a quote on the above referenced project.

<b>CLEARING GRUBBING &amp; EARTHWORK</b> .....	\$	-
<b>DRAINAGE</b> .....	\$	-
<b>SANITARY</b> .....	\$	-
<b>RECLAIM WATER</b> .....	\$	160,950.00
Includes HDPE Directional Bore, Remove 4" HDPE in 12" Casing, install 6" PVC Reclaim Water Line, Casing Spacers & End Seals, Maintenance of Traffic, Sod replacement of disturbed areas, 2" Service to Gators & Pressure Test		
<b>PAVING BASE &amp; CURBS</b> .....	\$	-
<b>LANDSCAPING SOD &amp; IRRIGATION</b> .....	\$	-
<b>LAYOUT &amp; CERTIFIED AS BUILTS</b> .....	\$	16,500.00
<b>TOTAL BID PROPOSAL</b> .....	\$	<u>177,450.00</u>

<b>We have specifically excluded the following:</b>				
Tree Barricades	Dust Control	Meters	Sidewalk	Testing
Sidewalk/curb	Retaining Wall	Fence	Permits	Fees
Dumpster Pad w/Encl.	Landscaping	Irrigation	Car Stops	Bond
Pervious Parking	Root Pruning	Bollards	Meter Box	
Concrete Paving	Grease Traps		HC Ramps	TV Sanitary

**NOTES:**

1. This proposal is based on plans by Spring Eng C4.3 & C4.4
2. It is assumed that all on-site soil is of usable quality.
3. All connections to buildings are by others.
4. Marolf Environmental, Inc. will be provided a Coordinates Disk from the Engineer Via the Owner or Contractor in order for Marolf to provide the layout.
5. Above includes a Geo Tech Eng Budget of \$8,500.00

Sincerely,  
Marolf Environmental

Don Fraize Jr.

**ALOHA UTILITIES, INC.**  
**Reclaimed Water System**

North Little Road Reuse Customers - Revised 02/15/06

Customer No.	Development or Owner Name	Tract Size Sq. Ft.	Percent Irrigable	Irrigated Area Sq. Ft.	Irrigation Multiplier	Annual Est. ADF GPD	Percentage of Total Usage	
1	R.J. Gators*	95,832	26.8	25,633	0.090	2,311	4.91	
2	Manos 15.0 AC parcel (Est 80% Developable)	522,720	25.0	130,680	0.090	11,761	24.98	
3	Manos 18.5 AC Parcel	805,860	25.0	201,465	0.090	18,132	38.52	
3	Chang Medical Center	60,984	25.0	15,246	0.090	1,372	2.91	
3	Trinity Springs Medical Center	143,748	25.0	35,937	0.090	3,234	6.87	
4	Seven Springs Medical Park	Lot 1	24,843	20.0	4,969	0.090	447	0.95
		Lot 2	25,447	20.0	5,089	0.090	458	0.97
		Lot 3	17,944	20.0	3,589	0.090	323	0.69
		Lot 4	82,009	20.0	16,402	0.090	1,476	3.14
		Lot 5	24,161	20.0	4,832	0.090	435	0.92
		Lot 6	24,760	20.0	4,952	0.090	446	0.95
		Lot 7	21,042	20.0	4,208	0.090	379	0.80
	Common Area	<u>70,000</u>	100.0	<u>70,000</u>	0.090	<u>6,300</u>	<u>13.38</u>	
<b>Total</b>		<b>1,919,350</b>		<b>523,052</b>		<b>47,075</b>	<b>100</b>	

\*Irrigation quantity supplied by Developer Engineer based on two waterings/week of 0.5 inches.

**Katie Murphy**

---

**From:** John Jenkins  
**Sent:** Thursday, April 05, 2007 2:59 PM  
**To:** gatorrealm@verizon.net  
**Cc:** 'Pam Yacobelli'; stevew@aui.com  
**Subject:** Aloha Utilities, Inc.; RJ Gators

Lee, I have looked at reuse line cost info from you and the Company. They are not that far apart. The Marolf proposal excludes permitting and a bond which Aloha estimated at \$18,000. The big question mark is an unknown cost associated with what they understand to be an approximately 450' easement across the WalMart property. What is the story with that?

As to the refundable advance time period, five years is the standard set forth in Aloha's Service Availability Policy which was approved by the PSC. This is a standard applied uniformly in the service area which is why the Company has confirmed its use here.

John R. Jenkins, Esq.  
Rose, Sundstrom, & Bentley, LLP  
2548 Blairstone Pines Drive  
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Thank you.

### Estimated Annual Reuse Revenue

Development or Owner Name	Annual Est. ADF GPD	Days / Year	Est. Annual Gallons	Est. Annual Revenue (\$0.30/1,000 gal)
R.J. Gators	2,311	365	843,515	\$253.05
Manos 15.0 AC parcel (Est 80% Develop-able)	11,761	365	4,292,765	\$1,287.83
Manos 18.5 AC Parcel	18,132	365	6,618,180	\$1,985.45
Chang Medical Center	1,372	365	500,780	\$150.23
Trinity Springs Medical Center	3,234	365	1,180,410	\$354.12
Seven Springs Medical Park	Lot 1	447	163,155	\$48.95
	Lot 2	458	167,170	\$50.15
	Lot 3	323	117,895	\$35.37
	Lot 4	1,476	538,740	\$161.62
	Lot 5	435	158,775	\$47.63
	Lot 6	446	162,790	\$48.84
	Lot 7	379	138,335	\$41.50
	Common Area	6,300	2,299,500	\$689.85
Totals:	47,074		17,182,010	\$5,154.60



AUG 04 2005

August 2, 2005

Steven G. Watford  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655



Reference: Seven Springs Medical Park, Inc.  
CDC No. 04005

Mr. Watford:

On behalf of our client, Seven Springs Medical Park, Inc. (Developer), Coastal Design Consultants, Inc. (CDC) would like to advise Aloha Utilities, Inc. (Aloha) that the above referenced project is completely permitted and ready to build except for the water and sewer permitting.

A letter from Civil Engineering Associates, Inc. dated May 23, 2005 requested the Developer to bring the reuse water line from south of State Road 54 to the Developer's site, a distance of approximately 2,800 linear feet (0.53 miles).

CDC recommended in their response to comments dated June 16, 2005 a concept to build the internal reuse lines within the office park for future connection to Aloha's reuse facilities, when reuse is available adjacent to the site.

CDC is requesting on behalf of the Developer that Aloha reconsider the requirement of the Developer to extend the reuse facilities to the property. If the requirement were removed, the Developer would proceed with the project as originally planned for construction. If Aloha is receptive to this course of action, the execution and release of the Florida Department of Environmental Protection (FDEP) Forms: "Notice of Intent to use the General Permit for Construction of Water Main Extensions for FWSs" and "Notification/Application for Constructing a Domestic Wastewater Collection/Transmission System" would authorize the Developer to utilize the water and sewer facilities owned by Aloha, and would subsequently allow the FDEP permitting to proceed, causing the ultimate water and sewer availability to the property.

If Aloha is not receptive to this course of action and will not provide water and sewer availability to the project site without the additional requirement of extending the reuse facilities. Then the project will be considered not feasible, and the Developer requests the immediate withdrawal of all permitting applications, and the immediate refund of the impact fees previously paid in the amount of \$135,595.74 and the administrative fees paid in the amount of \$3,204.00.

If you have any questions or concerns, please contact our office at (727) 849-8010.

Sincerely,

  
**COASTAL DESIGN CONSULTANTS**

Paul A. Manuel, P.E.  
President

cc: Fong Mei Chang, Director, Seven Springs Medical Park, Inc.  
Jerry Figurski, Figurski & Harrill  
Pam Yacobelli, Aloha Utilities, Inc.  
Dale Ernsberger, Civil Engineering Associates, Inc.

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**From:** Dale Ernberger <ernsberger.pe2@verizon.net>  
**To:** Pam Yacobelli <pam@aui.com>  
**Subject:** Preliminary Cost Estimate 6-Inch Reuse main.xls  
**Date:** Mon, 02 May 2005 17:02:26 -0400

PRELIMINARY ESTIMATE OF PROBABLE COST

Little Road Reuse Main

NOTE: The Unit Price of all pipe shall include excavation, dewatering, sheeting & shoring, backfill, compaction and restoration.

BID			TOTAL PAY				
ITEM NO.	M & P NO.	BID ITEM DESCRIPTION	** UNIT OF MEASURE	ESTIMATED UNIT PRICE	QUANTITY	(E) X (F) (G)	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	
<b>ADMINISTRATIVE</b>							
1	1.55	Mobilization	LS	1	\$8,500.00	\$8,500.00	1
2	1.07	Audio Video Survey	LS	1	\$500.00	\$500.00	2
3	1.90	Site Access and Traffic Control - Pipe Construction	LS	1	\$5,000.00	\$5,000.00	3
4	1.91	Site Conditions Survey	LS	1	\$1,000.00	\$1,000.00	5
5	2.06	Utility Investigation	LS	1	\$1,200.00	\$1,200.00	6
<b>PIPING</b>							
6	2.09	Connection to Existing 24-inch Reuse Main	EA	1	\$500.00	\$500.00	
7	1.32	F & I 6-inch C900 PVC, Push-on Joint, Open-cut Installation	LF	2,025	\$38.00	\$76,950.00	
8	1.32	F & I 6-inch C900 PVC, Restrained Joint, Open-cut Installation	LF	125	\$51.00	\$6,375.00	
9	1.32	F & I 6-inch DIP, Class 50, Restrained Jt., Open-cut Installation	LF	50	\$67.00	\$3,350.00	
10	1.65	F & I 6-inch SDR 11.0 HDPE, Directional Drilled	LF	400	\$200.00	\$80,000.00	\$167,175.00
<b>VALVES, FITTINGS &amp; APPURTENANCES</b>							
11	1.55	F & I 24-inch x 6-inch Tapping Valve, Sleeve & Valve Box	EA	1	\$4,300.00	\$4,300.00	
12	2.07	F & I 6-inch Gate Valve & Valve Box (Mech. Joint, Restrained)	EA	2	\$650.00	\$1,300.00	7
13	1.91	F & I Ductile Iron Fittings	TON	0.8	\$9,000.00	\$7,200.00	
					<b>Subtotal Construction</b>	<b>\$196,175.00</b>	
					<b>Construction Contingency</b>	<b>\$19,600</b>	
					<b>Total Estimate of Probable Cost</b>	<b>\$215,775.00</b>	

**AVAILABILITY DETERMINATION  
ALL LAND USE CLASSIFICATIONS EXCEPT FOR  
RES-1 OR LOWER DENSITY**

**CATEGORY I**

1-3 ERUs AND 600 GPD FLOW  
MUST CONNECT TO GRAVITY SEWER MAIN AND/OR CENTRAL  
WATER SYSTEM IF MAINS ARE AVAILABLE AS FOLLOWS:

GRAVITY SEWER . . . . . 100' OF PROPERTY BOUNDARY  
WATER . . . . . 600' OF PROPERTY BOUNDARY

**CATEGORY II**

4-24 ERUs  
MUST CONNECT TO FORCE MAIN OR GRAVITY SEWER AND/OR  
WATER MAIN IF MAINS ARE AVAILABLE AS FOLLOWS:

FORCE MAIN OR GRAVITY MAIN . . . . . 600' OF PROPERTY BOUNDARY  
WATER . . . . . 1320' OF PROPERTY BOUNDARY

**CATEGORY III**

25-49 ERUs  
MUST CONNECT TO GRAVITY OR FORCE MAIN AND/OR WATER  
MAIN IF MAINS ARE AVAILABLE AS FOLLOWS:

GRAVITY OR FORCE MAIN . . . . . 1/4 MILE OF PROPERTY BOUNDARY  
WATER . . . . . 1/2 MILE OF PROPERTY BOUNDARY

**CATEGORY IV**

50-99 ERUs  
MUST CONNECT TO GRAVITY OR FORCE MAIN AND/OR WATER MAIN IF  
AVAILABLE AS FOLLOWS:

GRAVITY OR FORCE MAIN . . . . . 1/2 MILE OF PROPERTY BOUNDARY  
WATER . . . . . 1 (ONE) MILE OF PROPERTY BOUNDARY

**CATEGORY V**

100 OR GREATER ERUs  
MUST CONNECT TO GRAVITY OR FORCE MAIN AND/OR WATER MAIN IF  
AVAILABLE AS FOLLOWS:

GRAVITY OR FORCE MAIN . . . . . 1 MILE OF PROPERTY BOUNDARY  
WATER . . . . . 1-1/2 MILE OF PROPERTY BOUNDARY

June 16, 2005

Steve Watford  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655



Reference: Seven Springs Medical Park  
Parcel ID No: 23-26-16-0000 00600-0000  
CDC #04005

Mr. Watford:

Aloha Utilities has requested the extension of a minimum 6-inch reuse main in the R/W of Little Road from the existing 24-inch reuse main in the south R/W of SR 54.

However, extension of Aloha's reuse main located on the south right-of-way of State Road 54 will require crossing State Road 54 through a jack and bore and subsequent FDOT Right-of-Way Use permitting. In addition, the design and right-of-way use permitting with Pasco County for construction of the 6-inch reuse main for distance of 2,800 linear feet within the Little Road (County Road 1) right-of-way will take months to accomplish and will impede the permitting progress for utilities for the Seven Springs Medical Park project. It is the opinion of Coastal Design Consultants (CDC) and CDC's client Seven Springs Medical Park, Inc. that the request for extension of Aloha's reuse main is unreasonable. There does not appear to be basis for Aloha's request. To what distance requirement on standards does Aloha base its request for the extension of their facilities?

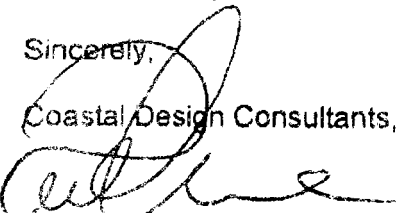
CDC requests that the FDEP permit forms be executed by Aloha for subsequent submittal to FDEP and any requirements for extension of the reuse main north from SR 54 to the project site be addressed in the Developer's Agreement with the developer.

A reuse line has been added to the construction drawings to accommodate future use of reclaimed water for the project area.

If you have any questions or concerns, please contact our office at (727) 849-8010.

Sincerely,

Coastal Design Consultants, Inc.

  
Paul A. Manuel, P.E.  
President

cc: Fong Mei Chang, Director, Seven Springs Medical Park, Inc.  
Philip H. Chesnut, GulfStream Community Bank  
Roland P. Dove, P.E., Spring Engineering, Inc.  
Jay Doucette, Spring Engineering, Inc.

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**Coastal Design Consultants, Inc.**  
7026 Little Road New Port Richey, FL 34654  
Phone: (727) 849-8010 • Fax: (727) 849-8020



**SPRING ENGINEERING, INC.**  
ENGINEERING • LAND PLANNING • ARCHITECTURE

July 20, 2005

Sent via U.S. Mail

Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**ATTENTION:** Steve Watford  
President

**REFERENCE:** Trinity Springs Professional Center  
SEI Project No. 2002-33

**SUBJECT:** Reuse Water

Dear Steve,

As you know we have been trying to get our plans approved and the FDEP permit applications signed by Aloha Utilities for the Trinity Springs Professional Center project. The applications were submitted on September 30, 2004. One of the items that has been a special concern to our clients is your requirement to extend a 6-inch reuse line under S.R. 54 and north along Little Road approximately 2250 feet to provide irrigation water to our project. The cost to install this line is approximately \$120,000.00.

We have talked to Tom Walden at the Public Service Commission about this specific requirement and he advises that the Commission does not regulate territories for reuse water. He suggested that we ask you to provide us with the specific PSC Rule or other statute that mandates the use of your reuse water and requires a developer to make a connection and extend a line several hundred feet to their property. Please provide this information to us as soon as possible.

Our client would have no objection to using your reuse water if it were made available by Aloha Utilities at the property line, but to require the line to be extended at the cost of \$120,000.00 to our client is unreasonable.

Please sign the FDEP application forms and return them to us as soon as possible. Give us a call if you have any questions or need additional information.

Sincerely,

**SPRING ENGINEERING, INC.**

Roland P. Dove, P.E.  
Director of Engineering

RPD/mb

cc: Phil Chesnut (via fax # 727-846-7733)  
Tom Walden (via fax # (850) 413-6951)  
Dr. David Dempsey (via fax # (727) 939-2144)

11207

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

**DATE:** May 7, 2007

**TO:** Tim Devlin, Director, Division of Economic Regulation

**FROM:** Rhonda Hicks, Chief, Bureau of Complaint Resolution, Division of Regulatory Compliance and Consumer Assistance *RH*

**RE:** Case No. 732492W – Aloha Utilities

The attached case is being reassigned to:

**Division:** Economic Regulation (ECR)

**Subject:** Reclaimed Water Line

**Reason:** Mr. Warren Dunphy expresses concerns about a reclaimed water line.

**NOTE:** **THIS IS A CASE REASSIGNMENT.** The materials attached are ORIGINAL DOCUMENTS associated with this matter.

07 MAY -7 PM 1:25  
REGULATORY COMPLIANCE AND CONSUMER ASSISTANCE

**NOTE: Upon closure of the case, reroute the case originals back to the Division of Regulatory Compliance and Consumer Assistance for filing.**

<p><b>Consumer Information</b></p> <p>Name:</p> <p>Business Name: REALM MANAGEMENT LLC</p> <p>Service Address: 3523 LITTLE ROAD</p> <p>County: Pasco Phone: (727)-457-5496</p> <p>City/Zip: TRINITY / 34655-</p> <p>Account Number:</p> <p>Complainant's Name: WARREN DUNPHY</p> <p>Mailing Address: 3523 LITTLE ROAD</p> <p>City/Zip: TRINITY ,FL 34655-</p> <p>Can Be Reached:</p> <p>Case-Tracking Number: 8676</p>	<p><b>Florida Public Service</b></p> <p><b>Commission - Consumer Request</b></p> <p><b>2540 Shumard Oak Boulevard</b></p> <p><b>Tallahassee, Florida 32399</b></p> <p><b>850-413-6100</b></p>	<p><b>PSC Information</b></p> <p>Assigned To: SHONNA MCCRAY</p> <p>Entered By: AC</p> <p>Date: 04/12/2007</p> <p>Time: 10:11</p> <p>Via: E-FORM</p> <p>Prelim Type: IMPROPER BILLS</p> <p>PO:</p> <p>Disputed Amt: 0.00</p>
	<p><b>Utility Information</b></p> <p>Company Code: WS001</p> <p>Company: ALOHA UTILITIES, INC.</p> <p>Attn. Pamela Yacobelli732492W</p> <p>Response Needed From Company? Y</p> <p>Date Due: 05/03/2007</p> <p>Fax: 61,727-372-2677 B</p>	<p>Supmntl Rpt Req'd: / /</p> <p>Certified Letter Sent: / /</p> <p>Certified Letter Rec'd: / /</p>
	<p>Interim Report Received: / /</p> <p>Reply Received: 05/03/2007</p> <p>Reply Received Timely/Late:</p> <p>Informal Conf.: N</p>	<p>Closed by:</p> <p>Date: / /</p> <p>Closeout Type:</p> <p>Apparent Rule Violation: N</p>

Please review the "incorporated" Internet correspondence, located between the quotation marks on this form, in which the customer reports the following:

Complaint filed with PSC

Elect County: PASCO  
CUSTOMER INFORMATION

Name: Warren Dunphy  
Telephone: (727) 457-5496  
Email: gatorrealm@verizon.net  
Address: 3523 Little Road Trinity 34655



verbally or in writing, within 15 working days after the complaint has been sent to the company.

A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working day after the complaint has been sent to the company.

The response should include the following:

- a) the cause of the problem
- b) actions taken to resolve the customer's complaint
- c) the company's proposed resolution to the complaint
- d) answers to any questions raised by staff in the complaint
- e) confirmation that the company has made direct contact with the customer

Send your written response to the PSC, and copies of all correspondence with the customer to the following mail, fax or physical addresses:

Mail - pscreply@psc.state.fl.us

fax - 850-413-7168

mail - 2540 Shumard Oak Blvd.

Tallahassee, Florida 32399-0850

Case taken by Angela Calhoun

/03/2007 Company response received via e-mail. /EEstelle

/03/2007 Company response received via fax. /EEstelle

---

Request No. 732492W

Name ,

Business Name REALM MANAGEMENT LLC

GE NO: 3



COMMISSIONERS:  
LISA POLAK EDGAR, CHAIRMAN  
MATTHEW M. CARTER II  
KATRINA J. MCMURRIAN

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

## Public Service Commission

May 7, 2007

Mr. Stephen Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**Re: Complaint filed by Warren Dunphy, on behalf of Realm Management, LLC**

Dear Mr. Watford:

Staff is in receipt of Aloha's responses to staff's first set of questions dated April 13, 2007. However, the utility's responses to staff's second set of questions dated April 17, 2007 were due on May 2, 2007. To date, I have not received the utility's responses. Please indicate when these responses will be filed.

Further, staff requests the additional information concerning the complaint filed by Realm Management, LLC:

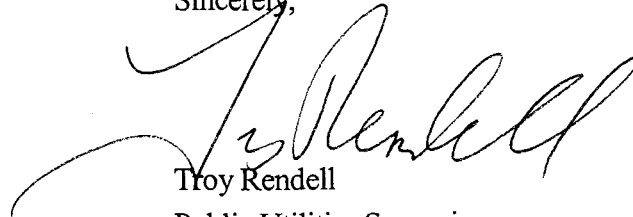
1. What is the total annual amount of reclaimed water, in gallons, available for reuse customers for 2006?
2. What is the total maximum daily amount of reclaimed water, in gallons, available for reuse customers for 2006?
3. What was the total annual amount of reclaimed water, in gallons, used by reuse customers for 2006?
4. What was the total maximum daily amount of reclaimed water, in gallons, used by reuse customers for 2006?
5. Were all reclaimed water gallons available for use by reuse customers used by customers?
6. Did Aloha Utilities experience any reclaimed water shortages during the year 2006 up through April, 2007? If so, provide the date and circumstances.
7. When does Aloha anticipate its reclaimed water will be fully utilized by reuse customers?

Mr. Stephen Watford, President  
Page 2  
May 7, 2007

8. Does Aloha anticipate building reclaimed water storage facilities to meet customer demand? If so, when?

In order to expedite this complaint processing, please provide this information by May 22, 2007, pursuant to Rule 25-30.355(3), Florida Administrative Code. If you have any questions, do not hesitate to contact me at (850) 413-6934.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Rendell". The signature is fluid and cursive, with a large initial "T" and "R".

Troy Rendell  
Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks)  
Office of General Counsel (Gervasi)  
Marty Deterding, Rose Sundstrom & Bentley  
Warren Dunphy

LAW OFFICES

**ROSE, SUNDSTROM & BENTLEY, LLP**  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

FREDERICK L. ASCHAUER, JR.  
CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
DAVID F. CHESTER  
F. MARSHALL DETERDING  
JOHN R. JENKINS, P.A.  
KYLE L. KEMPER  
STEVEN T. MINDLIN, P.A.  
CHASITY H. O'STEEN  
DAREN L. SHIPPY  
WILLIAM E. SUNDSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON

ROBERT M. C. ROSE, (1924-2006)

(850) 877-6555  
FAX (850) 656-4029  
www.rsbatorneys.com

CENTRAL FLORIDA OFFICE  
SANLANDO CENTER  
2180 WEST STATE ROAD 434  
SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD  
BRIAN J. STREET

May 25, 2007

VIA HAND DELIVERY

Mr. Troy Rendell  
Public Utilities Supervisor  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Aloha Utilities, Inc.  
Complaint filed By Warren Dunphy on Behalf of Realm Management, LLC  
Our File No. 26038.01

Dear Mr. Rendell:

It is important to step back and revisit why reuse water systems came into being. Reuse water systems are provided to meet two absolutely critical goals: 1.) to provide a means of disposing of wastewater plant effluents responsibly, and 2.) to reduce the demand for potable water used for lawn and turf irrigation.

The degree to which these two goals are met by each utility is determined by a number of factors and can vary from year to year. Climatic conditions (i.e., a wet or dry periods) largely determines the intensity of demand for reuse water to irrigate lawns and turf. During dry periods (as we have been experiencing the last few years) reuse water demand often reaches it peak and reuse water stored by the utility in wet weather storage facilities are used to supplement that generated to meet demands. During wet periods, the demand for reuse water is reduced, often below the levels produced, requiring the surplus reuse water produced to be stored in wet weather storage facilities until demand increases.

It is important to understand that three regulatory agencies, FDEP, SWFWMD, and Pasco County all have regulations that impact the design and operation of reuse water systems. FDEP rules required Aloha Utilities to design and operate a reuse system that would be capable of disposing 100% of the treated wastewater generated at its wastewater treatment plant. This reuse system must be capable of disposing of this quantity of treated effluent under all conditions.

May 25, 2007

Page 2

Therefore, Aloha's reuse customer base must be large enough, and the land area where the reuse water will be applied must be of sufficient size, to allow Aloha to dispose of 100% of its treated effluent during dry periods as well as wet periods. To accomplish this, reuse systems are designed such that they can dispose of approximately 150% of the treated effluent production rate on an annual average daily basis. The capacity of a reuse system is based on the number of acres that are available for reuse water application and the allowable rate that reuse water can be applied to that land area based on soil and groundwater conditions in the area. Pasco County has conservation ordinances in place which are being enforced against Aloha's customers for the first time to restrict customer usage of reuse water. This change presents additional questions about what impact current and future enforcement activities of Pasco County will have on reuse consumption.

Aloha retained a professional hydrologist to evaluate the capacity of its reuse system (which is the area within the boundaries of its Seven Springs service area) and it was determined that this capacity was approximately 3.1 MGD. This study was reviewed and approved by FDEP's engineers and hydrologists and FDEP issued Aloha a permit for that reuse system capacity. In the last expansion of the WWTP (to its present 2.1 MGD annual average daily flow capacity rating), the previously permitted reuse system capacity (3.1 MGD) was utilized as the basis for providing the FDEP with reasonable assurance that the needed expansion of the WWTP would be in conformance with its rules. FDEP issued Aloha a permit to expand and operate its WWTP based on this reuse system capacity. Therefore, it is imperative that all undeveloped land area identified as part of the reuse service area (the entire Seven Spring service area) be developed as such. That is why it is imperative that each new Aloha customer also agree to take reuse water; for if they do not, Aloha's effective reuse capacity will be reduced which would not be in conformance with the assertions Aloha made to FDEP during permitting of the wastewater system.

From an ecological perspective, when reuse water is used in place of potable water for lawn and turf irrigation wherever possible, as required by Aloha's SWFWMD Water Use Permit, valuable and very scarce potable water resources are not squandered. Maximizing the use of non-potable water sources for irrigation is a major responsibility of not only Aloha, but also all citizens of this state. This goal is in conformance with those that have been stated by our State and Federal governmental officials and it is necessary to meet it to avert severe shortages of potable water for essential uses.

Operationally, it is important that the reuse water system capacity exceed the capacity of the wastewater treatment plant to produce treated effluent. During wet years reuse water is typically stored when demand is low, however, this stored reuse water must be used during the next dry period to allow that reuse water previously stored to be used; providing available storage capacity for use during the next wet period. Therefore, it is imperative that all potential reuse customers be connected to the system without exception.

Reuse customers come in all sizes. Some are large users (such as golf courses and commercial establishments) and some are smaller users (such as homeowners). It is important to note that

reuse system capacity must be sufficiently large enough to be able to continue to be able to dispose of reuse water during wet periods even when one or more of the larger uses stop or severely decrease use due to lack of need for the water. If the capacity of the reuse system was just sufficient to dispose of all the treated effluent during a wet period when all users continue to use reuse water, but one of the larger customers stop use, that could result in an overflow of treated effluent into a receiving water body of the state placing the environment, as well as Aloha, in serious jeopardy. The cost of correcting and preventing a reoccurrence of such an event would be extremely expensive to Aloha and it's customers.

Therefore, it is important that it is understood that first and foremost, Aloha's reuse system has been developed to provide for a reliable means of disposing of its WWTP effluent, and to minimize the use of scarce and very limited potable water resources for lawn and turf irrigation. To accomplish those goals, each and every potential reuse customer must be connected to the reuse system as a condition of service.

We have provided answers to each of the questions outlined in your April 17<sup>th</sup> letter. Each of the answers given below must be viewed in light of the above facts, responsibilities and requirements.

**1. What is the total annual amount of reclaimed water, in gallons, available for reuse customers for 2006?**

Utility Response: It is unclear what is meant by the "total annual amount of reclaimed water and gallons available for reuse customers in 2006." Aloha has reuse generated by its sewage treatment plant equal to the flows through the sewage treatment plant, which are contained on Page S-12 of the Annual Report (546 million gallons). In addition, Aloha has holding ponds with capacity of approximately 80 million gallons, which are also available to meet reuse demand in any given day or year.

**2. What is the total maximum daily amount of reclaimed water, in gallons, available for reuse customers for 2006**

Utility Response: Aloha does not know what is meant by the term "total maximum daily amount of reclaimed water." See response to number 1 above.

**3. What was the total annual amount of reclaimed water, in gallons, used by reuse customers for 2006?**

Utility Response: Aloha does not know what is meant by “used by reuse customers”, however the total actual amount of reclaimed water delivered to reuse customers in 2006 is contained in Page S-13 of the Annual Report (580 million gallons). This does not necessarily equate to what is “used by reuse customers.” because of customer storage and other considerations.

4. **What was the total maximum daily amount of reclaimed water, in gallons, used by reuse customers for 2006?**

Utility Response: Aloha does not know what is meant by the term “total maximum daily amount of reclaimed waters...used by reuse customers for 2006.” The total actual amount of reuse water delivered to customers in 2006 is addressed in response to question 3 above.

5. **Were all reclaimed water gallons available for use by reuse customers used by customers?**

Utility Response: Aloha does not know what is meant by “gallons available for use by reuse customers.” As noted above, the Utility produces reuse water equal to the amounts outlined in the amount of gallons of sewage treated, but in addition has 80 million gallon storage ponds, which are also available for reuse customers’ use.

6. **Did Aloha Utilities experience any reclaimed water shortages during the year 2006 up through April 2007? If so, provide the date and circumstances.**

Utility Response: 2006 and thus far 2007 have been extremely dry years, and therefore reuse water usage was extremely high. During wet years this would not be the case. Aloha does not know what is meant by “reuse water shortage.” There were periods of time during 2006 when reuse water utilized by customers exceeded the amount produced by the sewage treatment plant, and there was a draw down of the 80 million gallon holding ponds. There were also periods of time when the inverse was true.

7. **When does Aloha anticipate its reclaimed water will be fully utilized by reuse customers?**

Utility Response: Aloha does not know what is meant by “reclaimed water will be fully utilized by reuse customers.” Aloha is currently selling or storing all of the reuse water it produces on an annual basis. This would likely not be true during wet years. However, reuse is first

May 25, 2007

Page 5

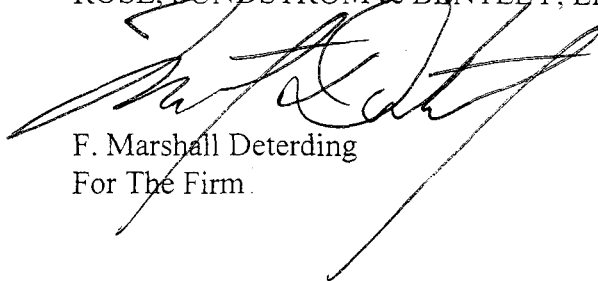
and foremost a method of effluent disposal and DEP has certain requirements concerning the ability of the reuse system and customers thereon to take all of the reuse water produced by the Utility. However, whenever the Utility adds more customers, there is also an increased demand for reuse water.

**8. Does Aloha anticipate building reclaimed water storage facilities to meet customer demand? If so, when?**

Utility Response: No. The Utility currently has 80 million gallons of storage for reuse water. If the utility is put in the position of adding new wastewater customers without also requiring reuse service for those same customers, the likely alternative is a need for additional storage. If more storage were needed for extreme events and/or was ordered by a regulatory body, such storage would be costly and the Utility would need to have rate consideration before constructing such facilities, which would likely raise the cost of reuse water and/or wastewater treatment rates substantially.

Sincerely,

ROSE, SUNDBLUM & BENTLEY, LLP



F. Marshall Deterding  
For The Firm.

FMD/tms

cc: Rosanne Gervasi, Esquire  
Cheryl Bulecza-Banks  
Bart Fletcher  
John Jenkins, Esquire

LAW OFFICES

**ROSE, SUNDSTROM & BENTLEY, LLP**

2548 BLAIRSTONE PINES DRIVE  
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CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
DAVID F. CHESTER  
F. MARSHALL DETERDING  
JOHN R. JENKINS, P.A.  
KYLE L. KEMPER  
STEVEN T. MINDLIN, P.A.  
CHASITY H. O'STEEN  
DAREN L. SHIPPY  
WILLIAM E. SUNDSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON

(850) 877-6555  
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SUITE 2118  
LONGWOOD, FLORIDA 32779  
(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD  
BRIAN J. STREET

May 25, 2007  
VIA HAND DELIVERY

ROBERT M. C. ROSE, (1924-2006)

Mr. Troy Rendell  
Public Utilities Supervisor  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Aloha Utilities, Inc.; Response to April 17, 2007 Letter  
Complaint filed By Warren Dunphy on Behalf of Realm Management, LLC  
Our File No. 26038.01

Dear Mr. Rendell:

1. **Provide the average annual reuse consumption for the Wal-Mart currently being served through the existing 4 inch reuse line. This should be for the calendar year 2006.**

Utility Response: It is unclear what is meant by the average annual reuse consumption. However, the actual reuse consumption for which Wal-Mart was billed for calendar year 2006 was 2,256,650 gallons.

2. **Provide the maximum daily reuse consumption for the Wal-Mart currently being served through the existing 4 inch reuse line. This should be for the calendar year 2006.**

Utility Response: We have no idea what the maximum daily reuse consumption for Wal-Mart is. This would require daily reading of the meter of Wal-Mart and an accumulation of data and locating the highest usage during those 365 days. There is no way of knowing the answer to this short of such a daily meter reading.

3. **Provide a copy of any developer agreement or service agreement between Aloha Utility, Inc. and the existing Wal-Mart located on State Road 54.**

Utility Response: Attached as Exhibit "A" is a copy of the Developer Agreement for service between Aloha and Wal-Mart.

4. **Where is the existing reuse connection serving the Wal-Mart currently located?**

Utility Response: The existing reuse connection point serving the Wal-Mart is located in front of the Wal-Mart in the right-of-way of State Road 54. See drawing attached as Exhibit "B."



May 25, 2007

Page 2

5. **Provide a copy of any documentation between Aloha Utilities, Inc. and Chang Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, service agreement, or e-mail.**

Utility Response: This information was previously provided as part of the response to the April 13, 2007 staff data request and the 80 pages attached thereto. The primary basis for this obligation is contained within the Developer Agreement entered into between Chang Medical Center and Aloha, which requires the developer to take reuse and pay for the necessary facilities once reuse is available. See Paragraph 13, Page 3 of Developer Agreement with Chang Medical Center from 1998.

See Developer Agreement attached as Exhibit "C."

6. **Provide a copy of any documentation between Aloha Utilities, Inc. and Trinity Springs Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, or e-mail.**

Utility Response: There is no Developer Agreement finalized between Aloha and Trinity Springs Professional Center. Such obligation will be laid out in the standard developer agreement when entered into between Aloha and Trinity Springs Medical Center. We have formulated a proposed Agreement to the developer in 2005, which is attached as Exhibit "D," along with all related correspondence.

7. **Provide a copy of any documentation between Aloha Utilities, Inc. and Seven Springs Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, service agreement, or e-mail.**

Utility Response: Attached as Exhibit "E" is a copy of the Developer Agreement between Aloha Utilities, Inc. and Seven Springs Medical Park, Inc. See Pages 18-19 of Paragraph 31 of that Agreement. Also attached as part of Exhibit "E" is other documentation, Refundable Advance Agreements and correspondence related to such service.

Sincerely,  
ROSE, SUNDSTROM & BENTLEY, LLP

  
F. Marshall Deterding  
For The Firm

FMD/tms

cc: Rosanne Gervasi, Esquire  
Cheryl Bulecza-Banks  
Bart Fletcher

May 25, 2007  
Page 3

John Jenkins, Esquire

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655*  

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*(727) 372-0115 Fax (727) 372-2677*  
*www.aloha-water.com*

May 16, 2007

Mr. F. Marshall Deterding, Esq  
Rose, Sundstrom & Bentley, LLP  
2548 Blirstone Pines Drive  
Tallahassee, FL 32301

RE: Complaint filed by Warren Dunphy, on behalf of Realm Management, LLC  
Dated April 17, 2007

Dear Marty:

Enclosed please find the information requested in the above mentioned letter. I have separated the information per question. Before you send anything to Troy please talk to Steve.

If you have any questions or need any further information, please give me a call.

Sincerely,



Pamela Yacobelli  
Administration Manager

PY/jlw

Enclosures

COMMISSIONERS:  
LISA POLAK EDGAR, CHAIRMAN  
MATTHEW M. CARTER II  
KATRINA J. MCMURRIAN

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

## Public Service Commission

April 17, 2007

Mr. Stephen Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**Re: Complaint filed by Warren Dunphy, on behalf of Realm Management, LLC**

Dear Mr. Watford:

As a follow up concerning the complaint filed by Realm Management, LLC, staff requests the following information:

1. Provide the average annual reuse consumption for the Wal-Mart currently being served through the existing 4 inch reuse line. This should be for the calendar year 2006.
2. Provide the maximum daily reuse consumption for the Wal-Mart currently being served through the existing 4 inch reuse line. This should be for the calendar year 2006.
3. Provide a copy of any developer agreement or service agreement between Aloha Utility, Inc. and the existing Wal-Mart located on State Road 54.
4. Where is the existing reuse connection serving the Wal-Mart currently located?
5. Provide a copy of any documentation between Aloha Utility, Inc. and Chang Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, service agreement, or e-mail.
6. Provide a copy of any documentation between Aloha Utility, Inc. and Trinity Springs Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, service agreement, or e-mail.

Mr. Stephen Watford, President

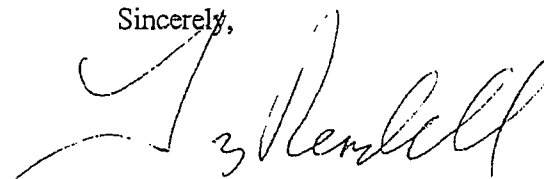
Page 2

April 17, 2007

7. Provide a copy of any documentation between Aloha Utility, Inc. and Seven Springs Medical Center indicating this customer will be obligated to connect to the reuse line and pay for its hydraulic share of the cost of the line, once it is made available. This should include any correspondence, developer agreement, service agreement, or e-mail.

In order to expedite this complaint processing, please provide this information by May 2, 2007, pursuant to Rule 25-30.355(3), Florida Administrative Code. If you have any questions, do not hesitate to contact me at (850) 413-6934.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Rendell". The signature is fluid and cursive, with a large initial "T" and "R".

Troy Rendell

Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks)  
Office of General Counsel (Gervasi)  
John Jenkins, Rose Sundstrom & Bentley  
Warren Dunphy

Aloha Utilities Inc

UBUHSY.FRX

To: WAL-MART STORE, INC. #01-994  
 ATTN: NISC C&I DEPT  
 MANDAN, ND 58554-

To: STATE ROAD 54, 8745  
 NEW PORT RICHEY FL 34655-

Custno	RdDte	CurRdg	Mtrno	Volume	AdjUse	Reclaim CurRdg	Reclaim Volume
36011	01/15/06	7727900	1616202	225800	0	16737200	268600
36011	02/15/06	7913200	1616202	185300	0	16915900	178700
36011	03/15/06	8090600	1616202	177400	0	16964700	48800
36011	04/15/06	414300	1616202	212800	212800	17214000	249300
36011	05/15/06	586600	1616202	172300	0	17368000	154000
36011	06/15/06	777800	1616202	191200	0	17487100	119100
36011	07/15/06	949900	1616202	172100	0	17711500	224400
36011	08/15/06	1119100	1616202	169200	0	17834100	122600
36011	09/15/06	1300700	1616202	181600	0	18049000	214900
36011	10/15/06	1467600	1616202	166900	0	18255500	206500
36011	11/15/06	1639100	1616202	171500	0	18429500	174000
36011	12/15/06	1836800	1616202	197700	0	18823000	393500
36011	01/15/07	2031600	1616202	194800	0	18896100	73100
=====				=====	=====		=====
13	<Count			2418600	212800		2427500

134300

32500

2,751,000

WALTON

This instrument prepared by:  
John R. Jenkins, Esquire  
Rose, Sundstrom & Bentley LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

DEVELOPER AGREEMENT

THIS AGREEMENT made and entered into this 9th day of December, 19 99, by and between AIG BAKER SEVEN SPRINGS, L.L.C., a Delaware limited liability company, hereinafter referred to as "Developer", and ALOHA UTILITIES, INC., a Florida corporation, hereinafter referred to as "Service Company",

WHEREAS, Developer owns or is about to acquire a fee interest in certain lands located in Pasco County, Florida, and described in Exhibit "A", attached hereto and made a part hereof as if fully set out in this paragraph and hereinafter referred to as the "Property", and Developer presently intends to develop the Property into a retail shopping center together with such other uses as permitted by the appropriate zoning classifications or designations, and appurtenant facilities but reserves all rights to change the use of the Property at any time or times; and

WHEREAS, in order to meet the financial and general requirements of Federal, State and local governmental agencies, including, but not limited to, the Pollution Control agencies, the Department of Environmental Protection, the Florida Public Service Commission and other agencies having jurisdiction over the Service Company or the Property (herein generally called "Public Agencies"), it is necessary that adequate central water distribution and sewage collection services be provided to serve the Property, the users of the property and the appurtenant facilities to be located on the Property; and

WHEREAS, Developer is not certified to provide central water distribution and sewage collection services to serve the Property, but is desirous of promoting the construction of such facilities so that the Property will receive adequate water and sewage service; and

WHEREAS, the Service Company is willing to provide, in accordance with the provisions of this Agreement, central water treatment and distribution and sewage collection and treatment services to the Property and thereafter operate applicable facilities so that the occupants of the improvement on the Property and the appurtenant facilities will receive an adequate water supply and sewage collection and disposal service from Service



Company;

NOW, THEREFORE, for and in consideration of the premises the mutual undertakings and agreements herein contained and assumed, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer and Service Company hereby covenant and agree as follows:

1. The foregoing statements are true and correct and an integral part hereof.

2. The following terms shall have the following definitions for the purpose of interpreting this Agreement:

(a) "Consumer" - The person(s) or entity/entities on the Property that actually utilize the water and sewer services of Service Company, which may include Developer.

(b) "Consumer Installation" - All facilities on the Consumer's side of the Point of Delivery (as hereinafter defined).

(c) "Contribution-in-aid-of-Construction (CIAC)" - The sum of money and/or the value of Property including real property represented by the cost of the water distribution and sewage collection systems, including but not limited to lift stations and treatment plants, constructed or to be constructed by Developer which Developer transfers to Service Company at no cost or charge to Service Company to provide utility services to the Property or any portion thereof.

(d) "Equivalent Residential Connection (ERC)" - A factor used to convert a given average daily flow of water (ADF) to the equivalent number of residential connections. For this purpose, the average daily flow of one equivalent residential connection (ERC) is 270 gallons per day (gpd).

(e) "Notice to Proceed" - A document executed by Developer expressing a formal order pursuant to this Agreement, for the start of specific water or sewer service.

(f) "Point of Delivery" - The point where the sewer pipes or water meters of Service Company connect with the pipes of the Consumer. Unless otherwise indicated in writing, Point of



Delivery shall be at the Consumer's lot line.

(g) "Service" - The readiness and ability on the part of Service Company to furnish and maintain water treatment and distribution and sewage collection services to the Point of Delivery for Customers (pursuant to applicable rules and regulations of applicable regulatory agencies.)

(h) "System Capacity Charge" - The charge made by the Service Company for each new connection to the utility system, which charge is designated to defray a portion of the cost of the utility system.

3. Representations and Warranties of Developer. The Developer warrants and represents that (which warranties and representations shall specifically survive the making of this Agreement and delivery of any documents required herein or the performance of any duties required herein.):

(a) It is a limited liability company duly organized and existing under the laws of Delaware and in good standing under the laws of the State of Florida, and has the power and authority to carry on its business as now conducted.

(b) Developer has the power and authority to enter into and perform this Agreement, and is or is about to become the fee simple owner of the Property. This Agreement and any documentation required to be delivered hereunder will constitute the valid and binding obligation of the Developer in accordance with its terms.

(c) The making of this Agreement will not violate any provisions of any law, federal, or state, or the certificate of incorporation or by-laws of the Developer or result in the breach of or constitute an event of default under the terms of any contractual agreement to which the Developer is a party or by which the Developer is otherwise bound.

(d) No approval, authorization or consent of any court, administrative or government agency is required for any part of the execution, delivery or performance by the Developer of this Agreement.

(e) The execution and delivery of this Agreement has been duly authorized by the sole member of Developer.

4. Representations and Warranties of Service Company.

Service Company warrants and represents that (which warranties and representations shall specifically survive the making of the Agreement):

(a) Service Company is a corporation duly organized, existing and in good standing under the laws of the State of Florida and has the corporate power and authority to carry on its business as now conducted.

(b) Service Company has the corporate power and authority to enter into and perform this Agreement. This Agreement any documentation required to be delivered hereunder will constitute the valid and binding obligation of Service Company in accordance with its terms, which are in accordance with the Rules of the Public Service Commission.

(c) The making of this Agreement will not violate provisions of any statutory laws/ federal or state or the certificate of incorporation or by-laws of Service Company or result in the breach of, or constitute an event of default under the terms of any contractual agreement to which Service Company is a part or by which the Service Company is otherwise bound.

(d) Service Company will comply with the applicable rules and regulations of governmental authorities having jurisdiction over its operations and this Agreement, any such applicable rules, regulations and authority, as now constituted or as amended from time to time being incorporated into this Agreement and made apart hereof by reference.

(e) Subject to obtaining all required approvals from applicable governmental authorities, Service Company agrees to provide water and sewer services to the Property, as and when needed, in accordance with the terms and provisions of this Agreement.

5. System Capacity Charges. Developer agrees to pay to Service Company on the date of execution of this Agreement "System Capacity Charges" of \$13,914.97 for water service for 22,962 gallons per day (GPD) and \$ 17,588.89 for sewer service for 18,370

gallons per day (GPD) and Service Company agrees to reserve upon receipt of said payment (85 ERCs) of each water and (68 ERCs) of each sewer plant capacities for Developer's proposed connections (with said System Capacity Charges being those approved by the Florida Public Service Commission or other regulatory body with jurisdiction over Service Company) and Service Company agrees to provide said water and sewer services in accordance with the terms of this Agreement, upon payment of said System Capacity Charges.

At such point in time that Developer utilizes capacity for more than 85 ERC's for water and 68 ERC's for sewer it shall be required to pay the System Capacity Charges for such excess capacity required. The Developer agrees to pay additional system capacity charges for any usage above the base figure of 85 ERC's for water and 68 ERC's for sewer. Payment of additional System Capacity Charges shall be made within 30 days of Developer's notification, by the Service Company, that Developer has exceeded the capacity as set forth above. If the Developer notifies the Service Company of its intent to develop additional units, payment of additional System Capacity Charges shall be made within 30 days of the developers notice of intent to develop additional units. The rate to be paid for each unit, ERC shall be the System Capacity Charge then in effect for each unit, ERC. This shall not otherwise excuse the notice provisions of Paragraph 6.

Aloha hereby agrees to provide wastewater treatment services of sufficient capacity, subject to the conditions and limitations set forth herein, for the Development of properties described in Exhibit "A"; provided, however, that such services in the form of a collection permit shall only be provided within six (6) months, and actual wastewater treatment service within twelve (12) months, after payment by Developer of system capacity charges for the proposed units requiring service.

Aloha hereby agrees to provide potable water services of sufficient capacity, subject to the conditions and limitations set forth herein; provided, however, that such services shall only be provided within twelve (12) months after payment by the Developer of system capacity charges for the proposed units requiring service.

Notwithstanding anything herein to the contrary, in the event the Property uses capacity in excess of the amounts secured under this Agreement, Service Company may require payment of

additional System Capacity Charges as a condition of providing continued service.

6. Time of Payment. Service Company provides service to the Property pursuant to payment of System Capacity Charges. The System Capacity Charge due for capacity shall be the charge in effect at the time of connection. Such charge may be amended or revised from time to time pursuant to PSC approval. In the future, should the PSC approve a guaranteed revenue charge, an AFPI (Allowance for Funds Prudently Invested) or other charge to compensate Service Company for the cost of providing service, Developer shall be subject to such approved charges for units not yet connected pursuant to this Agreement. Nothing contained herein shall prevent or prohibit Service Company from requesting or obtaining an increase in System Capacity Charges or rates.

7. On-Site Installation. Developer hereby agrees to construct and to transfer ownership and control to Service Company as a contribution-in-aid-of-construction of the on-site water treatment and distribution systems and sewage collection systems. The term "on-site water treatment and distribution systems and sewage collection systems" means and includes all water distribution and supply mains, lines, pipes, pumps, wells, storage facilities and any other related facilities and sewage collection lines, and treatment facilities and equipment, including pumping stations, constructed within the boundaries of the Property in accordance with the terms of this Agreement, to serve each Consumer within the Property. On-site installations shall not include Consumer Installations.

(a) Plans. Developer shall cause to be prepared three (3) copies of the applications for permits and three (3) sets of finalized engineering plans prepared and sealed by a professional engineer registered in the State of Florida. Plans shall show the on-site water distribution and sewage collection systems proposed to be installed to provide service to Consumers within the Property. Such detailed plans may be limited to the first development phase only, and in such instance, plans for subsequent phases shall be furnished from time to time as such phases are to be developed. However, each such development phase shall conform to a master plan for the development of the Property and such master plan shall be submitted to Service Company concurrent with or prior to submission of engineering plans for the first development phase. Developer reserves the right to modify

such master plan any time in such a manner as to not unduly interfere with Service Company's existing facilities and upon modification, shall submit four copies of the modified plan to service Company. The cost of any modifications to Service Company's existing systems on the Property or to such master plan for the Property that are caused by Developer's modifications or changes shall be borne by Developer. Developer shall cause its engineer to submit specifications governing the material to be used and the method and manner of installation. All such plans and specifications submitted to Service Company's engineer shall meet the minimum specifications of Service Company and shall be subject to the approval of Service Company, which approval shall not be unreasonably withheld or delayed. No construction shall commence until Service Company and necessary regulatory agencies, if any, have approved such plans and specification in writing (except that regulatory agency approval shall be in writing only if so required by the regulatory agency). If permits and approved plans are returned by regulatory agencies to Developer, Developer shall submit to Service Company one (1) copy of water and/or sewer permit and approved plans. Developer shall also supply to the Service Company an itemized list of materials and all contractors to be used covering all contract items.

(b) Contractor. All sewer and water contractor shall be approved by Service Company, and Service Company shall not unreasonably withhold or delay its approval thereof.

(c) Construction. Developer shall provide to Service Company's inspector, fifteen (15) days notice prior to commencement of construction. Developer shall cause to be constructed, at Developer's own cost and expense, the on-site water distribution and sewage collection systems as shown on the approved plans and specifications.

(d) Inspection. During the construction of the on-site water distribution and sewage collection systems by Developer, Service Company shall have the right to inspect such installations at all times to determine compliance with the approved plans and specifications. The engineer of record shall also inspect construction to assure compliance with the approved plans and specifications. Forty-eight (48) hours notice of all standard tests for pressure, exfiltration, line and grade, and all other normal engineering tests shall be given to the Service Company. Tests shall demonstrate that the systems have been

installed in accordance with the approved plans and specifications, good engineering practices, and the American Water Works Association criteria. The Service Company, Developer, engineer of record and utility contractor each may be present for such tests. There shall be an inspection Charge to cover the Service Company's cost of inspection of installations on the Property as specified in Exhibit "B".

(e) Completion. Upon completion of construction, Developer's engineer of record shall submit to Service Company a copy of the signed certification of completion submitted to the required regulatory agencies, if any. If certification is for the water distribution system, a copy of the bacteriological results and a sketch showing locations of all sample points shall be included. The engineer of record shall also submit to Service Company ammonia mylars of the as-built plans prepared and certified by the engineer of record, and the recorded plat, if any, including dedication sheet, if any.

(f) Transfer of Title. Developer hereby agrees to transfer to Service Company title to all on-site water distribution and sewage collection systems installed by Developer or Developer's contractor pursuant to the provisions of this Agreement. Such conveyance shall take place at the time Developer receives the Service Company's final letter of acceptance. As evidence of said transfer of title, upon the completion of the installation and receipt of the final letter of acceptance and upon the rendering of service by Service Company, Developer shall:

(i) Convey to Service Company, by bill of sale in form reasonably satisfactory to Service Company's counsel and as customarily used by Service Company, the on-site water distribution and sewage collection systems as constructed by Developer and approved by Service Company.

(ii) Assign any and all warranties, and maintenance, completion and performance bonds and the right to enforce same to the Service Company which Developer obtains from any contractor constructing the sewer and water systems. Developer shall obtain a written warranty, completion, and performance and maintenance bonds from its contractor for a minimum period of thirty-six (36) months. If Developer does not obtain such written warranty and performance and maintenance bonds from its contractor and deliver same to Service Company, then in such event, Developer,

by the terms of this instrument, agrees to warrant the construction of the on-site water distribution and sewage collection systems installed by Developer or Developer's contractor, for a period of thirty-six (36) months from the date of acceptance by the Service Company of said utility systems.

(iii) Provide to the Service Company an executed notarized no lien affidavit in form reasonably satisfactory to Service Company's counsel on the utility systems installed by Developer by reason of work performed or services rendered in connection with the installation of the systems.

(vi) Provide Service Company with all appropriate operation/maintenance and parts manuals.

(v) Enter into an easement agreement with Service Company for easements and/or rights-of-way covering areas in which the on-site water distribution and sewage collection systems are installed, by recordable document in form acceptable to Service Company counsel and as customarily used by Service Company.

(vi) Grant a 30-foot by 30-foot exclusive easement for any lift station sites constructed on Developer's Property, including a non-exclusive easement for ingress and egress to such site. The easement shall include a "non-disturbance agreement" as set forth below. No improvements may be made within this easement without the written consent of Service Company. Notwithstanding anything herein to the contrary, however, Developer may landscape the area of the easement.

(vii) Supply to the Service Company a copy of the invoices and an itemized list of materials used covering all contract items and a release of lien from the contractor, suppliers, and a contractor's Final Affidavit.

Service Company agrees that the issuance of the final letter of acceptance for the on-site water distribution and sewage collection systems installed by Developer shall constitute the assumption of responsibility by Service Company for the continuous operation and maintenance of such systems from that date forward, except as otherwise provided herein.

8. Application for Service: Consumer Installation. Developer, or any owner of any parcel of the Property, or any

occupant of any residence, building or unit located thereon, shall not have the right to and shall not connect any Consumer Installation to the on-site water distribution and sewage collection systems facilities until formal written application has been made to Service Company by the prospective consumer of service, or on their behalf, and the meter installation fee has been paid in accordance with the then effective rules and regulations of Service Company, and approval has been granted for such connection.

9. Easements. Developer agrees to grant and give to Service Company a non-exclusive right or privilege to maintain, repair, replace, construct and operate said on-site water distribution and sewage collection facilities in the area to be developed by Developer. Mortgagees, if any, holding prior liens on the Property shall, upon the reasonable request of Service Company be required to give to Service Company assurance by way of a "non-disturbance agreement" that in the event of foreclosure, mortgagee would continue to recognize the easement rights of Service company as long as Service Company complied with the terms of this Agreement.

Developer hereby further agrees that the foregoing grants shall include the necessary right of ingress and egress to any part of the Property upon which Service Company is maintaining, repairing, or operating such facilities; such that the foregoing grants shall be for the use of the Service Company, its successors or assigns; and that where roads cross easement areas such roads shall be constructed in accordance with commonly accepted engineering practices of Pasco County, Florida, or as otherwise required by law. The use of easement area by Service Company shall not preclude the use by Developer or other utilities of these easement areas, such as, for cable television, telephone, electric, roads or walkways, provided, however, that the same shall not reasonably interfere with Service Company's utilization of same and shall be in compliance with commonly accepted engineering practices of Pasco County, Florida or as otherwise required by law.

Service Company hereby agrees that all easement grants will be utilized in accordance with the established and generally accepted practice of the water and sewer industry with respect to the installation, maintenance, repair, replacement, construction and operation of all its facilities in any of the easement areas. Service Company agrees that it will at all times maintain such



facilities in good order, condition and repair, at its sole cost and expense, in accordance with all standards and specifications which may be prescribed by any governmental or regulatory authority having jurisdiction. Service Company shall restore easement areas only to the extent of sodding and restoring sidewalks and pavement and Service company shall not be responsible for restoring such things as shrubbery, plants, fences or other structures placed within the easement areas.

10. Agreement to Serve. Service Company covenants and agrees that upon the completion of construction of the on-site water distribution and sewage collection services facilities by Developer, its inspection, and the issuance of the final letter of acceptance by Service Company, Service Company will connect or oversee the connection of the on-site water distribution and sewage collection services facilities installed by Developer to the central facilities of Service Company. Such connection shall at all times be in accordance with rules, regulations and orders of the applicable governmental authorities. Service Company agrees that once it provides water distribution and sewage collection services to the Property and Developer or others have connected Consumer Installations to its system, thereafter, Service Company, its successors and assigns will continuously provide, at its cost and expense, but in accordance with the other provisions of this Agreement and the rules and regulations and rate schedule set by applicable government authorities, water and sewer services to the Property in a manner to conform with all requirements of the applicable governmental authority having jurisdiction over the operations of Service Company.

Although the responsibility for connecting the Consumer Installation to the water meter or sewer lines of Service Company at the Point of Delivery is that of the Developer or entity other than Service Company, with reference to such connections, the parties agree as follows:

(a) Application for the installation of water meters shall be made at least seventy-two (72) hours in advance, not including Saturdays, Sundays, and holidays.

(b) All Consumer Installation connections main interconnects and other lines as indicated by Service Company in accordance with standard engineering practices, must be inspected by Service Company before backfilling and covering of any pipes,

except as provided for in (d) below.

(c) Notice to Service Company requesting an inspection of a Consumer Installation connection may be given by or on behalf of the plumber of Developer, and the inspection will be made within seventy-two (72) hours, not including Saturdays, Sundays, and holidays.

(d) If Developer does not comply with the foregoing inspection provisions, Service Company may refuse service to a connection that has not been inspected until Developer complies with these provisions.

(e) The cost of constructing, operating, repairing or maintaining Consumer Installations shall be that of Developer or Consumer or a party other than Service Company.

(f) If a commercial kitchen, cafeteria, restaurant or other commercial food preparation or dining facility is constructed within the Property, the Service Company shall have the right to require that a grease trap be constructed, installed, connected and maintained as necessary by Consumer so that all wastewaters from any grease producing equipment within such facility, including floor drains in food preparation areas, shall first enter the grease trap for pretreatment before the wastewater is delivered to the lines of the Service Company. Size, materials and construction of such grease traps are subject to approval by Service Company. Such approval shall not be unreasonably withheld or delayed. Service Company shall have the on-going right during regular business hours to inspect Consumer's or Developer's premises in order to insure compliance with the provisions hereof. No substance other than domestic wastewater will be placed into the sewage system and delivered to the lines of the Service Company. Should any non-domestic wastes, grease or oils, including, but not limited to, floor wax or paint, be delivered to the lines, the Consumer will be responsible for payment of the cost and expense required in correction or repairing any resulting damage, and Developer will so advise its purchasers or tenants, as applicable.

(g) Non-residential Consumers of the Service Company, acquiring water and sewer service rights by and through Developer, shall not deposit into the sewer system non-domestic waste which would be classified as a hazardous substance as defined in the U.S. Comprehensive Environmental Response, Compensation and

Liability Act of 1980 or successor legislation, any petroleum or product defined in Section 376.301 (15) or Section 377.19 (11), Florida Statutes, respectively, or as objectionable by the regulatory agencies of the State of Florida or the County Health Department, or the Service Company. In the event of such deposit, Service Company shall have the unilateral right to withhold further service to such Consumer until such time as corrective action has been taken and all of Service Company's cost incurred in the process of correcting same, including legal, engineering, consulting, administrative and contingent fees, are paid by the Consumer.

11. Rates. Service Company agrees that the rates to be charged to Developer and individual Consumers of water and sewer service shall be those set forth in the tariff of Service Company approved by the applicable governmental agency. However, notwithstanding any provision in this Agreement, Service Company, its successors and assigns, may establish, amend or revise, from time to time in the future, and enforce rates or rate schedules so established and enforced and shall, in any event, at all times be reasonable and subject to regulations by the applicable governmental agency, or as may be provided by law. Rates charged to Developer or Consumers located upon the Property shall at all times be identical to rates charged for the same classification of service, as are or may be in effect throughout the service area of Service Company.

12. Exclusive Right to Provide Service. Developer agrees that Developer, or the successors and assigns of Developer, shall not engage in the business or businesses of providing potable water or sewer services to the Property during the period of time Service Company, its successors and assigns, provide water and sewer services to the Property, it being the intention of the parties hereto that under the foregoing provisions and also other provisions of this Agreement, Service Company shall have the sole and exclusive right and privilege to provide water and sewer services to the Property and to the occupants of such buildings or units constructed thereon, except for the providing by Developer, from its own sources and lines of water for irrigation uses.

13. Binding Effect of Agreement. This Agreement shall be binding upon and shall inure to the benefit of Developer, Service Company and their respective assigns and successors by merger, consolidation, conveyance or otherwise.

14. Notice. Until further written notice by either party to the other, all notices provided for herein shall be in writing and transmitted by messenger, by U.S. certified or registered mail return receipt requested, by express mail or by telegram, and if to Developer, shall be mailed or delivered to Developer at:

AIG Baker Seven Springs, L.L.C.  
C/O AIG Baker Shopping Center Properties, L.L.C.  
1701 Lee Branch Lane  
Birmingham, Alabama 35242

with copies to:  
Clyde Hobby, Esquire  
Hobby, Grey & Reeves  
5709 Tidalwave Drive  
New Port Richey, FL 34652

and if to the Service Company, at:  
Aloha Utilities, Inc.  
2514 Aloha Place  
Holiday, Florida 33591

with copies to:  
John Jenkins, Esquire  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301

15. Laws of Florida. This Agreement shall be governed by the laws of the State of Florida and it shall be and become effective immediately upon execution by both parties hereto, subject to any approvals which must be obtained from governmental authority, if applicable.

16. Costs and Attorney's Fees. In the event the Service Company or Developer is required to enforce this Agreement by Court proceedings or otherwise, by instituting suit or otherwise, then the prevailing party shall be entitled to recover from the other party all attorneys fees and costs incurred, including such fees and costs on appeal.

17. Force Majeure. In the event that the performance of this Agreement by either party to this Agreement is prevented or interrupted in consequence of any cause beyond the

control of either party, including but not limited to Act of God or of the public enemy, war, national emergency, allocation or of other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil rights disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, sinkholes, earthquake, or other casualty or disaster or catastrophe, unforeseeable failure or breakdown of pumping transmission or other facilities, governmental rules or acts or orders or restrictions or regulations or requirements, acts or action of any government of public authority or commission or board or agency or agent or official or officer, the enactment of any statute or ordinance or resolution or regulation or rule or ruling or order, order or decree or judgment of restraining order or injunction of any court, said party shall not be liable for such non-performance.

18. Indemnification. The Developer agrees to indemnify, defend and hold harmless Service Company from and against any and all liabilities, personal injury claims, damages, costs and expenses (including reasonable attorney's fees including those on appeal and in bankruptcy proceedings) to which Service Company may become subject by reason of or arising out of the Developer's breach or non-performance of this Agreement. This indemnification provision shall survive the actual connection to Service Company's water and sewer system.

19. Notice. Service Company shall provide to developer timely notice of any proposed rate changes and/or hearings affecting the Service Company or its rates or ability to provide service to the Developer at the rates and dates and in the quantity set forth in this Agreement.

20. This Agreement supersedes all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company, made with respect to the matters herein contained, and when duly executed, constitutes, the matters herein contained, and when duly executed, constitutes, the agreement between Developer and Service Company. No additions, alterations or variations of the terms of this Agreement shall be valid, nor can provisions of this Agreement be waived by either party, unless such additions, alterations, variations or waivers are expressed in writing and duly signed by the party to which they are to be applied.

21. When required by the context, the singular number shall include the plural, and the masculine, feminine and neuter genders shall each include the others.

22. Whenever approvals of any nature are required by either party to this Agreement, it is agreed that same shall not be unreasonably withheld or delayed.

23. Unless otherwise agreed in writing, the submission of this Developer Agreement for examination by either party to the other does not constitute an offer by either party but becomes effective only upon execution thereof by both Service Company and Developer.

24. Failure to insist upon strict compliance of any of the terms, covenants, or conditions herein shall not be deemed a waiver of such terms, covenants, or conditions, nor shall any waiver or relinquishment of any right or power hereunder at anyone time or times be deemed a waiver or relinquishment of such right or power at any other time or times.

25. Developer understands and agrees that, this Agreement or the capacity reserved hereunder cannot and shall not be assigned or delegated by Developer to third parties without the written consent of Service Company, which consent shall not be unreasonably withheld.

26. Service Company shall have the right to inspect, at its sole cost and expense, Consumer Installations at all reasonable times, provided that the responsibilities and agreements that apply to Service Company's use of easement areas, as set forth in paragraph 10 of this Agreement shall also apply to any and all actions taken by Service Company pursuant to this paragraph.

27. This Agreement is binding on the successors and assigns of the parties hereto, including any municipal or governmental purchaser of Service Company. The rights and obligations created pursuant to this Agreement shall be deemed to run with the land described in Exhibit "A" and shall be binding upon the successors in title or legal interest of Developer's right and obligations herein. This Agreement shall survive the sale or transfer of Service Company to any party.

28. Each party hereby agrees to grant such further assurance and provide such additional documents as may be required,

each by the other, in order to carry out the terms, conditions and comply with the express intention of this Agreement.

29. The Developer agrees to convey, at Developer cost, by warranty deed or lien free easement at Service Company's sole option, 0 well sites as CIAC, said well sites shall maintain a minimum distance of 200 feet from any improvements of sources of pollution. The well sites shall be to the sole satisfaction of Service Company, and the Developer shall be responsible for all costs of improvement of the same in accord with the provisions of this Agreement.

30. Conservation and Reuse of Water Resources. The Developer agrees to accept and receive Service Company's sewage treatment plant effluent for spray irrigation or other method(s) of conservation and/or reuse disposal on the Property or other lands upon which Developer shall have a perpetual right for such effluent disposal in a number of gallons equal to the monthly amount of water provided by Service company to Developer. Developer will, at Developer's sole cost and expense, install such lines and facilities for the disposition of said effluent in the Property or other said lands. Developer agrees to pay Developer's proportionate share of the lines, transmission costs, reasonably required, on a gallonage basis, to transport the said effluent to the Property or such other said lands. The cost shall include, but not be limited to design, engineering, permitting, construction, legal, inspection and associated fees and costs related thereto. In the event that an impact or similar fee for reuse is adopted by Service company, Developer agrees to immediately pay the same upon notice by Service Company. In any event, Developer understands and agrees to pay the income tax effect, or "gross-up", of income taxes associated with the contribution of any reuse transmission charge, lines or facilities.

31. Time of the Essence. It is understood and agreed between the parties hereto that time is of the essence of this Agreement and this applies to all terms and conditions contained herein.

IN WITNESS WHEREOF, Developer and Service Company have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterparts shall be considered an original executed copy of this Agreement.

SIGNATURES ON FOLLOWING PAGE

WITNESSES:

Pamela Jacobelli

Print Name: Pamela Jacobelli

Tracy Metzler

Print Name: Tracy Metzler

ALOHA UTILITIES, INC.

BY: Stephen G. Watford, Pres  
Stephen G. Watford, President

WITNESSES:

John Hogue, Jr

Print Name: John Hogue, Jr

Vickie Lawson

Print Name: VICKIE LAWSON

AIG BAKER SEVEN SPRINGS, L.L.C.

By: AIG BAKER SHOPPING CENTER PROPERTIES, L.L.C

BY: Alex D. Baker

Its: President

STATE OF Florida)

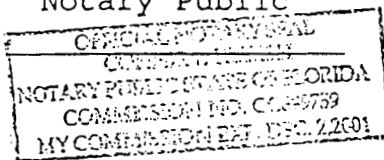
) SS

COUNTY OF Pasco )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of December, 1999, by \_\_\_\_\_ and Stephen G. Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, on behalf of said Corporation.

Connie L. Kinast  
Notary Public

My Commission Expires:



STATE OF Alabama)

) SS

COUNTY OF Shelby)

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of August, 1999, by Alex D. Baker, President of AIG Baker Shopping Center Properties, L.L.C., as sole member of AIG Baker Seven Springs, L.L.C., a Delaware limited liability company, on behalf of said company.

Sharon Leigh Enos  
Notary Public

My Commission Expires: 1/2/01



EXHIBIT "A"

SKETCH OF  
SOUTH PARCEL (REVISED) - MITCHELL PORTION

A portion of Lots 37 and 38, Block "B", SEVEN SPRINGS HEIGHTS, as shown on the plat recorded in Plat Book J, page 26 of the Public Records of Pasco County, Florida, a portion of Lots 11 and 12, Block B, of said SEVEN SPRINGS HEIGHTS, and a portion of the Northeast 1/4 of the Southeast 1/4 of Section 23, Township 26 South, Range 16 East, Pasco County, Florida, all being further described as follows:

Commence at the Northeast corner of the Southeast 1/4 of said Section 23; thence along the North boundary line of the Southeast 1/4 of said Section 23, North 89°27'07" West, a distance of 45.00 feet to the Westerly right-of-way line of State Road 54, Section 14570-2151; thence along the Westerly right-of-way line of said State Road 54, South 00°04'42" West, a distance of 427.40 feet to the Southeasterly corner of SPRING HAVEN CONDOMINIUM, PHASE ONE as shown on the plat recorded in Condominium Plat Book 1, pages 39, 40 and 41 of the Public Records of Pasco County, Florida; thence along the South boundary line of said SPRING HAVEN CONDOMINIUM, PHASE ONE, South 89°51'30" West, a distance of 75.86 feet to a point on the North boundary line of SPRINGHAVEN - TRACT E, as described in Official Record Book 3328, Page 1328 of the Public Records of Pasco County, Florida; thence parallel with and 121.00 feet West of the East boundary line of the Southeast 1/4 of said Section 23, South 00°03'31" West, a distance of 216.87 feet; thence North 89°56'29" West, a distance of 6.50 feet; thence parallel with and 127.50 feet West of the East boundary line of the Southeast 1/4 of said Section 23, South 00°03'31" West, a distance of 8.46 feet to the South boundary line of said SPRINGHAVEN - TRACT E, the same being the North boundary line of James W. Mitchell Parcel, as described in Official Record Book 3311, Page 1739 of the Public Records of Pasco County, Florida, for a POINT OF BEGINNING; thence continue South 00°03'31" West, a distance of 154.58 feet to the Westerly boundary line of Mitchell Boulevard right-of-way Parcel 115; thence along the Westerly boundary line of said Mitchell Boulevard right-of-way Parcel 115, South 13°32'27" West, a distance of 75.12 feet; thence continue along the Westerly boundary line of said Mitchell Boulevard right-of-way Parcel 115 and the Westerly boundary line of Mitchell Boulevard right-of-way Parcel 114, South 00°03'31" West, a distance of 122.82 feet; thence North 89°56'29" West, a distance of 250.00 feet; thence South 00°03'31" West, a distance of 262.51 feet to the Northerly boundary line of Mitchell Boulevard Right-of-Way Parcel 112; thence along the Northerly boundary line of said Mitchell Boulevard Right-of-Way Parcel 112, South 84°48'52" West, a distance of 88.35 feet to the West boundary line of said James W. Mitchell Parcel, the same being on the East boundary line of Jim Mitchell Ranch, Inc. Parcel, as described in Official Record Book 1809, Page 1974 of the Public Records of Pasco County, Florida; thence North 00°02'22" East, a distance of 623.71 feet to the Northwest corner of said James W. Mitchell Parcel; thence along the North boundary line of said James W. Mitchell Parcel, South 89°30'34" East, a distance of 355.72 feet, to the POINT OF BEGINNING.

The above described parcel contains 3.347 acres, more or less.

EXHIBIT "A"

SKETCH OF  
SOUTH PARCEL (REVISED) - MITCHELL/SUNFIELD PORTION

A portion of the Northeast 1/4 of the Southeast 1/4 of Section 23, Township 26 South, Range 16 East, Pasco County, Florida, being further described as follows:

Commence at the Northeast corner of the Southeast 1/4 of said Section 23; thence along the North boundary line of the Southeast 1/4 of said Section 23, North 89°27'07" West, a distance of 45.00 feet to the Westerly right-of-way line of State Road 54, Section 14570-2151; thence along the Westerly right-of-way line of said State Road 54, South 00°04'42" West, a distance of 427.40 feet to the Southeasterly corner of SPRING HAVEN CONDOMINIUM, PHASE ONE as shown on the plat recorded in Condominium Plat Book 1, pages 39, 40, and 41 of the Public Records of Pasco County, Florida; thence along the South boundary line of said SPRING HAVEN CONDOMINIUM, PHASE ONE, South 89°51'30" West, a distance of 75.86 feet to a point on the North boundary line of SPRINGHAVEN - TRACT E, as described in Official Record Book 3328, page 1328 of the Public Records of Pasco County, Florida, for a POINT OF BEGINNING; thence parallel with and 121.00 feet West of the East boundary line of the Southeast 1/4 of said Section 23, South 00°03'31" West, a distance of 216.87 feet; thence North 89°56'29" West, a distance of 6.50 feet; thence South 00°03'31" West, a distance of 8.46 feet to the South boundary line of said SPRINGHAVEN - TRACT E, the same being the North boundary line of James W. Mitchell Parcel, as described in Official Record Book 3311, page 1739 of the Public Records of Pasco County, Florida; thence North 89°30'34" West, a distance of 355.72 feet to the Southwest corner of said SPRINGHAVEN - TRACT E, the same being the Northwest corner of said James W. Mitchell Parcel, the same being the East boundary line of the Jim Mitchell Ranch, Inc. Parcel as described in Official Record Book 1809, page 1974 of the Public Records of Pasco County, Florida; thence along the West boundary line of said James W. Mitchell Parcel, and the East boundary line of said Jim Mitchell Ranch, Inc. Parcel, South 00°02'22" West, a distance of 623.71 feet to the Northeast corner of Mitchell Boulevard right-of-way Parcel 111, as described in Official Record Book 1799, page 1788 of the Public Records of Pasco County, Florida; thence along the Northerly boundary line of said Mitchell Boulevard right-of-way Parcel 111, South 84°48'52" West, a distance of 117.24 feet to the Northwesterly corner of said Mitchell Boulevard right-of-way Parcel 111; thence along the Westerly boundary line of said Mitchell Boulevard right-of-way Parcel 111, South 00°31'30" West, a distance of 30.00 feet to the Southwest corner of said Mitchell Boulevard right-of-way Parcel 111, the same being the South boundary line of the Northeast 1/4 of the Southeast 1/4 of said Section 23, the same being the North right-of-way line of Mitchell Road (Mitchell Ranch Road) as described in Official Record Book 1281, page 1225 of the Public Records of Pasco County, Florida; thence along the South boundary line of the Northeast 1/4 of the Southeast 1/4 of said Section 23, and the North right-of-way line of said Mitchell Road, North 89°28'30" West, a distance of 723.89 feet to the Southwest corner of the Northeast 1/4 of the Southeast 1/4 of said Section 23; thence along the West boundary line of the Northeast 1/4 of the Southeast 1/4 of said Section 23, North 00°08'36" East, a distance of 876.97 feet to the Southwest corner of SPRING HAVEN CONDOMINIUM, PHASE TWO as shown on the plat recorded in Condominium Plat Book 1, pages 71, 72, and 73 of the Public Records of Pasco County, Florida; thence along the South boundary line of said SPRING HAVEN CONDOMINIUM, PHASE TWO and the South boundary line of said SPRING HAVEN CONDOMINIUM, PHASE ONE, North 89°51'30" East, a distance of 1201.57 feet, to the POINT OF BEGINNING.

The above described parcel contains 18.767 acres, more or less.

EXHIBIT "B"

SYSTEM CAPACITY CHARGES

Upon execution of this Agreement, Developer agrees to pay Service Company System Capacity Charges of \$13,914.97 for water service and \$17,588.98 for sewer service to induce Service Company to reserve 85 ERC's per day for water and 68 ERC's per day for sewer plant capacities for Developer's proposed connections. Said systems capacity charges to be paid by Developer are those which are approved by the Florida Public Service Commission or other regulatory body with jurisdiction over Service Company.

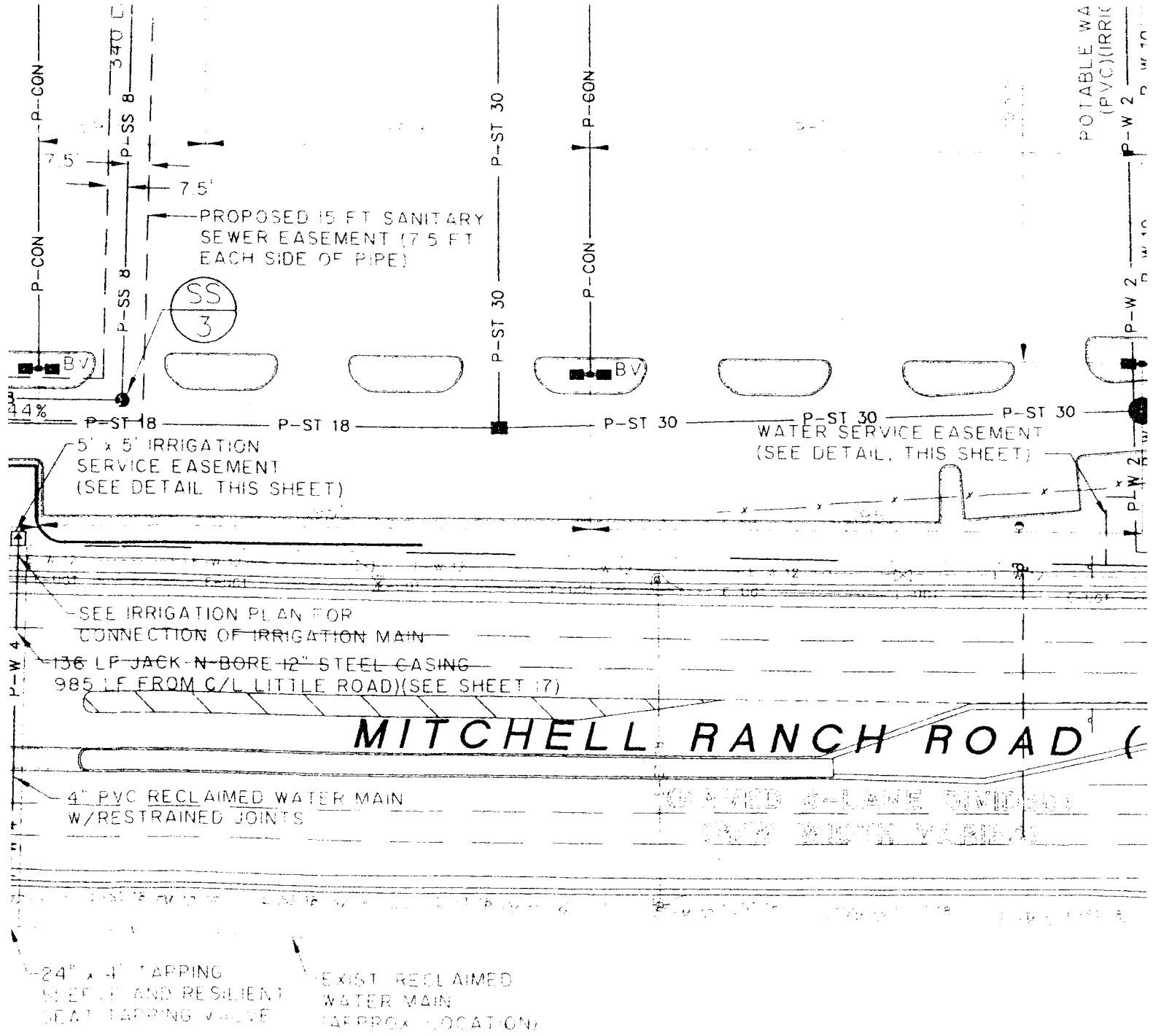
OTHER CHARGES

Inspection Charge

Service Company imposes an Inspection Charge equal to its actual costs, not to exceed two percent of the construction cost, either actual or estimated, of the subject water and sewer facilities as installed by the Developer. Developer agrees to pay same prior to Service Company's acceptance of lines and facilities from Developer.

Recording Charges

Service Company imposes a recording charge equal to its actual cost. Developer agrees to pay Service Company, prior to Service Company's acceptance of lines and facilities, the actual recording charge. Said charges are those established by the Clerk of the Circuit Court of Pasco County.



# CHIANG MEDICAL

## CUSTOMER SERVICE AGREEMENT

THIS AGREEMENT made and entered into this 37<sup>th</sup> day of July, 1998, by Fong Mei Chang and Sing Long Chang between ~~a Florida Corporation~~ whose address is 6317 Sunnigh Dr New York Rickeny FL 34653 hereinafter referred to as "Customer", and ALOHA UTILITIES, INC., a Florida corporation, whose address is 2514 Aloha Place, Holiday, Florida 34691 hereinafter referred to as "Service Company,"

WHEREAS, Customer owns certain lands located in Pasco County, Florida, and described in Exhibit "A", incorporated herein (the "Property"), on which Customer intends to construct the following:

Number of units: 1  
Type of units: Medical Clinic  
(i.e. single family, multifamily, commercial)  
Total Maximum Gallons Per Day: 2800

WHEREAS, Customer is requesting and Service Company is willing to provide central water treatment and distribution and sewage collection and treatment services to the Property in accordance with this Agreement, its Tariff and Service Availability Policy, and applicable rules of the Public Service Commission;

NOW, THEREFORE, for and in consideration of the premises the mutual undertakings and agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Customer and Service Company agree as follows:

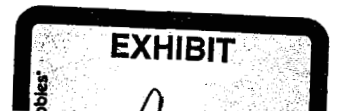
1. The foregoing statements are true and correct and an integral part hereof.

2. The definitions set forth as Exhibit "B" and incorporated herein shall apply to this Agreement.

3. System Capacity Charges. Upon execution of this Agreement Developer shall pay to Service Company the following "System Capacity Charges:"

Water Service Charge: \$ 1,1296.80  
Sewer Service Charge: \$ 2,144.80  
Total System Capacity Charge: \$ 3,841.60

Upon payment of said System Capacity Charges, Service Company



agrees to provide water and sewer service to the Property within 60 days in accordance with the terms of this Agreement. In the event Customer utilizes capacity for more Gallons Per Day than are set forth above, he or she shall be required to pay the System Capacity Charges for such excess capacity within 30 days of demand by Service Company at the System Capacity Charge then in effect. Notwithstanding anything herein to the contrary, if the Property uses capacity in excess of the amounts secured under this Agreement, Service Company may require payment of additional System Capacity Charges as a condition of providing continued service.

4. Service Connection. Customer shall be responsible for connecting the Consumer Installation to the water meter or sewer lines of Service Company at the Point of Delivery. Application for the installation of water meters shall be made at least seventy-two (72) hours in advance, not including Saturdays, Sundays, and holidays. All Consumer Installation connections shall be made in accordance with standard engineering practices, must be inspected by Service Company before backfilling and covering of any pipes. Notice to Service Company requesting an inspection of a Consumer Installation connection and requests for installation of water meters shall be made to Service Company at least seventy-two (72) hours in advance, not including Saturdays, Sundays, and holidays. Customer shall bear the cost of constructing, operating, repairing or maintaining Consumer Installations and Service Company's inspection and recording charge (if any) in effect at the time of connection.

5. Domestic Waste. No substance other than domestic wastewater will be placed into the sewage system and delivered to the lines of the Service Company. Should any non-domestic wastes, grease or oils, including, but not limited to, floor wax or paint, be delivered to the lines, the Consumer will be responsible for payment of any cost incurred to correct or repair any resulting damage, and Customer will so advise all residents of the Property.

6. Rates. Service Company agrees that the rates to be charged to Customer shall be those set forth in the tariff of Service Company approved by the applicable governmental agency which may be amended from time to time.

7. Exclusive Right to Provide Service. Customer shall not allow anyone other than Service Company to provide potable water or sewer services to the Property.

8. Guaranteed Revenue. Pursuant to Service Company's Service Availability Policy, Service Company may require the Customer to pay a guaranteed revenue charge which is equal to the minimum rate (base facility charge) for each water and sewer (wastewater) equivalent residential connection if Customer fails to begin receiving service within 120 days of the date of this Agreement.

9. Binding Effect of Agreement. This Agreement shall be binding upon Customer and Service Company and their respective assigns and successors. The rights and obligations created pursuant to this Agreement shall be deemed to run with the land. This Agreement may not be assigned without Service Company's written consent.

10. Laws of Florida. This Agreement shall be governed by the laws of the State of Florida, and shall be subject to any approvals which must be obtained from governmental authority. Time is of the essence under this Agreement.

11. Costs and Attorney's Fees. In the event the Service Company or Customer is required to enforce this Agreement by Court proceedings or otherwise, the prevailing party shall be entitled to recover from the other party all attorneys fees and costs incurred, including such fees and costs on appeal.

12. Force Majeure. In the event that the performance of this Agreement by either party to this Agreement is prevented or interrupted in consequence of any cause beyond the control of either party, said party shall not be liable for such non-performance.

13. Conservation and Reuse of Water Resources. The Customer agrees to accept and receive Service Company's sewage treatment plant effluent for spray irrigation on the Property. In that event Customer shall bear the cost of installing lines and facilities for the disposition of effluent on the Property. Customer agrees to pay capital and gallonage charges as may then be approved by the appropriate governmental authority and in effect at the time reuse water becomes available to the Property.

IN WITNESS WHEREOF, Customer and Service Company have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed in several counterparts, each of

Which counterparts shall be considered an original executed copy of this Agreement.

WITNESSES:

Yvonne Haller  
Yvonne Haller

Julie Cabo  
Julie Cabo

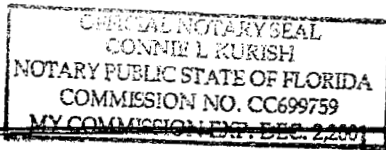
ALOHA UTILITIES, INC.

By: Stephen Watford  
President

Stephen Watford

The forgoing instrument was acknowledged before me this 4th day of August, 1998, by Stephen G. Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, on behalf of said Corporation.

Connie L. Kurish  
Notary Public



My Commission Expires: \_\_\_\_\_

WITNESSES:

Pam Crane

PAM CRANE

Pam Crane

PAM CRANE

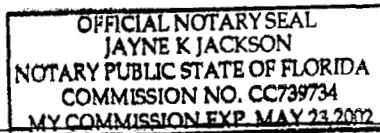
By: Fong Mei Chang  
Fong Mei Chang

By: Sing Long Chang  
Sing Long Chang

STATE OF FLORIDA     )  
                                  )     SS  
COUNTY OF PASCO    )

The foregoing instrument was acknowledged before me this 27th day of July, 1998, by Fong Mei Chang and Sing Long Chang, individuals.

Jayne K Jackson  
Notary Public



My Commission Expires: \_\_\_\_\_



09 PM	PASCO CARDIOLOGY
09 PM	PASCO CARDIOLOGY
09 PM	PASCO CARDIOLOGY

FAX NO.	888
FAX NO.	888 1090
FAX NO.	888 1090

CHANG

OR BK 3896 PG B16  
2 of 2

Schedule A

A PORTION OF THE SE 1/4 OF THE NE 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS: COMMENCE AT THE NE CORNER OF THE NE 1/4 OF SAID SECTION 23 FOR A POINT OF REFERENCE; THENCE ALONG THE EAST LINE OF SAID NE 1/4 OF SECTION 23, S 00°07'49" W, 1881.05 FEET; THENCE N 89°23'31" W, 50.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N 89°23'31" W, 250.00 FEET; THENCE N 00°07'49" E, 350.00 FEET; THENCE S 89°23'31" E, 250.00 FEET; THENCE ALONG THE WEST RIGHT-OF-WAY LINE OF STATE ROAD NO 54, AS IT IS NOW ESTABLISHED, S 00°07'49" W, 350.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT "B"  
DEFINITIONS

a. "Customer" - The person(s) or entity/entities on the Property that actually utilize the water and sewer services of Service Company, which may include Customer.

b. "Consumer Installation" - All facilities on the Consumer's side of the Point of Delivery (as hereinafter defined).

c. "Equivalent Residential Connection (ERC)" -A factor used to convert a given average daily flow of water (ADF) to the equivalent number of residential connections. For this purpose, the average daily flow of one equivalent residential connection (ERC) is 270 gallons per day (gpd).

d. "Point of Delivery" - The point where the sewer pipes or water meters of Service Company connect with the pipes of the Consumer. Unless otherwise indicated in writing, Point of Delivery shall be at the Consumer's lot line.

e. "Service" - The readiness and ability on the part of Service Company to furnish and maintain water treatment and distribution and sewage collection services to the Point of Delivery for Customers (pursuant to applicable rules and regulations of applicable regulatory agencies.)

f. "System Capacity Charge" - The charge made by the Service Company for each new connection to the utility system, which charge is designated to defray a portion of the cost of the utility system.

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677*

---

*www.aloha-water.com*

## Facsimile Cover Sheet

<b>To:</b> Jay Doucette	<b>Fax:</b> 942-4174
Spring Engineering, Inc.	
<b>From:</b> Jennifer Wilkowski	<b>Pages:</b> 6
<b>Date:</b> 7/19/2005	<b>Time:</b> 12:00 p.m.

**Comments:** Please find attached a Service B letter for the Trinity Springs Professional Center as well as a copy of our Refundable Advance Agreement. Should you have any questions, please contact our office.

# Aloha Utilities, Inc.

6915 Perrine Ranch Road  
New Port Richey, FL 34655  

---

(727) 372-0115 Fax (727) 372-2677  
[www.aloha-water.com](http://www.aloha-water.com)

July 19, 2005

Mr. John "Jay" E. Doucette  
Spring Engineering, Inc.  
3014 US Hwy 19  
Holiday, FL 34691

Re: Trinity Springs Professional Center

To Whom it May Concern:

Please be advised that Aloha Utilities, Inc. has, or will create, sufficient water and sewage treatment plant capacity to service the above-mentioned property. Services will be provided in accordance with the level of service standards specified in the Pasco County Comprehensive Plan, as amended. Aloha Utilities, Inc. is willing to provide service in accordance with Aloha's standard service terms as approved by the Florida Public Service Commission and is willing to provide service from its nearest existing point of delivery.

If I can be of any further assistance, please feel free to contact my office.

Sincerely,



Pamela Yacobelli  
Administration Manager

PY/jlw

*doc/serviceB*



## REFUNDABLE ADVANCE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a Florida corporation, hereinafter "DEVELOPER," and the **ALOHA UTILITIES, INC.**, a Florida corporation, hereinafter "ALOHA."

**WHEREAS**, DEVELOPER is desirous of extending ALOHA's water, sewer and reclaim systems in the manner described in **Exhibit "A,"** which is incorporated herein by reference (the "Project"); and,

**WHEREAS**, DEVELOPER has obtained a proposal for the Project from an independent contractor, identifying the cost of the Project (including contractor's fees) which is attached hereto as **Exhibit "B,"** and incorporated herein by reference; and,

**WHEREAS**, ALOHA is desirous of having its water, sewer and reclaim systems extended through construction of the Project, in order to serve the property identified in **Exhibit "C,"** and incorporated herein by reference.

**NOW, THEREFORE**, in consideration of the payment of \$10, and mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER and ALOHA agree as follows:

1. DEVELOPER shall pay all costs associated with the Project including, but not limited to, engineering, construction, legal, permitting, inspection and administration. Such costs shall include any reasonably and prudently incurred by Aloha as a result of the Project.
2. ALOHA may provide periodic inspection of such construction for compliance with approved plans and specifications, although it has no obligation to do so.
3. The parties agree that the hydraulic design capacity of the Project is \_\_\_\_\_ gallons per day ("Project Capacity").
4. DEVELOPER shall convey ownership of all facilities comprising the Project without encumbrances to ALOHA after completion of construction in full accordance with approved plans, specifications and permit conditions by bill of sale, easement, and other necessary documentation in a form reasonably acceptable to ALOHA, with accompanying cost records. Upon receipt of the cost information, ALOHA shall establish the Project cost for purposes of this Agreement, which shall include all costs and expenses incurred by the Developer which may be capitalized as project costs for regulatory accounting purposes ("Project Cost").
5. DEVELOPER shall provide as-built plans and specifications certified by a professional engineer registered in the State of Florida prior to acceptance by ALOHA.
6. DEVELOPER shall hold ALOHA harmless of any and all liability related to the construction, operation or maintenance of the Project incurred or occurring prior to acceptance by ALOHA, except to the extent such liability arises out of the gross negligence or willful misconduct of ALOHA.

7. ALOHA shall collect a refundable advance fee from each new customer or developer that proposes to connect directly to the Project which shall reflect the new customers pro rata share of the cost of the Project according to the hydraulic design capacity of the proposed user's demand on the Project. The refundable advance fee shall be determined by dividing the design hydraulic capacity demand of the new user by the Project Capacity, and multiplying the result by the Project Cost. ALOHA may deduct a one percent administration fee from the refundable advance fee prior to payment to DEVELOPER. The refundable advance fee shall be paid to DEVELOPER within 30 days of collection by ALOHA.

8. Hydraulic calculations shall be prepared by the DEVELOPER'S professional engineer for approval by ALOHA which approval shall not be unreasonably withheld. Design hydraulic capacity and demand calculations shall consistently utilize "peak hour" rates.

9. ALOHA shall make a refundable advance to the DEVELOPER of the amount of the fee collected from each customer or developer who directly utilizes the line extension referenced herein. Such refundable advance shall be paid prior to any customer or developer utilizing such line extensions.

10. It is specifically agreed and understood that ALOHA'S obligation hereunder shall cease five (5) years from the date of the execution hereof. Any payments made by third parties to ALOHA, its successors and assigns, subsequent to the seventh anniversary hereof shall not be subject to refundable advance treatment. Additionally, ALOHA'S obligation hereunder shall be that of a transfer agent, and ALOHA shall not, under any circumstances, have any obligation to make refunds to DEVELOPER in excess of those amounts actually collected by ALOHA from the utilization of the facilities described in Exhibit "A" by third parties.

11. This Agreement shall be governed by the laws of the State of Florida. In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses of such litigation, including reasonable attorney's fees, including appeals.

12. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

IN WITNESS WHEREOF, the parties have set their hands and seals this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

WITNESSES:

ALOHA UTILITIES, INC.

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Stephen G. Watford, President

\_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Stephen G. Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, who is personally known to me, on behalf of said Corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

WITNESSES:

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ Corporation, who is personally known to me or produced \_\_\_\_\_ as identification, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

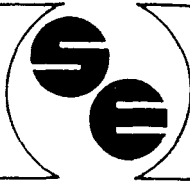
My Commission Expires: \_\_\_\_\_



Sending Confirm

Date : JUL-19-2005 TUE 12:06PM  
Name : ALOHA UTILITIES  
Tel. : 7273722677

Phone	:	9424174
Pages	:	6
Start Time	:	07-19 12:03PM
Elapsed Time	:	01'52"
Mode	:	ECM
Result	:	Ok



**SPRING ENGINEERING, INC.**  
ENGINEERING • LAND PLANNING • ARCHITECTURE

July 20, 2005

Sent via U.S. Mail

Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**ATTENTION:** Steve Watford  
President

**REFERENCE:** Trinity Springs Professional Center  
SEI Project No. 2002-33

**SUBJECT:** Reuse Water

Dear Steve,

As you know we have been trying to get our plans approved and the FDEP permit applications signed by Aloha Utilities for the Trinity Springs Professional Center project. The applications were submitted on September 30, 2004. One of the items that has been a special concern to our clients is your requirement to extend a 6-inch reuse line under S.R. 54 and north along Little Road approximately 2250 feet to provide irrigation water to our project. The cost to install this line is approximately \$120,000.00.

We have talked to Tom Walden at the Public Service Commission about this specific requirement and he advises that the Commission does not regulate territories for reuse water. He suggested that we ask you to provide us with the specific PSC Rule or other statute that mandates the use of your reuse water and requires a developer to make a connection and extend a line several hundred feet to their property. Please provide this information to us as soon as possible.

Our client would have no objection to using your reuse water if it were made available by Aloha Utilities at the property line, but to require the line to be extended at the cost of \$120,000.00 to our client is unreasonable.

Please sign the FDEP application forms and return them to us as soon as possible. Give us a call if you have any questions or need additional information.

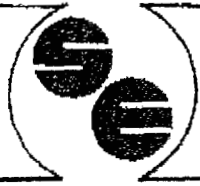
Sincerely,

**SPRING ENGINEERING, INC.**

Roland P. Dove, P.E.  
Director of Engineering

RPD/mb

cc: Phil Chesnut (via fax # 727-846-7733)  
Tom Walden (via fax # (850) 413-6951)  
Dr. David Dempsey (via fax # (727) 939-2144)



**SPRING ENGINEERING, INC.**  
ENGINEERING • LAND PLANNING • ARCHITECTURE

**FACSIMILE COVER SHEET**

**DATE:** October 7, 2005

**TIME:** 1:12 p.m.

**PAGE 1 OF 1 PAGES**

**TRANSMITTED TO:** Aloha Utilities, Inc.  
**ATTENTION:** PAMELA YACOBELLI  
**FAX NO.:** 727-372-2677  
**FROM:** John "Jay" E. Doucette  
Project Manager  
**PROJECT NAME(s):** Trinity Springs Professional Center  
**PROJECT NO.(s):** 2002-33  
**SUBJECT:** Water and Sewer Impact Fees  
**COPY TO:** Philip Chesnut (Via fax # 727-846-7733)  
**COMMENTS:**

Dear Ms. Yacobelli:

Per our conversation this morning, Aloha Utilities is planning a meeting within the next two (2) weeks to re-evaluate whether this 6" re-use water main is going to be required.

In the mean time, I will advise Mr. Phil Chesnut to execute the Developer Agreement and pay all required utility fees.

Please let me know if there is anything I can do to help expedite this process.

If you have any questions or need additional information, please call our office.

Thanks,  
Jay

JD:tlb

If you do not receive all 1 sheets, or if you have any questions, please call (727)938-1516

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

## **Facsimile Cover Sheet**

**To:** Phillip Chestnut **Fax:** 846-7733

---

**From:** Jennifer Wilkowski **Pages:** 5  
**Date:** 2/23/2006 **Time:** 11:15 a.m.

---

**Comments:** Attached is a revised Refundable Advance Agreement with the corrected time period in paragraph 10.

# GulfStream



## Community Bank

April 4, 2006

Aloha Utilities, Inc.  
Stephen G. Watford, President  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655

RE: Trinity Springs Professional Center

Dear Mr. Watford:

Gulfstream Financial Properties, Inc., a subsidiary of Gulfstream Community Bank agrees to pay the cost to install a 4" dry line across the front of our property located on Little Road. The purpose of this line is for reclaimed water.

Gulfstream Financial Properties also agrees to accept reclaimed water provided by Aloha Utilities at such time it is available.

Gulfstream Financial Properties does not object to executing a "Refundable Advance Agreement" once we receive a copy of the proposed agreement fully completed and including Exhibits A, B, and C as referenced in the "Refundable Advance Agreement" previously provided to us by your office.

Please advise as soon as possible if this commitment to pay our fair prorated share of the costs for installation of the reclaimed water line along Little Road ending at the Seven Springs Medical Center adjoining our property to the north will be sufficient so we can proceed with the development of the Trinity Springs Professional Center site.

We need to obtain your signature on the proposed "Development Agreement" and the D.E.P. Water and Sewer Application."

We delivered the completed developer's agreement along with checks for fees to your office but was advised Aloha Utilities, Inc. would not execute the DEP application and the Development Agreement until we agreed to absorb our share of the cost of the reclaimed water lines.

Aloha Utilities, Inc.  
April 4, 2006  
Page 2

I hope this commitment as stated above is sufficient to enable us to proceed with completion of the Developer's Agreement and DEP application.

A prompt confirmation of our request would be appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip H. Chesnut", with a long horizontal flourish extending to the right.

Philip H. Chesnut  
President and CEO

Cc: Spring Engineering

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

## Facsimile Cover Sheet

<b>To:</b> Phil Chestnut	<b>Fax:</b> 846-7733
Gulf Stream Community Bank	
<b>From:</b> Pamela Yacobelli	<b>Pages:</b> 5
<b>Date:</b> 5/12/2006	<b>Time:</b> 9:00 a.m.

**Comments:** Please review the attached Refundable Advance Agreement, this agreement has been modified. Please note paragraph 13 which you will need to modified for your project. Also attached is the hydraulic design capacity.

# **CIVIL ENGINEERING ASSOCIATES INC.**

June 8, 2006

Ms. Pam Yacobelli  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655

**Reference: Trinity Springs**

**CEA File No. 0404-01-09**

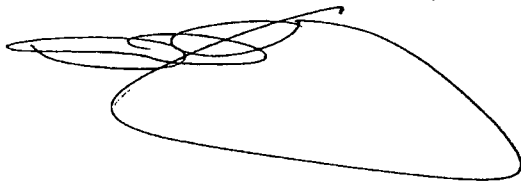
Dear Ms. Yacobelli:

Attached is a revised Reuse Allocation Spreadsheet showing the percentage of the cost to be shared by the listed properties for an extension of the Reuse main to Trinity Springs.

If you have any questions, please telephone.

Sincerely,

*CIVIL ENGINEERING ASSOCIATES, INC.*

A handwritten signature in black ink, appearing to read "Dale D. Ernsberger". The signature is fluid and cursive, with a large loop at the end.

Dale D. Ernsberger, P.E.

de/de



**ALOHA UTILITIES, INC.**  
**Reclaimed Water System**

North Little Road Reuse Customers - Revised 06/08/06 for Trinity Springs Agreement

Customer No.	Development or Owner Name	Tract Size Sq. Ft.	Percent Irrigable	Irrigated Area Sq. Ft.	Irrigation Multiplier	Annual Est. ADF GPD	Percentage of Total Usage	
1	Manos 15.0 AC parcel (Est 80% Developable)	522,720	25.0	130,680	0.090	11,761	26.27	
2	Manos 18.5 AC Parcel	805,860	25.0	201,465	0.090	18,132	40.51	
3	Trinity Springs Medical Center	143,748	25.0	35,937	0.090	3,234	7.23	
4	Chang Medical Center	60,984	25.0	15,246	0.090	1,372	3.07	
5	Seven Springs Medical Park	Lot 1	24,843	20.0	4,969	0.090	447	1.00
		Lot 2	25,447	20.0	5,089	0.090	458	1.02
		Lot 3	17,944	20.0	3,589	0.090	323	0.72
		Lot 4	82,009	20.0	16,402	0.090	1,476	3.30
		Lot 5	24,161	20.0	4,832	0.090	435	0.97
		Lot 6	24,760	20.0	4,952	0.090	446	1.00
		Lot 7	21,042	20.0	4,208	0.090	379	0.85
	Common Area	<u>70,000</u>	100.0	<u>70,000</u>	0.090	<u>6,300</u>	14.07	
<b>Total</b>		1,823,518		497,369		44,763	100	

\*Irrigation quantity supplied by Developer Engineer based on two waterings/week of 0.5 inches.

**Subject:** Refundable Advance Agreement

**From:** Development <development@aloha-water.com>

**Date:** Tue, 13 Jun 2006 17:02:42 -0400

**To:** Philip Chesnut <pchesnut@gscbank.com>

Mr. Chesnut,

As requested by Bill Bennett of Alpha Contractors, please find attached a copy of the Refundable Advance Agreement to be modified to suit your project.

Sincerely,

Jennifer Wilkowski  
Administrative Assistant  
Aloha Utilities, Inc.

Refundable\_Advance\_Agreement\_TrinSpgsProfPk6-9-06.doc

**Content-Type:** application/msword

**Content-Encoding:** base64

## REFUNDABLE ADVANCE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a Florida corporation, hereinafter "DEVELOPER," and the **ALOHA UTILITIES, INC.**, a Florida corporation, hereinafter "ALOHA."

**WHEREAS**, DEVELOPER is desirous of extending ALOHA's water, sewer and reclaim systems in the manner described in **Exhibit "A,"** which is incorporated herein by reference (the "Project"); and,

**WHEREAS**, DEVELOPER has obtained a proposal for the Project from an independent contractor, identifying the cost of the Project (including contractor's fees) which is attached hereto as **Exhibit "B,"** and incorporated herein by reference; and,

**WHEREAS**, ALOHA is desirous of having its water, sewer and reclaim systems extended through construction of the Project, in order to serve the property identified in **Exhibit "C,"** and incorporated herein by reference.

**NOW, THEREFORE**, in consideration of the payment of \$10, and mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the DEVELOPER and ALOHA agree as follows:

1. DEVELOPER shall pay all costs associated with the Project including, but not limited to, engineering, construction, legal, permitting, inspection and administration. Such costs shall include any reasonably and prudently incurred by Aloha as a result of the Project.

2. ALOHA may provide periodic inspection of such construction for compliance with approved plans and specifications, although it has no obligation to do so.

3. The parties agree that the hydraulic design capacity of the Project is \_\_\_\_\_ gallons per day ("Project Capacity").

4. DEVELOPER shall convey ownership of all facilities comprising the Project without encumbrances to ALOHA after completion of construction in full accordance with approved plans, specifications and permit conditions by bill of sale, easement, and other necessary documentation in a form reasonably acceptable to ALOHA, with accompanying cost records. Upon receipt of the cost information, ALOHA shall establish the Project cost for purposes of this Agreement, which shall include all costs and expenses incurred by the Developer which may be capitalized as project costs for regulatory accounting purposes ("Project Cost").

5. DEVELOPER shall provide as-built plans and specifications certified by a professional engineer registered in the State of Florida prior to acceptance by ALOHA.

6. DEVELOPER shall hold ALOHA harmless of any and all liability related to the construction, operation or maintenance of the Project incurred or occurring prior to acceptance by ALOHA, except to the extent such liability arises out of the gross negligence or willful misconduct of ALOHA.

7. ALOHA shall collect a refundable advance fee from each new customer or developer that proposes to connect directly to the Project which shall reflect the new customers pro rata share of the cost of the Project according to the hydraulic design capacity of the proposed user's demand on the Project. The refundable advance fee shall be determined by dividing the design hydraulic capacity demand of the new user by the Project Capacity, and multiplying the result by the Project Cost. ALOHA may deduct a one percent administration fee from the refundable advance fee prior to payment to DEVELOPER. The refundable advance fee shall be paid to DEVELOPER within 30 days of collection by ALOHA.

8. Hydraulic calculations shall be prepared by the DEVELOPER'S professional engineer for approval by ALOHA which approval shall not be unreasonably withheld. Design hydraulic capacity and demand calculations shall consistently utilize "peak hour" rates.

9. ALOHA shall make a refundable advance to the DEVELOPER of the amount of the fee collected from each customer or developer who directly utilizes the line extension referenced herein. Such refundable advance shall be paid prior to any customer or developer utilizing such line extensions.

10. It is specifically agreed and understood that ALOHA'S obligation hereunder shall cease five (5) years from the date of the execution hereof. Any payments made by third parties to ALOHA, its successors and assigns, subsequent to the fifth anniversary hereof shall not be subject to refundable advance treatment. Additionally, ALOHA'S obligation hereunder shall be that of a transfer agent, and ALOHA shall not, under any circumstances, have any obligation to make refunds to DEVELOPER in excess of those amounts actually collected by ALOHA from the utilization of the facilities described in Exhibit "A" by third parties.

11. This Agreement shall be governed by the laws of the State of Florida. In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reimbursement from the other party for all costs and expenses of such litigation, including reasonable attorney's fees, including appeals.

12. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

13. DEVELOPER agrees to complete construction, at its expenses, of that portion of the Project consisting of a 6" reclaimed water line extending from Aloha's existing 24" line on the south side of State Road 54 to the Property ("Reclaimed Water Line") within 120 days following Aloha's approval of the construction plans (the "Construction Deadline"). Developer shall deliver the construction plans to Aloha within sixty (60) days of the date of this Agreement, and Aloha's approval of the plans shall not be unreasonably withheld, delayed or conditioned. If Developer fails to complete construction of the Reclaimed Water Line by the Construction Deadline, Developer agrees that Aloha shall have the right to discontinue water and wastewater service to the Property until construction is completed and the Reclaimed Water Line is accepted by Aloha.

The Construction Deadline may be extended due to delays beyond the control of Developer, provided Developer is diligently prosecuting completion of construction. Should any such delay be occasioned by Developer's inability to secure an easement or right of way approval for the Reclaimed Water Line, such delay shall not extend the Construction Deadline by more than ninety (90) days. Aloha shall provide ten days written notice to Developer prior to discontinuing service. In order to avoid a discontinuation of service, or to reconnect service, Developer may post a bond, irrevocable standby letter of credit, or deposit cash with Aloha in an amount equal to the cost of completion of construction of the Reclaimed Water Line and all appurtenant costs. In that event, Aloha shall continue or resume service to the Property pending completion of the Reclaimed Water Line.

14. Aloha agrees that it will not deny, withhold or delay any approvals needed from Aloha for the issuance of a Certificate of Occupancy by Pasco County for the \_\_\_\_\_ on the Property as a result of Developer's failure to construct the Reclaimed Water Line prior to the date of this Agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

WITNESSES:

ALOHA UTILITIES, INC.

\_\_\_\_\_

By: \_\_\_\_\_

Stephen Watford, President

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Stephen Watford, President of ALOHA UTILITIES, INC., a Florida Corporation, who is personally known to me, on behalf of said Corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ Corporation, who is personally known to me or produced \_\_\_\_\_ as identification, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Subject: RE: Refundable Advance Agreement  
From: Philip Chesnut <pchesnut@gscbank.com>  
Date: Tue, 13 Jun 2006 17:42:24 -0400  
To: 'Development' <development@aloha-water.com>  
CC: "'connbill7@yahoo.com'" <connbill7@yahoo.com>

Ms. Wilkowski,  
I am in receipt of the Refundable Advance Agreement which was suppose to be modified to fit our project, Trinity Springs Professional Center.

This agreement is the exact copy you recently provided me as prepared for Realm Management, LLC. You left the parties to the agreement blank and it is not clear if your intent is for Realm Managment, LLC to be the Developer or Trinity Springs. The Realm Management agreement was signed by it Managing Member, Warren Dunphy but the page for Aloha Utilites, Inc. is not signed.

There is no reference to our fair share payment as no schedules A, B, or C have been included.

Please direct a corrected agreement with all referenced schedules as soon as possible. It is my understanding that we will agree to pay our fair share of the costs associated with the installation of this reclaimed water line which you provided as an attachment received from Aloha Utilities on May 12, 2006. This document was referenced as "North Little Road Reuse Customers - revised 02/15/06.

This matter has gone on for over almost two years and we still do not have an agreement relevant to what you are asking us to do.

Who is intended to be the developer?

What is our fair share to be reimbursed?

When will we get a copy of "Exhibit A", a description of Aloha's water, sewer and reclaimed water systems as called for in the document?

What are the anticipated costs as referenced as "Exhibit B"?

What is the property description referred to as "Exhibit C"?

Please respond to this request as soon as possible. It is imperative we be allowed to obtain necessary permits to allow us to utilize water and sewer services associated with this project. These delays and Aloha's refusal to cooperate have been costly and damaging.

Thank you and I will look forward to a prompt reply from you or the appropriate representative of Aloha Utilities, Inc.

Philip Chesnut  
Gulfstream Financial Properties  
Trinity Springs Proessional Center

-----Original Message-----  
From: Development [<mailto:development@aloha-water.com>]

Sent: Tuesday, June 13, 2006 5:03 PM  
To: Philip Chesnut  
Subject: Refundable Advance Agreement

Mr. Chesnut,

As requested by Bill Bennett of Alpha Contractors, please find attached a copy of the Refundable Advance Agreement to be modified to suit your project.

Sincerely,

Jennifer Wilkowski  
Administrative Assistant  
Aloha Utilities, Inc.



# GulfStream

## Community Bank

RECEIVED JUN. 16 2006

June 15, 2006

Mr. Stephen Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655

RE: Gulfstream Financial Properties (Trinity Springs Professional Center)

Dear Mr. Watford:

This letter is to advise you that I have filed a complaint against Aloha Utilities, Inc. with the Florida Public Service Commission.

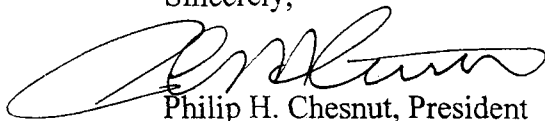
We have made numerous requests to your office to resolve the pending issue of a reclaimed water line you propose to be installed along Little Road north of SR 54. Aloha Utilities, Inc. has refused to cooperate with us and we have been unable to obtain permits to connect to the existing water and sewer source available at our property. We continue to receive a Refundable Advance Agreement which is incomplete and references Exhibits A, B and C have never been provided.

I have written to you previously on this matter and never received a reply. In dealing with your staff personally, through our engineering consultant, Spring Engineering, and our general contractor, Alpha Contractors, we still have not received a satisfactory explanation as to what you require to enable us to obtain utilities to our site.

This lack of cooperation has created a hardship in that we cannot proceed with plans to complete development of this site. Our plans to construct a branch bank on this site have also been delayed.

I am requesting a meeting with you to discuss this situation which has been on going for over 18 months. I can assure you, we have made every effort to cooperate in this matter.

Sincerely,



Philip H. Chesnut, President

Cc: Spring Engineering  
Alpha Contractors

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655*  

---

*(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

July 7, 2006

Mr. Philip H. Chesnut, President  
Gulfstream Community Bank  
9037 U.S. Highway 19  
P.O. Box 220  
Port Richey, FL. 34673

VIA FACSIMILE AND REGULAR MAIL

Re: Florida Public Service Commission  
Request #701605W

Dear Mr. Chesnut:

This letter is in response to your above mentioned PSC request and also your certified letter to Mr. Watford received June 16, 2006.

As you know your project, Trinity Springs Professional Center, and the Alligators Restaurant Project to the south of you are each entering into refundable advance agreements. The Alligators Restaurant is connecting to our existing re-use main on S.R. 54 and extending it to the north end of their property for you to connect to and extend to the north end of your project. There has been a considerable amount of time and effort between Alligators Restaurant and Aloha Utilities consulting engineer to find the most cost effective way to design the connection and extension of the re-use line for all parties concerned.

The Alligators Restaurant modified our original refundable advance agreement to reflect the agreement between both parties. When their agreement was complete and executed, we sent you a copy and told you that you could use their agreement, if you did not like our original

Mr. Philip H. Chesnut, President

July 7, 2006

Page 2

agreement, but that you would need to modify paragraph thirteen to best fit your project. The remaining documents to complete are as follows: Exhibit A is a description of the re-use line you are extending. Exhibit B is a proposal from your contractor identifying the cost of the project to extend the re-use line. Exhibit C is a legal description of your property. All of these documents need to be provided by you to Aloha.

We have had numerous conversations with Bill Bennett, from Alpha Contractors (your contractor), regarding the progress of this project in the last month or two. Your engineering firm, Spring Engineering, is the same engineering firm for the Alligator Restaurant and has been involved in the placement of this re-use transmission line. We are still waiting on plans from you which include your re-use connection from the north property line of Alligators to the north end of your property.

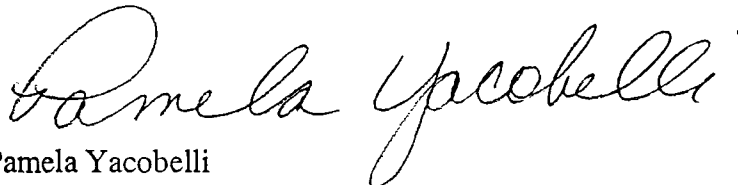
In preparing your Department of Environmental Protection permit application for signature we have found that the water forms were completed incorrectly by you. The form states that Aloha Utilities is the permittee. We have sent these forms back to your engineer to have them revised and signed by the owner/owner representative.

The plans and cost of the re-use line being extended by Alligators Restaurant are almost complete which will allow you to complete your re-use line extension plans.

We have and will continue to make every effort to process your plans as quickly as possible once the appropriate paper work is completed by your engineer and forwarded to us.

Should you have any further questions, please give me a call.

Sincerely,



Pamela Yacobelli  
Administration Manager

/py

c: Xinia Kerr, Florida Public Service Commission

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  

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www.aloha-water.com*

## **Facsimile Cover Sheet**

**To:** Mr. Phillip H. Chestnut, President      **Fax:** (727) 846-7733

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Gulfstream Community Bank

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**From:** Pamela Yacobelli      **Pages:** 3

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**Date:** 7/6/2006      **Time:** 3:45 p.m.

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**Comments:** Florida Public Service Commission Request #701605W

S e n d i n g   C o n f i r m

Date : JUL-6-2006   THU   03:47PM  
Name : ALOHA UTIL  
Tel. : 7273722677

Phone	:	8467733
Pages	:	3
Start Time	:	07-06 03:46PM
Elapsed Time	:	01'02"
Mode	:	ECM
Result	:	Ok

Request No. 701605W

Name \_\_\_\_\_

Business Name TRINITY SPRINGS PROFESSIONAL CENTE

<b>Consumer Information</b> Name: Business Name: TRINITY SPRINGS PROFESSIONAL CENTE Svc Address: GULFSTREAM FINANCIAL PROPERTIES  County: Pasco Phone: (727)-846-0066 City/Zip: New Port Richey / 34655- Account Number: Caller's Name: PHILIP CHESNUT Mailing Address: 9037 U.S. HIGHWAY 19  City/Zip: PORT RICHEY ,FL 34668 Can Be Reached: E-Tracking Number: 4832	<b>Florida Public Service</b> Commission – Consumer Request 2540 Shumard Oak Boulevard Tallahassee, Florida 32399 850-413-6100	<b>PSC Information</b> Assigned To: XINA KERR Entered By: RC Date: 06/14/2006 Time: 16:29 Via: E-FORM Prelim Type: QUALITY OF SERVICE PO: Disputed Amt: 0.00
	<b>Utility Information</b> Company: ALOHA UTILITIES, INC. Attn. Pamela Yacabelli701605W Response Needed From Company? <b>Y</b> Date Due: 07/06/2006	Supmntl Rpt Req'd: / / Certified Letter Sent: / / Certified Letter Rec'd: / /
	Interim Report Received: / / Reply Received: / / Reply Received Timely/Late: Informal Conf.: <b>N</b>	Closed by: Date: / / Closeout Type: Apparent Rule Violation: <b>N</b>

Please review the "incorporated" Internet correspondence, located between the quotation marks on this form, in which the customer reports the following:

"Complaint filed with PSC

Select County: PASCO  
CUSTOMER INFORMATION

Name: Philip Chesnut  
Telephone: 727-846-0066  
Email: pchesnut@gscbank.com  
Address: 9037 U. S. Highway 19 Port Richey 34668

Request No. 701605W

Name \_\_\_\_\_

Business Name TRINITY SPRINGS PROFESSIONAL CENTE

PAGE NO: 1

BUSINESS INFORMATION

Business Account Name: Trinity Springs Professional Center (Gulfstream Financial Properties) Account Number: TO BE DETERMINED  
Address: Little Road - Trinity Area New Port Richey FL 34655

COMPLAINT INFORMATION

Complaint: Other Complaint against Aloha Utilities, Inc.  
Details:

This complaint is being filed on behalf of Gulfstream Financial Properties which is in the process of developing a professional office center referenced as Trinity Springs Professional Center.

Aloha Utilities has refused to provide water and sewer to this site unless we agree to install and pay to reimburse them for upgrades to a reclaimed water line. Their refusal to cooperate or even provide us with any details of our share of this cost has caused a delay in this development that has exceeded 18 months.

Gulfstream Financial Properties, Inc. is an affiliate of Gulfstream Community Bank headquartered in Port Richey, FL whose address is listed above.

Aloha has refused to answer letters, several phone calls and provide us with the specific requirements they are requesting in order to install a new reclaimed water line which will service our property and that of adjoining properties. Aloha Utilities keeps sending us a form which is not relevant, incorrect and fails to provide referenced disclosures and attachments. We have requested these attachments but have never received them.

Communications received specifically state that water and sewer permits will not be signed until the reclaimed water issue is resolved. In the meantime, we have received nothing accurate as to what they expect us to pay or when we can anticipate receiving water and sewer.

Our general contractor has had numerous phone conversations and we are no further along than we were 18 months ago.

We do not object to a cost sharing arrangement with Aloha Utilities as it pertains to the reclaimed water line but we are experiencing a direct hardship as we cannot complete site development nor begin construction of a proposed branch bank.

Aloha Utilities has refused to sign document necessary for us to obtain DEP permits so we can proceed with construction.

I will be glad to provide evidence and documentation to support our complaint. We have tried to be fair and reasonable but the rude and inconsiderate treatment we are receiving has left us with no choice but to file a formal complaint with your agency. We are considering legal action against Aloha in efforts to seek a solution to this problem.

As a regulated private utility company, we would expect them to provide water and sewer as we have no other choice.

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Request No. 701605W

Name ,

Business Name TRINITY SPRINGS PROFESSIONAL CENTER

PAGE NO: 2

I have personally met with Aloha Representatives and attempted to deliver a "Developer's Agreement" with payment of their required impact fees. They refused to accept the document which was their form with no changes.

The explanation I received was that they will not sign a developer's agreement nor our DEP permit until we agree to execute a cost sharing agreement for reclaimed water. We still have not received a correct document for consideration.

Water and sewer lines are in place and previously serviced a building which we removed in order to build a new bank facility. We are only requesting permission to connect to existing water and sewer lines which previously served our property.

Aloha Utilities should not be allowed to refuse water and sewer service because of their plans to install reclaimed water lines.

I will be glad to discuss this matter with your agency. Please feel free to contact me.

Thank you,

Philip Chesnut  
President

Gulfstream Community Bank  
Gulfstream Financial Properties"

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing, within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working day after the complaint has been sent to the company.
3. The response should include the following:
  - a) the cause of the problem
  - b) actions taken to resolve the customer's complaint
  - c) the company's proposed resolution to the complaint
  - d) answers to any questions raised by staff in the complaint
  - e) confirmation that the company has made direct contact with the customer
4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax or physical addresses:

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Request No. 701605W

Name ,

Business Name TRINITY SPRINGS PROFESSIONAL CENTER

PAGE NO: 3



E-Mail - pscreply@psc.state.fl.us  
Fax - 850-413-7168  
Mail - 2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Case taken by Rovonda C. Claitt

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Request No. 701605W Name , Business Name TRINITY SPRINGS PROFESSIONAL CENTER

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655*  

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*(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

August 7, 2006

Mr. Philip Chesnut  
Gulfstream Community Bank  
9037 U. S. Highway 19  
P.O. Box 220  
Port Richey, FL 34673

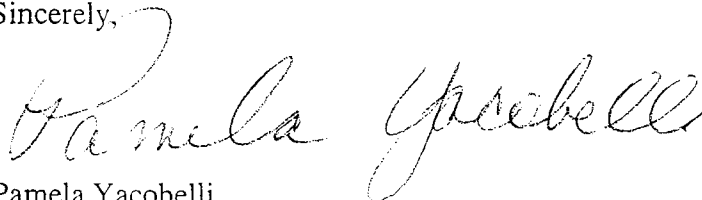
Re: Trinity Springs Professional Center

Dear Mr. Chesnut:

This letter is in response to your letter dated August 1, 2006. The revised Notice of Intent to Use the General Permit for Construction of Water Main Extensions for PWS's was sent back to your engineer as it was not properly signed. As stated in my letter dated July 7, 2006, we are still waiting on plans which include your re-use connection and the Refundable Advance Agreement.

Should you have any further questions, please do not hesitate to contact our office.

Sincerely,



Pamela Yacobelli  
Administration Manager

/py

cc: John "Jay" Doucette, Spring Engineering, Inc.

PROJECT NAME/PHASE/UNIT: Seven Springs Medical Park

This instrument prepared by:  
John R. Jenkins, Esquire  
Rose, Sundstrom and Bentley LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301  
(850) 877-6555

Return to:  
Pamela Yacobelli  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115

DEVELOPER AGREEMENT

THIS AGREEMENT made and entered into this 24<sup>th</sup> day of February, 2005, by and between Seven Springs Medical Park, Inc., a Florida corporation, hereinafter referred to as "Developer", and ALOHA UTILITIES, INC., a Florida corporation, hereinafter referred to as "Service Company",

WHEREAS, Developer owns or is about to acquire a fee interest in certain lands located in Pasco County, Florida, and described in Exhibit "A", attached hereto and made a part hereof as if fully set out in this paragraph and hereinafter referred to as the "Property", and Developer presently intends to develop the Property into a commercial and professional office complex together with such other uses as permitted by the appropriate zoning classifications or designations, and appurtenant facilities but reserves all rights to change the use of the Property at any time or times; and

WHEREAS, in order to meet the financial and general requirements of Federal, State and local governmental agencies, including, but not limited to, the Pollution Control agencies, the Department of Environmental Protection, the Florida Public Service Commission and other agencies having jurisdiction over the Service Company or the Property (herein generally called "Public Agencies"), it is necessary that adequate central water distribution, reclaimed water distribution and sewage collection services be provided to serve the Property, the users of the Property and the appurtenant facilities to be located on the Property; and

WHEREAS, Developer is not certified to provide central water distribution, reclaimed water distribution and sewage collection services to serve the Property, but is desirous of promoting the construction of such facilities so that the Property will receive adequate water, reclaimed water and sewage service; and



WHEREAS, the Service Company is willing to provide, in accordance with the provisions of this Agreement, central water treatment and distribution, reclaimed water distribution and sewage collection and treatment services to the Property and thereafter operate applicable facilities so that the occupants of the improvement on the Property and the appurtenant facilities will receive an adequate water supply, reclaimed water distribution and sewage collection and disposal service from Service Company;

NOW, THEREFORE, for and in consideration of the premises the mutual undertakings and agreements herein contained and assumed, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer and Service Company hereby covenant and agree as follows:

1. The foregoing statements are true and correct and an integral part hereof.

2. The following terms shall have the following definitions for the purpose of interpreting this Agreement:

(a) "Consumer" - The person(s) or entity/entities on the Property that actually utilize the water, reclaimed water and sewer services of Service Company, which may include Developer.

(b) "Consumer Installation" - All facilities on the Consumer's side of the Point of Delivery (as hereinafter defined).

(c) "Contribution-in-aid-of-Construction (CIAC)" - The sum of money and/or the value of Property including real property represented by the cost of the water distribution, reclaimed water distribution and sewage collection systems, including but not limited to lift stations and treatment plants, constructed or to be constructed by Developer which Developer transfers to Service Company at no cost or charge to Service Company to provide utility services to the Property or any portion thereof.

(d) "Equivalent Residential Connection (ERC)" - A factor used to convert a given average daily flow of water (ADF)

to the equivalent number of residential connections. For this purpose, the average daily flow of one equivalent residential connection (ERC) is 300 gallons per day (gpd) for water and 129 gallons per day (gpd) for sewer.

(e) "Notice to Proceed" - A document executed by Developer expressing a formal order pursuant to this Agreement, for the start of specific water, reclaim or sewer service.

(f) "Point of Delivery" - The point where the sewer pipes, water meters or reclaim water meters of Service Company connect with the pipes of the Consumer. Unless otherwise indicated in writing, Point of Delivery shall be at the Consumer's lot line.

(g) "Service" - The readiness and ability on the part of Service Company to furnish and maintain water treatment, water and reclaimed water distribution and sewage collection services to the Point of Delivery for Customers (pursuant to applicable rules and regulations of applicable regulatory agencies.)

(h) "System Capacity Charge" - The charge made by the Service Company for each new connection to the utility system, which charge is designated to defray a portion of the cost of the utility system.

3. Representations and Warranties of Developer. The Developer warrants and represents that (which warranties and representations shall specifically survive the making of this Agreement and delivery of any documents required herein or the performance of any duties required herein.):

(a) It is a corporation duly organized, existing and in good standing under the laws of the State of Florida, and has the corporate power and authority to carry on its business as now conducted.

(b) Developer has the corporate power and authority to enter into and perform this Agreement, and is or is about to become the fee simple owner of the Property. This Agreement and any documentation required to be delivered hereunder will constitute the valid and binding obligation of the Developer in accordance with its terms.

(c) The making of this Agreement will not violate any provisions of any law, federal, or state, or the certificate of incorporation or by-laws of the Developer or result in the breach of or constitute an event of default under the terms of any contractual agreement to which the Developer is a party or by which the Developer is otherwise bound.

(d) No approval, authorization or consent of any court, administrative or government agency is required for any part of the execution, delivery or performance by the Developer of this Agreement.

(e) The execution and delivery of this Agreement has been duly authorized by the stockholders and directors of the Developer.

4. Representations and Warranties of Service Company. Service Company warrants and represents that (which warranties and representations shall specifically survive the making of the Agreement):

(a) Service Company is a corporation duly organized, existing and in good standing under the laws of the State of Florida and has the corporate power and authority to carry on its business as now conducted.

(b) Service Company has the corporate power and authority to enter into and perform this Agreement. This Agreement any documentation required to be delivered hereunder will constitute the valid and binding obligation of Service Company in accordance with its terms, which are in accordance with the Rules of the Public Service Commission.

(c) The making of this Agreement will not violate provisions of any statutory laws, federal or state or the certificate of incorporation or by-laws of Service Company or result in the breach of, or constitute an event of default under the terms of any contractual agreement to which Service Company is a part or by which the Service Company is otherwise bound.

(d) Service Company will comply with the applicable rules and regulations of governmental authorities having jurisdiction over its operations and this Agreement, any such applicable rules, regulations and authority, as now constituted

or as amended from time to time being incorporated into this Agreement and made apart hereof by reference.

(e) Subject to obtaining all required approvals from applicable governmental authorities, Service Company agrees to provide water, reclaimed water and sewer services to the Property, as and when needed, in accordance with the terms and provisions of this Agreement.

5. System Capacity Charges. Developer agrees to pay to Service Company on the date of execution of this Agreement "System Capacity Charges" of \$ 33316.67 for water service and \$ 102279.01 for sewer service for 9996 gallons per day (GPD) for water and 7996.8 gallons per day (GPD) for sewer and Service Company agrees to reserve upon receipt of said payment, 33 ERC's for water and 62 ERC's for sewer plant capacities for Developer's proposed connections (with said System Capacity Charges being those approved by the Florida Public Service Commission or other regulatory body with jurisdiction over Service Company) and Service Company agrees to provide said water and sewer services in accordance with the terms of this Agreement, upon payment of said System Capacity Charges.

At such point in time that Developer utilizes capacity for more than 33 ERC's for water and 62 ERC's for sewer, it shall be required to pay the System Capacity Charges for such excess capacity required. The Developer agrees to pay additional system capacity charges for any usage above the base figure of 33 ERC's for water and 62 ERC's for sewer. Payment of additional System Capacity Charges shall be made within thirty (30) days of Developer's notification, by the Service Company, that Developer has exceeded the capacity as set forth above. If the Developer notifies the Service Company of its intent to develop additional units, payment of additional System Capacity Charges shall be made within 30 days of the Developer's notice of intent to develop additional units. The rate to be paid for each unit, ERC shall be the System Capacity Charge then in effect for each unit, ERC. This shall not otherwise excuse the notice provisions of Paragraph 6.

Aloha hereby agrees to provide wastewater treatment services of sufficient capacity, subject to the conditions and limitations set forth herein, for the Development of properties

described in Exhibit "A"; provided, however, that such services in the form of a collection permit shall only be provided within six (6) months, and actual wastewater treatment service within twelve (12) months, after payment by Developer of system capacity charges for the proposed units requiring service.

Aloha hereby agrees to provide potable water and reclaimed water services of sufficient capacity, subject to the conditions and limitations set forth herein; provided, however, that such services shall only be provided within twelve (12) months after payment by the Developer of system capacity charges for the proposed units requiring service.

Notwithstanding anything herein to the contrary, in the event the Property uses capacity for water, sewer or reclaimed water in excess of the amounts secured under this Agreement, Service Company may require payment of additional System Capacity Charges as a condition of providing continued service.

6. Time of Payment. Service Company provides service to the Property pursuant to payment of System Capacity Charges. The System Capacity Charge due for capacity shall be the charge in effect at the time of connection. Such charge may be amended or revised from time to time pursuant to PSC approval. In the future, should the PSC approve a guaranteed revenue charge, an AFPI (Allowance for Funds Prudently Invested) or other charge to compensate Service Company for the cost of providing service, Developer shall be subject to such approved charges for units not yet connected pursuant to this Agreement. Nothing contained herein shall prevent or prohibit Service Company from requesting or obtaining an increase in System Capacity Charges or rates.

7. On-Site Installation. Developer hereby agrees to construct and to transfer ownership and control to Service Company as a contribution-in-aid-of-construction, of the on-site water treatment, water and reclaimed water distribution systems and sewage collection systems. The term "on-site water treatment, water and reclaimed water distribution systems and sewage collection systems" means and includes all water and reclaimed water distribution and supply mains, lines, pipes, pumps, wells, storage facilities and any other related facilities and sewage collection lines, and treatment facilities and equipment, including pumping stations, constructed within the boundaries of the Property in accordance with the terms of



this Agreement, to serve each Consumer within the Property. On-site installations shall not include Consumer Installations.

(a) Plans. Developer shall cause to be prepared three (3) copies of the applications for permits and three (3) sets of finalized engineering plans prepared and sealed by a professional engineer registered in the State of Florida. Plans shall show the on-site water distribution, reclaimed water distribution and sewage collection systems proposed to be installed to provide service to Consumers within the Property. Such detailed plans may be limited to the first development phase only, and in such instance, plans for subsequent phases shall be furnished from time to time as such phases are to be developed. However, each such development phase shall conform to a master plan for the development of the Property and such master plan shall be submitted to Service Company concurrent with or prior to submission of engineering plans for the first development phase. \* Developer reserves the right to modify such master plan any time in such a manner as to not unduly interfere with Service Company's existing facilities and upon modification, shall submit four (4) copies of the modified plan to Service Company. The cost of any modifications to Service Company's existing systems on the Property or to such master plan for the Property that are caused by Developer's modifications or changes shall be borne by Developer. Developer shall cause its engineer to submit specifications governing the material to be used and the method and manner of installation. All such plans and specifications submitted to Service Company's engineer shall meet the minimum specifications of Service Company and shall be subject to the approval of Service Company, which approval shall not be unreasonably withheld or delayed. No construction shall commence until Service Company and necessary regulatory agencies, if any, have approved such plans and specification in writing (except that regulatory agency approval shall be in writing only if so required by the regulatory agency). If permits and approved plans are returned by regulatory agencies to Developer, Developer shall submit to Service Company one (1) copy of water and/or sewer permit and approved plans. Developer shall also supply to the Service Company an itemized list of materials and all contractors to be used covering all contract items.

(b) Contractor. All sewer, water and reclaimed water contractor(s) shall be approved by Service Company, and

Service Company shall not unreasonably withhold or delay its approval thereof.

(c) Construction. Developer shall provide in writing to Service Company's inspector, fifteen (15) days notice prior to commencement of construction. Developer shall cause to be constructed, at Developer's own cost and expense, the on-site water and reclaimed water distribution and sewage collection systems as shown on the approved plans and specifications.

(d) Inspection. During the construction of the on-site water and reclaimed water distribution and sewage collection systems by Developer, Service Company shall have the right to inspect such installations at all times to determine compliance with the approved plans and specifications. The engineer of record shall also inspect construction to assure compliance with the approved plans and specifications. Forty-eight (48) hours notice of all standard tests for pressure, exfiltration, line and grade, and all other normal engineering tests shall be given to the Service Company. Tests shall demonstrate that the systems have been installed in accordance with the approved plans and specifications, good engineering practices, and the American Water Works Association criteria. The Service Company, Developer, engineer of record and utility contractor each may be present for such tests. There shall be an inspection charge to cover the Service Company's cost of inspection of installations on the Property as specified in Item #13 "Administrative Costs".

(e) Completion. Upon completion of construction, Developer's engineer of record shall submit to Service Company a copy of the signed certification of completion submitted to the required regulatory agencies, if any. If certification is for the water distribution system, a copy of the bacteriological results and a sketch showing locations of all sample points shall be included. The engineer of record shall also submit to Service Company ammonia mylars of the as-built plans prepared and certified by the engineer of record, and the recorded plat, if any, including dedication sheet, if any.

(f) Transfer of Title. Developer hereby agrees to transfer to Service Company title to all on-site water and reclaimed water distribution and sewage collection systems installed by Developer or Developer's contractor pursuant to the

provisions of this Agreement. Such conveyance shall take place at the time Developer receives the Service Company's final letter of acceptance. As evidence of said transfer of title, upon the completion of the installation and receipt of the final letter of acceptance and upon the rendering of service by Service Company, Developer shall:

(i) Convey to Service Company, by bill of sale in form reasonably satisfactory to Service Company's counsel, the on-site water distribution, reclaimed water distribution and sewage collection systems as constructed by Developer and approved by Service Company.

(ii) Assign any and all warranties, and maintenance, completion and performance bonds and the right to enforce same to the Service Company which Developer obtains from any contractor constructing the sewer, water and reclaimed water systems. Developer shall obtain a written warranty, completion, and performance and maintenance bonds from its contractor for a minimum period of twenty-four (24) months. If Developer does not obtain such written warranty and performance and maintenance bonds from its contractor and deliver same to Service Company, then in such event, Developer, by the terms of this instrument, agrees to warrant the construction of the on-site water and reclaimed water distribution and sewage collection systems installed by Developer or Developer's contractor, for a period of thirty-six (36) months from the date of acceptance by the Service Company of said utility systems.

(iii) Provide to the Service Company an executed, notarized no lien affidavit in form reasonably satisfactory to Service Company's counsel on the utility systems installed by Developer by reason of work performed or services rendered in connection with the installation of the systems.

(iv) Provide Service Company with all appropriate operation/maintenance and parts manuals.

(v) Enter into an easement agreement with Service Company for easements and/or rights-of-way covering areas in which the on-site water and reclaimed water distribution and sewage collection systems are installed, by recordable document in form acceptable to Service Company counsel.

(vi) Grant a 50-foot by 50-foot exclusive easement for any lift station sites constructed on Developer's Property, including a non-exclusive easement for ingress and egress to such site. The easement shall include a "non-disturbance agreement" as set forth below. No improvements may be made within this easement without the written consent of Service Company. Notwithstanding anything herein to the contrary, however, Developer may landscape the area of the easement.

(vii) Supply to the Service Company a copy of the invoices and an itemized list of materials used covering all contract items and a release of lien from the contractor, suppliers, and a contractor's Final Affidavit.

Service Company agrees that the issuance of the final letter of acceptance for the on-site water and reclaimed water distribution and sewage collection systems installed by Developer shall constitute the assumption of responsibility by Service Company for the continuous operation and maintenance of such systems from that date forward, except as otherwise provided herein.

8. Application for Service: Consumer Installation. Developer, or any owner of any parcel of the Property, or any occupant of any residence, building or unit located thereon, shall not have the right to and shall not connect any Consumer Installation to the on-site water distribution, reclaimed water distribution and sewage collection systems facilities until formal written application has been made to Service Company by the prospective consumer of service, or on their behalf, and the meter installation fee has been paid in accordance with the then effective rules and regulations of Service Company, and approval has been granted for such connection.

9. Easements. Developer agrees to grant and give to Service Company a non-exclusive right or privilege to maintain, repair, replace, construct and operate said on-site water distribution, reclaimed water distribution and sewage collection facilities in the area to be developed by Developer. Mortgagees, if any, holding prior liens on the Property shall, upon the reasonable request of Service Company be required to give to Service Company assurance by way of a "non-disturbance agreement" that in the event of foreclosure, mortgagee would

continue to recognize the easement rights of Service Company as long as Service Company complied with the terms of this Agreement.

Developer hereby further agrees that the foregoing grants shall include the necessary right of ingress and egress to any part of the Property upon which Service Company is maintaining, repairing, or operating such facilities; such that the foregoing grants shall be for the use of the Service Company, its successors or assigns; and that where roads cross easement areas such roads shall be constructed in accordance with commonly accepted engineering practices of Pasco County, Florida, or as otherwise required by law. The use of easement area by Service Company shall not preclude the use by Developer or other utilities of these easement areas, such as, for cable television, telephone, electric, roads or walkways, provided, however, that the same shall not reasonably interfere with Service Company's utilization of same and shall be in compliance with commonly accepted engineering practices of Pasco County, Florida or as otherwise required by law.

Service Company hereby agrees that all easement grants will be utilized in accordance with the established and generally accepted practice of the water, reclaim water and sewer industry with respect to the installation, maintenance, repair, replacement, construction and operation of all its facilities in any of the easement areas. Service Company agrees that it will at all times maintain such facilities in good order, condition and repair, at its sole cost and expense, in accordance with all standards and specifications which may be prescribed by any governmental or regulatory authority having jurisdiction. Service Company shall restore easement areas only to the extent of sodding and restoring sidewalks and pavement and Service Company shall not be responsible for restoring such things as shrubbery, plants, fences or other structures placed within the easement areas.

10. Agreement to Serve. Service Company covenants and agrees that upon the completion of construction of the on-site water distribution, reclaimed water distribution and sewage collection services facilities by Developer, its inspection, and the issuance of the final letter of acceptance by Service Company, Service Company will connect or oversee the connection of the on-site water distribution, reclaimed water distribution

and sewage collection services facilities installed by Developer to the central facilities of Service Company. Such connection shall at all times be in accordance with rules, regulations and orders of the applicable governmental authorities. Service Company agrees that once it provides water distribution, reclaimed water distribution and sewage collection services to the Property and Developer or others have connected Consumer Installations to its system, thereafter, Service Company, its successors and assigns will continuously provide, at its cost and expense, but in accordance with the other provisions of this Agreement and the rules and regulations and rate schedule set by applicable governmental authorities, water, reclaimed water and sewer services to the Property in a manner to conform with all requirements of the applicable governmental authority having jurisdiction over the operations of Service Company.

Although the responsibility for connecting the Consumer Installation to the water meter, reclaimed water meter or sewer lines of Service Company at the Point of Delivery is that of the Developer or entity other than Service Company, with reference to such connections, the parties agree as follows:

(a) Application for the installation of water and reclaimed water meters shall be made at least seventy-two (72) hours in advance, not including Saturdays, Sundays, and holidays.

(b) All Consumer Installation connections main interconnects and other lines as indicated by Service Company in accordance with standard engineering practices, must be inspected by Service Company before backfilling and covering of any pipes, except as provided for in (d) below.

(c) Notice to Service Company requesting an inspection of a Consumer Installation connection may be given by or on behalf of the plumber of Developer, and the inspection will be made within seventy-two (72) hours, not including Saturdays, Sundays, and holidays.

(d) If Developer does not comply with the foregoing inspection provisions, Service Company may refuse service to a connection that has not been inspected until Developer complies with these provisions.

(e) The cost of constructing, operating, repairing or maintaining Consumer Installations shall be that of Developer or Consumer or a party other than Service Company.

(f) If a commercial kitchen, cafeteria, restaurant or other commercial food preparation or dining facility is constructed within the Property, the Service Company shall have the right to require that a grease trap be constructed, installed, connected and maintained as necessary by Consumer so that all wastewaters from any grease producing equipment within such facility, including floor drains in food preparation areas, shall first enter the grease trap for pretreatment before the wastewater is delivered to the lines of the Service Company. Size, materials and construction of such grease traps are subject to approval by Service Company. Such approval shall not be unreasonably withheld or delayed. Service Company shall have the on-going right during regular business hours to inspect Consumer's or Developer's premises in order to insure compliance with the provisions hereof.

No substance other than domestic wastewater will be placed into the sewage system and delivered to the lines of the Service Company. Should any non-domestic wastes, grease or oils, including, but not limited to, floor wax or paint, be delivered to the lines, the Consumer will be responsible for payment of the cost and expense required in correction or repairing any resulting damage, and Developer will so advise its purchasers or tenants, as applicable.

(g) Non-residential Consumers of the Service Company, acquiring water, reclaimed water and sewer service rights by and through Developer, shall not deposit into the sewer system non-domestic waste which would be classified as a hazardous substance as defined in the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980 or successor legislation, any petroleum or product defined in Section 376.301 (15) or Section 377.19 (11), Florida Statutes, respectively, or as objectionable by the regulatory agencies of the State of Florida or the County Health Department, or the Service Company. In the event of such deposit, Service Company shall have the unilateral right to withhold further service to such Consumer until such time as corrective action has been taken and all of Service Company's cost incurred in the process

of correcting same, including legal, engineering, consulting, administrative and contingent fees, are paid by the Consumer.

11. Rates. Service Company agrees that the rates to be charged to Developer and individual Consumers of water, reclaimed water and sewer service shall be those set forth in the tariff of Service Company approved by the applicable governmental agency. However, notwithstanding any provision in this Agreement, Service Company, its successors and assigns, may establish, amend or revise, from time to time in the future, and enforce rates or rate schedules so established and enforced and shall, in any event, at all times be reasonable and subject to regulations by the applicable governmental agency, or as may be provided by law. Rates charged to Developer or Consumers located upon the Property shall at all times be identical to rates charged for the same classification of service, as are or may be in effect throughout the service area of Service Company.

12. Exclusive Right to Provide Service. Developer agrees that Developer, or the successors and assigns of Developer, shall not engage in the business or businesses of providing potable water, reclaimed water or sewer services to the Property during the period of time Service Company, its successors and assigns, provide water, reclaimed water and sewer services to the Property, it being the intention of the parties hereto that under the foregoing provisions and also other provisions of this Agreement, Service Company shall have the sole and exclusive right and privilege to provide water, reclaimed water and sewer services to the Property and to the occupants of such buildings or units constructed thereon, except for the providing by Developer, from its own sources and lines of water for irrigation uses.

13. Administrative Costs. At the time of execution of this Developer Agreement, covering the 33 ERC's for water and 62 ERC's for sewer within Developer's property, Developer shall pay to Service Company an advance deposit of \$ 3204.00 to cover the additional Utility cost of legal, engineering, and other expenses incurred by the Utility in reviewing engineering plans, inspection, administrative and legal expenses prudently incurred by the Utility in the negotiation, drafting, execution, and/or performance of this Agreement. It is anticipated that the actual cost for such expenses, will be the same as the advance deposit listed above.



As such, with the execution of the Developer Agreement, Developer shall pay to Service Company \$ 3204<sup>00</sup> to cover such expenses in addition to all other charges imposed under this Agreement. To the extent that those costs ultimately exceed this advance deposit, Developer will be billed for such additional costs with proof of such additional costs supplied to Developer and Developer will pay those costs within twenty (20) days of demand or Service Company shall have the right to refuse further service to any properties of Developer or any future phases or parcels of Developer's property and to discontinue service to any existing parcels receiving service from Service Company.

14. Binding Effect of Agreement. This Agreement shall be binding upon and shall inure to the benefit of Developer, Service Company and their respective assigns and successors by merger, consolidation, conveyance or otherwise.

15. Notice. Until further written notice by either party to the other, all notices provided for herein shall be in writing and transmitted by messenger, by U.S. certified or registered mail return receipt requested, by express mail or by telegram, and if to Developer, shall be mailed or delivered to Developer at:

Seven Springs Medical Park, Inc  
5307 MAIN ST #102  
NEW PORT RICHEY, FL 34652

with copies to:

Fiona Mei Chang  
4317 Harbor Pointe DR  
PORT RICHEY FL 34668

and if to the Service Company, at:

Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655

with copies to:

John Jenkins, Esquire  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301

16. Laws of Florida. This Agreement shall be governed by the laws of the State of Florida and it shall be and become effective immediately upon execution by both parties hereto, subject to any approvals which must be obtained from governmental authority, if applicable.

17. Costs and Attorney's Fees. In the event the Service Company or Developer is required to enforce this Agreement by Court proceedings or otherwise, by instituting suit or otherwise, then the prevailing party shall be entitled to recover from the other party all attorneys fees and costs incurred, including such fees and costs on appeal.

18. Force Majeure. In the event that the performance of this Agreement by either party to this Agreement is prevented or interrupted in consequence of any cause beyond the control of either party, including but not limited to an Act of God or of the public enemy, war, national emergency, allocation or of other governmental restrictions upon the use or availability of labor or materials, rationing, civil insurrection, riot, racial or civil rights disorder or demonstration, strike, embargo, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, sinkholes, earthquake, or other casualty or disaster or catastrophe, unforeseeable failure or breakdown of pumping transmission or other facilities, governmental rules or acts or orders or restrictions or regulations or requirements, acts or action of any government of public authority or commission or board or agency or agent or official or officer, the enactment of any statute or ordinance or resolution or regulation or rule or ruling or order, order or decree or judgment of restraining order or injunction of any court, said party shall not be liable for such non-performance.

19. Indemnification. The Developer agrees to indemnify, defend and hold harmless Service Company from and against any and all liabilities, personal injury claims, damages, costs and expenses (including reasonable attorney's fees including those

on appeal and in bankruptcy proceedings) to which Service Company may become subject by reason of or arising out of the Developer's breach or non-performance of this Agreement. This indemnification provision shall survive the actual connection to Service Company's water, reclaimed water and sewer system.

20. Notice. Service Company shall provide to developer timely notice of any proposed rate changes and/or hearings affecting the Service Company or its rates or ability to provide service to the Developer at the rates and dates and in the quantity set forth in this Agreement. Such notice shall be in accordance with applicable regulatory requirements for such notice.

21. This Agreement supersedes all previous agreements or representations, either verbal or written, heretofore in effect between Developer and Service Company, made with respect to the matters herein contained, and when duly executed, constitutes, the agreement between Developer and Service Company. No additions, alterations or variations of the terms of this Agreement shall be valid, nor can provisions of this Agreement be waived by either party, unless such additions, alterations, variations or waivers are expressed in writing and duly signed by the party to which they are to be applied.

22. When required by the context, the singular number shall include the plural, and the masculine, feminine and neuter genders shall each include the others.

23. Whenever approvals of any nature are required by either party to this Agreement, it is agreed that same shall not be unreasonably withheld or delayed.

24. Unless otherwise agreed in writing, the submission of this Developer Agreement for examination by either party to the other does not constitute an offer by either party but becomes effective only upon execution thereof by both Service Company and Developer.

25. Failure to insist upon strict compliance of any of the terms, covenants, or conditions herein shall not be deemed a waiver of such terms, covenants, or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time or times be deemed a waiver or relinquishment of such

right or power at any other time or times.

26. Developer understands and agrees that, this Agreement or the capacity reserved hereunder cannot and shall not be assigned or delegated by Developer to third parties without the written consent of Service Company, which consent shall not be unreasonably withheld.

27. Service Company shall have the right to inspect, at its sole cost and expense, Consumer Installations at all reasonable times, provided that the responsibilities and agreements that apply to Service Company's use of easement areas, as set forth in paragraph 10 of this Agreement shall also apply to any and all actions taken by Service Company pursuant to this paragraph.

28. This Agreement is binding on the successors and assigns of the parties hereto, including any municipal or governmental purchaser of Service Company. The rights and obligations created pursuant to this Agreement shall be deemed to run with the land described in Exhibit "A" and shall be binding upon the successors in title or legal interest of Developer's right and obligations herein. This Agreement shall survive the sale or transfer of Service Company to any party.

29. Each party hereby agrees to grant such further assurance and provide such additional documents as may be required, each by the other, in order to carry out the terms, conditions and comply with the express intention of this Agreement.

30. The Developer agrees to convey, at Developer cost, by warranty deed or lien free easement at Service Company's sole option, 0 well sites as CIAC, said well sites shall maintain a minimum distance of 200 feet from any improvements of sources of pollution. The well sites shall be to the sole satisfaction of Service Company, and the Developer shall be responsible for all costs of improvement of the same in accord with the provisions of this Agreement.

31. Conservation and Reuse of Water Resources. The Developer agrees to accept and receive Service Company's reclaimed water for spray irrigation on the Property. Developer covenants and agrees that Service Company's reclaimed water, if

available, shall always be the primary source of water for any non-potable use for the Property. Developer will, at Developer's sole cost and expense, install such lines and facilities for the disposition of said effluent on the Property. Developer agrees to pay all of Service Company's approved rates and charges for reuse service, which may include the cost of Developer's proportionate share of the lines, transmission costs reasonably required to transport reclaimed water to the Property, which costs may include, but not be limited to design, engineering, permitting, construction, and inspection fees.

32. Time of the Essence. It is understood and agreed between the parties hereto that time is of the essence of this Agreement and this applies to all terms and conditions contained herein.

IN WITNESS WHEREOF, Developer and Service Company have executed or have caused this Agreement, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterparts shall be considered an original executed copy of this Agreement.

WITNESSES:

Jennifer Wilkowski  
Print Name: Jennifer Wilkowski

Crystal A. Hinton  
Print Name: Crystal Hinton

ALOHA UTILITIES, INC.

By: Stephen G. Watford 9/27/05  
Stephen G. Watford, President

WITNESSES:

Jayne K Miller  
Print Name: Jayne K Miller

Pam Crane  
Print Name: Pam Crane

Seven Springs Medical Park, Inc  
Company Name

By: Fong Mei Chang  
Print Name: Fong Mei Chang, Director



Exhibit "A"

THE SOUTH 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4, AND A PORTION OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 23 FOR A POINT OF REFERENCE; THENCE ALONG THE EAST LINE OF THE SAID NORTHEAST 1/4 OF SECTION 23, SOUTH 00°07'49" WEST, 994.52 FEET; THENCE ALONG THE NORTH LINE OF THE SOUTH 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, NORTH 89°26'19" WEST, 50.00 FEET TO THE POINT OF BEGINNING; THENCE ALONG THE WEST RIGHT OF WAY LINE OF STATE ROAD NO. 54 AS IT IS NOW ESTABLISHED, SOUTH 00°07'49" WEST, 886.49 FEET; THENCE NORTH 89°23'31" WEST, 278.21 FEET; THENCE SOUTH 00°07'49" WEST, 2.00 FEET; THENCE NORTH 89°23'31" WEST, 282.86 FEET; THENCE 992.76 ALONG THE WEST LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 AND THE WEST LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, NORTH 00°12'22" EAST, 887.45 FEET; THENCE ALONG THE AFORESAID NORTH LINE OF THE SOUTH 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, SOUTH 89°26'19" EAST, 1,269.79 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT:

A PORTION OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 23 FOR A POINT OF REFERENCE; THENCE ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF SECTION 23, SOUTH 00°07'49" WEST, 1,881.05 FEET; THENCE NORTH 89°23'31" WEST, 50.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 89°23'31" WEST, 250.00 FEET; THENCE NORTH 00°07'49" EAST, 350.0 FEET; THENCE SOUTH 89°23'31" EAST 250.0 FEET; THENCE ALONG THE WEST RIGHT-OF-WAY LINE OF STATE ROAD NO. 54, AS IT IS NOW ESTABLISHED, SOUTH 00°07'49" WEST, 350.0 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT:

A PORTION OF LAND LOCATED IN THE NE 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE NE CORNER OF THE NE 1/4 OF SAID SECTION 23 FOR A POINT OF REFERENCE; THENCE ALONG THE EAST LINE OF THE SAID NE 1/4 OF SECTION 23, S 00°07'49" W, 994.52 FEET; THENCE ALONG THE NORTH LINE OF THE S 1/4 OF THE NE 1/4 OF THE NE 1/4 OF SAID SECTION 23, N 89°26'19" W, 50 FEET TO THE WEST RIGHT-OF-WAY LINE OF S.R. 54 AS IT IS NOW ESTABLISHED, THENCE CONTINUE ALONG SAID NORTH LINE N 89°26'19" W, 100.00 FEET TO THE POINT OF BEGINNING AND BEING A POINT ON THE CENTER LINE OF THE ANCLOTE RIVER; THENCE ALONG THE SAID CENTER LINE OF THE ANCLOTE RIVER FOR THE NEXT SIXTEEN (16) CONSECUTIVE COURSES,

- (1) S 49°34'00" W, 90.00 FEET; (2) S 73°34'00" W, 63.00 FEET;
- (3) S 83°34'00" W, 77.00 FEET; (4) S 76°34'00" W, 165.00 FEET;
- (5) S 52°34'00" W, 40.00 FEET; (6) S 31°34'00" W, 125.00 FEET;
- (7) S 65°34'00" W, 37.00 FEET, (8) S 80°04'00" W, 175.00 FEET;
- (9) S 85°32'34" W, 95.25 FEET; (10) S 71°09'21" W, 78.45 FEET;
- (11) S 57°34'00" W, 55.00 FEET; (12) S 48°34'00" W, 43.00 FEET;
- (13) S 76°34'00" W, 50.00 FEET; (14) S 50°34'00" W, 90.00 FEET;
- (15) S 72°04'00" W, 30.00 FEET; (16) S 84°34'00" W, 40.00 FEET;

THENCE LEAVING SAID CENTER LINE OF THE RIVER S 47°05'31" W, 93.02 FEET; THENCE N 00°12'22" E, 546.76 FEET TO THE NORTH LINE OF THE S 1/4 OF THE NE 1/4 OF THE NE 1/4 OF SAID SECTION 23; THENCE ALONG SAID NORTH LINE S 89°26'19" E, 1169.79 FEET TO THE POINT OF BEGINNING.



OR BK 5308 Pg 143  
3 of 4

Exhibit "A"  
(cont'd)

OR BK 5290 Pg 577  
3 of 4

LESS AND EXCEPT:

LITTLE ROAD PHASE IIIA, RIGHT-OF-WAY PARCEL 108.1

A PORTION OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE ALONG THE EAST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SAID SECTION 23, NORTH 00°00'20" WEST, A DISTANCE OF 1121.31 FEET; THENCE NORTH 89°31'40" WEST, A DISTANCE OF 50.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD 54, SECTION 2151, THE SAME BEING THE NORTHEAST CORNER OF RIVER TRACE LTD PARCEL AS DESCRIBED IN OFFICIAL RECORD BOOK 1140, PAGE 787 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, FOR A POINT OF BEGINNING; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID RIVER TRACE LTD PARCEL, NORTH 89°31'40" WEST, A DISTANCE OF 80.00 FEET; THENCE PARALLEL WITH AND 130.00 FEET WEST OF THE EAST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SAID SECTION 23, NORTH 00°00'20" WEST, A DISTANCE OF 391.77 FEET; THENCE SOUTH 89°59'40" WEST, A DISTANCE OF 25.00 FEET; THENCE PARALLEL WITH AND 155.00 FEET WEST OF THE EAST BOUNDARY OF THE NORTHEAST 1/4 OF SAID SECTION 23, NORTH 00°00'20" WEST, A DISTANCE OF 89.80 FEET; THENCE NORTH 47°52'24" EAST, A DISTANCE OF 44.49 FEET; THENCE PARALLEL WITH AND 122.00 FEET WEST OF THE EAST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SAID SECTION 23, NORTH 00°00'20" WEST, A DISTANCE OF 24.72 FEET TO THE NORTH BOUNDARY LINE OF THE SOUTH 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE ALONG THE NORTH BOUNDARY LINE OF THE SOUTH 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, SOUTH 89°34'29" EAST, A DISTANCE OF 72.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 54; THENCE ALONG THE WESTERLY RIGHT-OF-WAY LINE OF STATE ROAD 54, SOUTH 00°00'20" EAST, A DISTANCE OF 536.25 FEET TO THE POINT OF BEGINNING.

LITTLE ROAD PHASE IIIA, RIGHT-OF-WAY PARCEL 108.2 (REVISED) (POND SITE)

A PORTION OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE ALONG THE EAST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SAID SECTION 23, NORTH 00°00'20" WEST, A DISTANCE OF 1322.95 FEET; THENCE SOUTH 89°59'40" WEST, A DISTANCE OF 130.00 FEET, FOR A POINT OF BEGINNING; THENCE SOUTH 89°59'40" WEST, A DISTANCE OF 347.71 FEET; THENCE NORTH 09°44'54" WEST, A DISTANCE OF 114.74 FEET; THENCE NORTH 49°53'59" WEST, A DISTANCE OF 31.00 FEET; THENCE NORTH 40°05'58" EAST, A DISTANCE OF 70.43 FEET; THENCE NORTH 89°57'50" EAST, A DISTANCE OF 86.97 FEET; THENCE NORTH 57°39'14" EAST, A DISTANCE OF 34.27 FEET; THENCE NORTH 79°27'45" EAST, A DISTANCE OF 48.41 FEET; THENCE NORTH 83°11'35" EAST, A DISTANCE OF 69.12 FEET; THENCE NORTH 55°35'36" EAST, A DISTANCE OF 77.77 FEET; THENCE SOUTH 80°57'39" EAST, A DISTANCE OF 12.42 FEET; THENCE SOUTH 40°37'22" EAST, A DISTANCE OF 17.22 FEET; THENCE SOUTH 75°50'02" EAST, A DISTANCE OF 0.70 FEET; THENCE SOUTH 00°00'20" EAST, A DISTANCE OF 59.86 FEET; THENCE NORTH 89°59'40" EAST, A DISTANCE OF 25.00 FEET; THENCE SOUTH 00°00'20" EAST, A DISTANCE OF 191.21 FEET TO THE POINT OF BEGINNING.

AND LESS AND EXCEPT ANY ROAD RIGHT-OF-WAYS.

EXHIBIT "B"

SYSTEM CAPACITY CHARGES

Upon execution of this Agreement, Developer agrees to pay Service Company System Capacity Charges of \$33316.67 for water service and \$102271.07 for sewer service to induce Service Company to reserve 33 ERC's for water and 62 ERC's for sewer per day of each water and sewer plant capacities for Developer's proposed connections. Said systems capacity charges to be paid by Developer are those which are approved by the Florida Public Service Commission or other regulatory body with jurisdiction over Service Company.

Recording Charges

Service Company imposes a recording charge equal to its actual cost. Developer agrees to pay Service Company, prior to Service Company's acceptance of lines and facilities, the actual recording charge. Said charges are those established by the Clerk of the Circuit Court of Pasco County.

## DEVELOPER AGREEMENT AMENDMENT FOR RECLAIMED WATER

**THIS AGREEMENT**, is made and entered into this 20<sup>th</sup> day of September, 2005, between Seven Springs Medical Park, Inc., a Florida corporation, whose address is 5307 Main Street, Suite 102, New Port Richey, FL 34652-2513 ("Developer"), and ALOHA UTILITIES, INC. a Florida Corporation, whose address is 6915 Perrine Ranch Road, New Port Richey, Florida 34655, ("Service Company"):

**WHEREAS**, Developer and Service Company entered into a Developer Agreement dated Feb 24, 2005, ("Developer Agreement"); and,

**WHEREAS**, the parties wish to amend the Developer Agreement to provide that Service Company will agree to begin to provide water and sewer service to the seven proposed lots within Seven Springs Medical Park, subject to Developer agreeing to take reclaimed water at such time in the future as Service Company makes it available to the Property (as defined in the Developer Agreement).

**NOW, THEREFORE**, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. At its sole expense, Developer will install reclaimed water lines throughout the Property prior to Service Company beginning to provide water and sewer service to the Property. The on-site reclaimed water lines will be stubbed out at the southeast corner of the current property line of 3633 Little Road (Parcel ID #23-26-16-0000-01800-0010).

2. Within 30 days following notice of availability from Service Company Developer shall, at its sole expense, connect all seven lots on the Property, as well as the existing medical park, to the Service Company's reclaimed water system. All current irrigation, whether by well or potable water, shall be disconnected and all lots and properties shall thereafter exclusively use reclaimed water provided by Service Company for all irrigation purposes.

3. Other than as amended hereby, all terms and conditions set forth in the Developer Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Developer Agreement Amendment for Reclaimed Water, with any named Exhibits attached, to be executed in counterpart, each of which counterpart shall be considered an original executed copy of this Agreement.

WITNESSES:

Jennifer Wilkowski  
Print Name: Jennifer Wilkowski

Crystal Hinton  
Print Name: Crystal Hinton

ALOHA UTILITIES, INC.

By: Stephen G. Watford, Pres.  
Stephen G. Watford

WITNESSES:

Jayne K Miller  
Print Name: Jayne K Miller

Sing Long Chang  
Print Name: Sing Long Chang

By: Fong Mei Chang  
Print Name: \_\_\_\_\_

Fong MEI CHANG



June 16, 2005

Steve Watford  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655



Reference: Seven Springs Medical Park  
Parcel ID No: 23-26-16-0000-00600-0000  
CDC #04005

Mr. Watford:

Aloha Utilities has requested the extension of a minimum 6-inch reuse main in the R/W of Little Road from the existing 24-inch reuse main in the south R/W of SR 54.

However, extension of Aloha's reuse main located on the south right-of-way of State Road 54 will require crossing State Road 54 through a jack and bore and subsequent FDOT Right-of-Way Use permitting. In addition, the design and right-of-way use permitting with Pasco County for construction of the 6-inch reuse main for distance of 2,800 linear feet within the Little Road (County Road 1) right-of-way will take months to accomplish and will impede the permitting progress for utilities for the Seven Springs Medical Park project. It is the opinion of Coastal Design Consultants (CDC) and CDC's client Seven Spring's Medical Park, Inc. that the request for extension of Aloha's reuse main is unreasonable. There does not appear to be basis for Aloha's request. To what distance requirement on standards does Aloha base its request for the extension of their facilities?

CDC requests that the FDEP permit forms be executed by Aloha for subsequent submittal to FDEP and any requirements for extension of the reuse main north from SR 54 to the project site be addressed in the Developer's Agreement with the developer.

A reuse line has been added to the construction drawings to accommodate future use of reclaimed water for the project area.

If you have any questions or concerns, please contact our office at (727) 849-8010.

Sincerely,

Coastal Design Consultants, Inc.

Paul A. Manuel, P.E.  
President

cc: Fong Mei Chang, Director, Seven Springs Medical Park, Inc.  
Philip H. Chesnut, GulfStream Community Bank  
Roland P. Dove, P.E., Spring Engineering, Inc.  
Jay Doucette, Spring Engineering, Inc.

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# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677*

---

*www.aloha-water.com*

## Facsimile Cover Sheet

<b>To:</b> Paul Manuel	<b>Fax:</b> 727-849-8020
Coastal Design Consultants	
<b>From:</b> Pam Yacobelli	<b>Pages:</b> 5
<b>Date:</b> 7/28/2005	<b>Time:</b> 3:40 p.m.

**Comments:** As requested.

*Refundable  
Advance Agreement  
Seven \$18 med Plc  
(2005)*

AUG 04 2005

August 2, 2005

Steven G. Watford  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655



Reference: Seven Springs Medical Park, Inc.  
CDC No. 04005

Mr. Watford:

On behalf of our client, Seven Springs Medical Park, Inc. (Developer), Coastal Design Consultants, Inc. (CDC) would like to advise Aloha Utilities, Inc. (Aloha) that the above referenced project is completely permitted and ready to build except for the water and sewer permitting.

A letter from Civil Engineering Associates, Inc. dated May 23, 2005 requested the Developer to bring the reuse water line from south of State Road 54 to the Developer's site, a distance of approximately 2,800 linear feet (0.53 miles).

CDC recommended in their response to comments dated June 16, 2005 a concept to build the internal reuse lines within the office park for future connection to Aloha's reuse facilities, when reuse is available adjacent to the site.

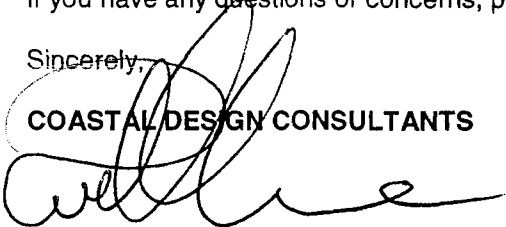
CDC is requesting on behalf of the Developer that Aloha reconsider the requirement of the Developer to extend the reuse facilities to the property. If the requirement were removed, the Developer would proceed with the project as originally planned for construction. If Aloha is receptive to this course of action, the execution and release of the Florida Department of Environmental Protection (FDEP) Forms: "Notice of Intent to use the General Permit for Construction of Water Main Extensions for PWSs" and "Notification/Application for Constructing a Domestic Wastewater Collection/Transmission System" would authorize the Developer to utilize the water and sewer facilities owned by Aloha, and would subsequently allow the FDEP permitting to proceed, causing the ultimate water and sewer availability to the property.

If Aloha is not receptive to this course of action and will not provide water and sewer availability to the project site without the additional requirement of extending the reuse facilities. Then the project will be considered not feasible, and the Developer requests the immediate withdrawal of all permitting applications, and the immediate refund of the impact fees previously paid in the amount of \$135,595.74 and the administrative fees paid in the amount of \$3,204.00.

If you have any questions or concerns, please contact our office at (727) 849-8010.

Sincerely,

**COASTAL DESIGN CONSULTANTS**

  
Paul A. Manuel, P.E.  
President

cc: Fong Mei Chang, Director, Seven Springs Medical Park, Inc.  
Jerry Figurski, Figurski & Harrill  
Pam Yacobelli, Aloha Utilities, Inc.  
Dale Ernsberger, Civil Engineering Associates, Inc.

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# FIGURSKI & HARRILL

ATTORNEYS AT LAW

THE OAKS AT PERRINE RANCH  
2550 PERMIT PLACE  
NEW PORT RICHEY, FLORIDA 34655  
www.fhlaw.net

AUG 29 2005

TELEPHONE: (727) 942-0733  
FAX: (727) 944-3711

GERALD A. FIGURSKI, P.A.  
J. BEN HARRILL, P.A.  
SHELLY MAY JOHNSON  
L. RICK RIVERA

August 23, 2005

Steven G. Watford  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**RE: Seven Springs Medical Park, Inc.**

Dear Steve:

Based on conversations with this firm's client, Dr. Chang, and her engineer, Coastal Design Consultants (CDC), it is my understanding that we have been attempting to work with Aloha Utilities, Inc., to bring water and sewer utilities to the referenced project. In particular, it is my understanding that Aloha Utilities, Inc., has requested Seven Springs Medical Park, Inc., to extend a reuse line from the south side of State Road 54 northerly to the property site as a condition of receipt of these utilities for a distance of approximately 2,800 linear feet.

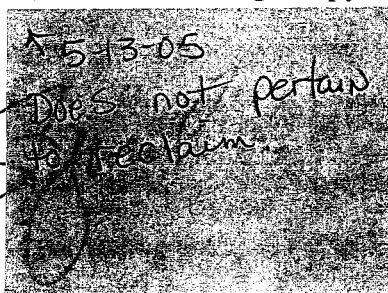
I would first note that I question the authority of Aloha Utilities, Inc., to require this expenditure as a condition of receipt of water and sewer utilities. However, more important at this moment is that Aloha Utilities, Inc., has failed to offer the opportunity to my client and CDC to discuss this issue in detail.

Steve, if all my understandings are correct, this matter has gone on too long. We need to meet with you at the earliest possible moment.

In light of the fact that I did receive a response to a prior letter to Aloha Utilities from your attorney, F. Marshall Deterding, I am forwarding a copy of this letter to him for his reference.

Sincerely,

  
GERALD A. FIGURSKI



GAF/mjp

cc: Seven Springs Medical Park, Inc.  
Paul Manuel, P.E.  
F. Marshall Deterding, Esquire

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655  
(727) 372-0115 Fax (727) 372-2677  
www.aloha-water.com*

## **Facsimile Cover Sheet**

**To:** Paul Manuel, P.E. **Fax:** 727-849-8020  
Coastal Design Consultants

**From:** Jennifer Wilkowski **Pages:** 4  
**Date:** 9/13/2005 **Time:** 4:35 p.m.

**Comments:** Attached is the Developer Agreement Amendment for Reclaimed Water for the Seven Springs Medical Park. Once this agreement has been executed, the FDEP forms will be signed. Should you have any questions, please do not hesitate to contact our office.

## DEVELOPER AGREEMENT AMENDMENT FOR RECLAIMED WATER

**THIS AGREEMENT**, is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Seven Springs Medical Park, Inc., a Florida corporation, whose address is 5307 Main Street, Suite 102, New Port Richey, FL 34652-2513 (“Developer”), and ALOHA UTILITIES, INC. a Florida Corporation, whose address is 6915 Perrine Ranch Road, New Port Richey, Florida 34655, (“Service Company”):

**WHEREAS**, Developer and Service Company entered into a Developer Agreement dated \_\_\_\_\_, (“Developer Agreement”); and,

**WHEREAS**, the parties wish to amend the Developer Agreement to provide that Service Company will agree to begin to provide water and sewer service to the seven proposed lots within Seven Springs Medical Park, subject to Developer agreeing to take reclaimed water at such time in the future as Service Company makes it available to the Property (as defined in the Developer Agreement).

**NOW, THEREFORE**, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. At its sole expense, Developer will install reclaimed water lines throughout the Property prior to Service Company beginning to provide water and sewer service to the Property. The on-site reclaimed water lines will be stubbed out at the southeast corner of the current property line of 3633 Little Road (Parcel ID #23-26-16-0000-01800-0010).

2. Within 30 days following notice of availability from Service Company Developer shall, at its sole expense, connect all seven lots on the Property, as well as the existing medical park, to the Service Company's reclaimed water system. All current irrigation, whether by well or potable water, shall be disconnected and all lots and properties shall thereafter exclusively use reclaimed water provided by Service Company for all irrigation purposes.

3. Other than as amended hereby, all terms and conditions set forth in the Developer Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Developer Agreement Amendment for Reclaimed Water, with any named Exhibits attached, to be executed in counterpart, each of which counterpart shall be considered an original executed copy of this Agreement.

WITNESSES:

ALOHA UTILITIES, INC.

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Stephen G. Watford

\_\_\_\_\_  
Print Name: \_\_\_\_\_

WITNESSES:

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, by Stephen G. Watford, who is personally known to me.

\_\_\_\_\_  
Print Name \_\_\_\_\_  
Notary Public  
State of Florida at Large  
My Commission Expires:

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, by \_\_\_\_\_, who is personally known to me or who has produced  
\_\_\_\_\_ as identification.

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Notary Public  
State of Florida at Large  
My Commission Expires:

S e n d i n g   C o n f i r m

Date : SEP-13-2005 TUE 04:41PM  
Name : ALOHA UTILITIES  
Tel. : 7273722677

Phone	:	8498020
Pages	:	4
Start Time	:	09-13 04:39PM
Elapsed Time	:	01'25"
Mode	:	ECM
Result	:	Ok

**REALM MANAGEMENT, LLC**  
**5721 Richey Drive**  
**Port Richey, FL 34668**  
**(727) 847-0771 Fax (727) 847-0909**

June 6, 2007

**MEMORANDUM**

**Via Facsimile (850) 413-6935**

**Seven (7) Pages**

**TO:** Troy Rendell  
Public Service Commission

**FROM:** Warren Dunphy

**RE:** Aloha Utilities, Inc. & Realm Management, LLC  
Reclaimed Water Line Issue  
3523 Little Road (Trinity, Pasco County, Florida)

---

Per our discussion, you confirmed that you have now received responses from Aloha Utilities to all of your questions and that you will be discussing this matter this week. In reviewing some of the responses from Aloha's attorney, he is concerned that you are placing an improper emphasis on the economic value of reclaimed water as a stand alone service. While that is a separate issue, there is another issue that we feel is more important.

That is the issue of whether or not reclaimed water service is "available" such that it requires one to connect to that service. Water and sewer service are essential services, but reclaimed water service is not essential. Should each of these two categories of service be handled the same.

Who determines what "available" means? Aloha Utilities feels that reclaimed water service is "available" and they attempted on separate occasion to require either the Seven Springs Medical Park developer and the Trinity Springs Professional Center developer to agree to extend the reclaimed water line to their property. Those are two of the properties to the north of our site that would connect to the reclaimed water line. In each instance, that mandatory requirement to extend the reclaimed water line to their property as a condition to getting water/sewer service from Aloha in summer 2005 forced each of those developers to deem their projects economically unfeasible and they sit vacant. In effect, Aloha Utilities has constructively condemned these properties

Hypothetically speaking, reclaimed water service is always "available" if there is a reclaimed water line somewhere in the service area and if cost is not a factor, a developer could connect to it. Practically speaking, however, the question is whether there is a point at which the cost to extend a reclaimed water line determines that reclaimed water service is not really available. We hope that is an issue that you will discuss in ruling on our claim

Finally, there is another issue that we request in connection with our claim. You have a copy of Aloha Utilities letter dated April 24, 2007 (\* a copy of which is attached) in which they advise us that Aloha Utilities will bill Realm Management, LLC **"...for those legal, administrative, engineering, and other costs on a monthly basis for all costs incurred in finalizing service to your property and dealing with Public Service Commission issues. Those fees will have to be paid immediately upon receipt of those monthly invoices. If they are not so paid, the Utility will discontinue work toward the provision of such service, and/or cease all such service to the Developer's property."** If Aloha Utilities is allowed to force its customers to pay its legal and other expenses in dealing with Public Service Commission issues, then that would have a chilling effect on anyone who wants to file a valid complaint with the Public Service Commission. We trust that you will also take this issue under consideration and issue a ruling on it.

If you would care to discuss any of these issues further, I am available and you may contact me at anytime. Thank you again for all your patience and cooperation in handling this matter.



AUG 04 2005

9w



August 2, 2005

Steven G. Watford  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

Reference: Seven Springs Medical Park, Inc.  
CDC No. 04005

Mr. Watford:

On behalf of our client, Seven Springs Medical Park, Inc. (Developer), Coastal Design Consultants, Inc. (CDC) would like to advise Aloha Utilities, Inc. (Aloha) that the above referenced project is completely permitted and ready to build except for the water and sewer permitting.

A letter from Civil Engineering Associates, Inc. dated May 23, 2005 requested the Developer to bring the reuse water line from south of State Road 54 to the Developer's site, a distance of approximately 2,800 linear feet (0.53 miles).

CDC recommended in their response to comments dated June 16, 2005 a concept to build the internal reuse lines within the office park for future connection to Aloha's reuse facilities, when reuse is available adjacent to the site.

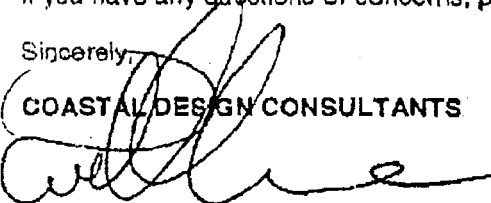
CDC is requesting on behalf of the Developer that Aloha reconsider the requirement of the Developer to extend the reuse facilities to the property. If the requirement were removed, the Developer would proceed with the project as originally planned for construction. If Aloha is receptive to this course of action, the execution and release of the Florida Department of Environmental Protection (FDEP) Forms: "Notice of Intent to use the General Permit for Construction of Water Main Extensions for PWSs" and "Notification/Application for Constructing a Domestic Wastewater Collection/Transmission System" would authorize the Developer to utilize the water and sewer facilities owned by Aloha, and would subsequently allow the FDEP permitting to proceed, causing the ultimate water and sewer availability to the property.

If Aloha is not receptive to this course of action and will not provide water and sewer availability to the project site without the additional requirement of extending the reuse facilities. Then the project will be considered not feasible, and the Developer requests the immediate withdrawal of all permitting applications, and the immediate refund of the impact fees previously paid in the amount of \$135,595.74 and the administrative fees paid in the amount of \$3,204.00.

If you have any questions or concerns, please contact our office at (727) 849-8010.

Sincerely,

COASTAL DESIGN CONSULTANTS



Paul A. Manuel, P.E.  
President

cc: Fong Mei Chang, Director, Seven Springs Medical Park, Inc.  
Jerry Figurski, Figurski & Harrill  
Pam Yacobelli, Aloha Utilities, Inc.  
Dale Ernberger, Civil Engineering Associates, Inc.

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**Coastal Design Consultants, Inc.**  
7026 Little Road New Port Richey, FL 34654  
Phone: (727) 849-8010 • Fax: (727) 849-8020

June 16, 2005

Steve Watford  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, Florida 34655



Reference: Seven Springs Medical Park  
Parcel ID No: 23-26-16-0000-00600-0000  
CDC #04005

Mr. Watford:

Aloha Utilities has requested the extension of a minimum 6-inch reuse main in the R/W of Little Road from the existing 24-inch reuse main in the south R/W of SR 54.

However, extension of Aloha's reuse main located on the south right-of-way of State Road 54 will require crossing State Road 54 through a jack and bore and subsequent FDOT Right-of-Way Use permitting. In addition, the design and right-of-way use permitting with Pasco County for construction of the 6-inch reuse main for distance of 2,800 linear feet within the Little Road (County Road 1) right-of-way will take months to accomplish and will impede the permitting progress for utilities for the Seven Springs Medical Park project. It is the opinion of Coastal Design Consultants (CDC) and CDC's client Seven Springs Medical Park, Inc. that the request for extension of Aloha's reuse main is unreasonable. There does not appear to be basis for Aloha's request. To what distance requirement on standards does Aloha base its request for the extension of their facilities?

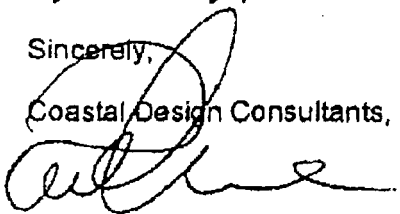
CDC requests that the FDEP permit forms be executed by Aloha for subsequent submittal to FDEP and any requirements for extension of the reuse main north from SR 54 to the project site be addressed in the Developer's Agreement with the developer.

A reuse line has been added to the construction drawings to accommodate future use of reclaimed water for the project area.

If you have any questions or concerns, please contact our office at (727) 849-8010.

Sincerely,

Coastal Design Consultants, Inc.

  
Paul A. Manuel, P.E.  
President

cc: Fong Mei Chang, Director, Seven Springs Medical Park, Inc.  
Philip H. Chesnut, GulfStream Community Bank  
Roland P. Dove, P.E., Spring Engineering, Inc.  
Jay Doucette, Spring Engineering, Inc.

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**Coastal Design Consultants, Inc.**  
7026 Little Road New Port Richey, FL 34654  
Phone: (727) 849-8010 • Fax: (727) 849-8020

**SPRING ENGINEERING, INC.**  
ENGINEERING • LAND PLANNING • ARCHITECTURE

July 20, 2005

Sent via U.S. MailAloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**ATTENTION:** Steve Watford  
President

**REFERENCE:** Trinity Springs Professional Center  
SEI Project No. 2002-33

**SUBJECT:** Reuse Water

Dear Steve,

As you know we have been trying to get our plans approved and the FDEP permit applications signed by Aloha Utilities for the Trinity Springs Professional Center project. The applications were submitted on September 30, 2004. One of the items that has been a special concern to our clients is your requirement to extend a 6-inch reuse line under S.R. 54 and north along Little Road approximately 2250 feet to provide irrigation water to our project. The cost to install this line is approximately \$120,000.00.

We have talked to Tom Walden at the Public Service Commission about this specific requirement and he advises that the Commission does not regulate territories for reuse water. He suggested that we ask you to provide us with the specific PSC Rule or other statute that mandates the use of your reuse water and requires a developer to make a connection and extend a line several hundred feet to their property. Please provide this information to us as soon as possible.

Our client would have no objection to using your reuse water if it were made available by Aloha Utilities at the property line, but to require the line to be extended at the cost of \$120,000.00 to our client is unreasonable.

Please sign the FDEP application forms and return them to us as soon as possible. Give us a call if you have any questions or need additional information.

Sincerely,

**SPRING ENGINEERING, INC.**Roland P. Dove, P.E.  
Director of Engineering

RPD/mb

cc: Phil Chesnut (via fax # 727-846-7733)  
Tom Walden (via fax # (850) 413-6951)  
Dr. David Dempsey (via fax # (727) 939-2144)

# *Aloha Utilities, Inc.*

*6915 Perrine Ranch Road  
New Port Richey, FL 34655*  

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*(727) 372-0115 Fax (727) 372-2677*  
*www.aloha-water.com*

April 24, 2007

Mr. Leroy Allen  
Attorney At Law  
5721 Richey Drive  
Port Richey, FL 34668

VIA FACSIMILE AND REGULAR MAIL

RE: Items To Be Completed Prior to Initiation of Service

Dear Mr. Allen,

This letter is in response to your faxed request that Aloha Utilities send written confirmation to Realm regarding items 1-6 in the letter from John Jenkins dated 4/12/07. After discussing the items with our field inspector, please note the following:

- 1. The gravity sewer manholes must be opened while an Aloha Inspector is on site to check for infiltration;**

Per Aloha's Inspector, this has been satisfactorily completed.

- 2. The force main must be properly reconnected;**

Per Aloha's Inspector, this has been satisfactorily completed. Aloha Utilities received three (3) copies of revised As-Builts today. Upon approval of these As-Builts, Aloha Utilities must be supplied with one additional copy of the As-Builts, Mylars and Cad Files reflecting the change(s) made to the force main.

- 3. The 2" water taps must be uncovered to ensure they are disconnected from the 2" RPZ's;**

Per Aloha's Inspector, this has been satisfactorily completed.

- 4. All water valves must be raised to finish grade and set to Aloha specifications (there are no concrete pads around them);**

Per Aloha's Inspector, this has been partially completed. Due to the location of one of the valves in proximity to the meter location and to spare the cost of tearing up and replacing the concrete pad, Aloha will allow the concrete pad to be installed at the time the meters are being set.

Mr. Leroy Allen  
April 24, 2007  
Page 2

5. The poly tubing must be replaced from the service tap to the RPZ's with PVC schedule 80 pipe.

Per Aloha's Inspector, this has been satisfactorily completed.

6. Upon completion of the water system items, a complete on-site water inspection must be undertaken to ensure all possible cross-connections are alleviated and bacteriological testing will be necessary to meet DEP permit requirements.


Per Aloha's Inspector, on-site water inspection has been completed. Aloha's Inspector verified that the cross-connections were disconnected at the time of his inspection. Developer is required to comply with DEP regulations and the current bacteriological test results we have on file have expired. New tests will have to be taken and when satisfactory, copies are to be submitted to Aloha Utilities.

You should be aware that in accordance with the Developer Agreement between Aloha and Realm, Realm is required to pay all engineering, legal, administrative, and inspection fees related to preparing the Developer Agreement and preparing to provide service to your properties. The amount which the Utility required Realm to pay as a deposit toward those costs has been completely exhausted as of last week. As such, Aloha will begin billing Realm immediately for these legal, administrative, engineering, and other costs on a monthly basis for all costs incurred in finalizing service to your property and dealing with Public Service Commission issues. Those fees will have to be paid immediately upon receipt of those monthly invoices. If they are not so paid, the Utility will discontinue work toward the provision of such service, and/or cease all such service to the Developer's property.

Pursuant to Order PSC-07-0281-S-WU, issued by the Florida Public Service Commission and Section 25-30.565, Florida Administrative Code, the proposed increase in service availability charges for the Seven Springs system have been approved and become final. A notice of the increase was provided to Mr. Warren Dunphy via regular mail on February 23, 2007. Therefore, an additional payment in the amount of \$57,849.56 is now due for the Gator Crossing project. This payment must be received prior to the initiation of service.

Should you have any further questions, please do not hesitate to contact our office.

Sincerely,



Pamela Yacobelli  
Administration Manager

/py

cc: Mr. Warren Dunphy, via facsimile  
Mr. John Jenkins, Esq, via facsimile  
Mr. F. Marshall Deterding, Esq., via facsimile  
Mr. Troy Rendell, via facsimile

COMMISSIONERS:  
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NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

## Public Service Commission

June 19, 2007

Steve Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

**Re: Complaint filed by Warren Dunphy on behalf of Realm Management, LLC**

Dear Mr. Watford:

The Florida Public Service Commission staff (PSC) recognizes Aloha Utilities, Inc.'s (Aloha) efforts to aggressively pursue reuse water, and the progress the company has made in this regard. However, after reviewing the correspondence sent to us by Aloha and Realm Management, LLC, (Realm), it is the PSC staff's opinion that it is not prudent to require Realm Management, LLC to construct a reclaimed water line, especially considering that they will be utilizing less than five percent of the line.

However, PSC staff believes it would be prudent to require Realm Management, LLC to connect to a reclaimed water line, if it becomes available in the future. PSC staff recommends that Aloha pursue an agreement with Realm that would require Realm to connect to any future reclaimed water line that may become available in the future and pay their fair share of the cost based on their anticipated utilization of such line including any reimbursement to the entity that pays for the construction of such line.

Please be advised that this is PSC staff's opinion only, and does not bind the PSC in any way. If you have any questions, please feel free to contact Troy at (850) 413-6934.

Sincerely,



Cheryl Bulecza-Banks

cc: Division of Economic Regulation (Rendell)  
Office of General Counsel (Gervasi)  
F. Marshall Deterding, Rose Sundstrom & Bentley  
Warren Dunphy

REALM MANAGEMENT, LLC  
5721 Richey Drive  
Port Richey, FL 34668  
(727) 847-0771 Fax (727) 847-0909

July 9, 2007

VIA FACSIMILE (727) 372-2677 & E-MAIL

Steven Watford  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

RE: Realm Management, LLC  
Gator Retail Project  
3523 Little Road (Trinity, Florida)


-----  
Based on the Public Service Commission Staff recommendation dated 6/19/2007 that Realm Management, LLC ("Realm") not be required to construct a reclaimed water line to serve the above-referenced property, this letter is to formally request that Aloha Utilities, Inc. ("Aloha") at this time:

1. Return to Realm the original Irrevocable Letter of Credit #153 issued April 25, 2007 for \$300,000 drawn on Interwest National Bank in favor of Aloha to guarantee completion of the Reclaimed Water Line along with a letter confirming that Aloha agrees that such Letter of Credit may be cancelled immediately; and
2. Terminate the existing Refundable Advance Agreement between Realm and Aloha and enter into a new agreement which provides that Realm will connect to any future reclaimed water line that becomes available at the property line in the future and pay its fair share of the cost based on its anticipated utilization of such reclaimed water line (including any prorata reimbursement to the entity that pays for the construction of such reclaimed water line).

I am available to meet with you or your staff as soon as possible to draft and finalize the new Reclaimed Water Line Agreement. Just let me know when it is convenient to meet.

If you have any further questions with regard to these requests, you may contact me directly. Your cooperation in the prompt handling of these matters is greatly appreciated.

Yours truly,



Warren W. Dunphy  
Manager

cc: Troy Rendell via e-mail [TRendell@PASC.STATE.FL.US](mailto:TRendell@PASC.STATE.FL.US)  
Cheryl Bulecza-Banks via e-mail [CBulecza@PASC.STATE.FL.US](mailto:CBulecza@PASC.STATE.FL.US)  
Pam Yacobelli via e-mail [pam@aui.com](mailto:pam@aui.com)  
F. Marshall Deterding, Esq. via e-mail [martyvd@rsbattorneys.com](mailto:martyvd@rsbattorneys.com)

LAW OFFICES

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(407) 830-6331

FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.

BRIAN J. STREET

July 24, 2007

Cheryl Bulecza-Banks  
 Florida Public Service Commission  
 Division of Economic Regulation  
 2540 Shumard Oak Boulevard  
 Tallahassee, FL 32399-0850

Re: Aloha Utilities, Inc.; Complaint of Warren Dunphy on behalf of Realm Management, LLC

Dear Ms. Bulecza-Banks:

We are in receipt of your letter of June 19, 2007 addressed to Steve Watford, President of Aloha Utilities, Inc. Two weeks ago staff requested a response to that letter. I have been asked to provide that response.

Aloha Utilities, Inc. is not in agreement with the staff's initial position as expressed in your letter. That initial position is directly contrary to the Utility's long-standing service availability policy; the best interest of the Utility's customers; sound regulatory practice; compliance with the Commission's requirements; and compliance with the requirements of other regulatory agencies.

- (1) Existing service availability policy. Aloha's written service availability policy, and its long-standing practice in relation to that policy, require that developers contribute all on-site and all off-site distribution and collection system facilities. Its existing rates and service availability charges are founded on that policy. The requirements imposed upon Realm Management, LLC ("Realm") are in conformance with that long-standing policy. Realm signed an agreement to that effect over a year ago, long before a complaint was filed with the PSC effectively proposing to breach that Agreement.

Commission staff's opinion not only constitutes a requirement that the Utility deviate from that long-standing policy for the first time, but also raises questions about when and if that policy is applicable to past or future water, wastewater, or reuse agreement or whether the staff's new position is applicable in any particular instance.

- (2) Sound regulatory policy. Not only does the Commission staff's proposal dramatically change the Utility's long-standing service availability policy, but it is also contrary



Cheryl Bulecza-Banks

Page 2

July 24, 2007

to sound regulatory policy and creates many unanswered questions with regard to appropriate action by the utility in the future.

- (A) The staff's position is in large part based upon their statement that Realm "... will be utilizing less than 5% of the line." This statement is misleading if not inaccurate. Aloha's requirement of Realm is to extend an existing reuse line, from the existing point of connection for the property adjacent to Realm's property next door. That is, and always has been, required of any new customer for water, sewer or reuse for approximately 40 years. The oversizing of that line, and the oversizing of the line under State Road 54 (that were required and agreed to by Realm over a year ago) allow other customers to connect to that line as it is extended northward along Little Road to approximately 5-6 more parcels of property. The oversizing of that line in fact constitutes only a small part of its total cost. However, that oversizing substantially increases the benefit of the line to Aloha Utilities, Inc., its customers, and even to Realm. Without the oversizing of the lines, Aloha could have simply required an extension of the existing line from the adjacent property to Realm's property sized only to meet Realm's reuse needs. Under that set of circumstances, the line would have been 100% related to utilization by Realm. Instead Aloha required Realm to incur a relatively minor additional cost to oversize that line, thereby allowing Aloha to serve future customers and Realm to receive the benefit of a refundable advance where none would be applicable if Aloha had required Realm to only construct the facility necessary to serve Realm.
- (B) The staff's initial position suggests that there is some level of usage by the developer at which requiring the construction of facilities to extend from one parcel to the adjacent parcel is inappropriate if oversizing is required. However, no guidance is provided as to when that requirement is and is not appropriate. Staff's decision seems, at best, ad hoc.
- (C) The staff's position creates not only confusion on the part of Aloha, but also confusion on the part of all persons requesting service through Aloha. The purpose of the service availability policy is to provide guidance and understanding to those who would seek service and to insure uniformity in the conditions for service imposed by the utility. The Commission staff's initial position is contrary to the long standing policy and requirements imposed upon others and as such will create confusion and defeat the purpose of a good service availability policy.
- (D) The Commission staff's position invites litigation and complaints from each and every developer who is required to extend a water, sewer or reuse line from adjacent property to their own property, especially if that line is appropriately required to be oversized in order to allow for efficient service to other customers in the future. Not only will this require the addition of staffing by the utility, it will impose substantial additional litigation and complaint costs on dealing with developers (and therefore increased costs on the general body of rate payers), and even on the Commission itself.

Cheryl Bulecza-Banks

Page 3

July 24, 2007

- (E) Regardless of whether litigation costs are incurred, which they clearly will be, the Commission staff's position results either in a requirement that Aloha construct these facilities now, in direct conflict with over 40 years of standard policy, or that some other entity be required to construct these lines in the future when it will be much more costly and much less efficient to do so. The net result is that those facilities will likely never be constructed thereby substantially reducing the utility's ability to sell reuse and to expand their reuse system as previously required by the Commission.
- (F) The staff's position leaves only one other alternative. This is for Aloha to change the basis for approximately 40 years of consistently approved Service Availability Policy and construct the line itself. Such action would however not only substantially change that policy for the future, but also substantially impact rates for service to all customers of the Utility.
- (G) Over 14 months ago, Realm entered into an agreement that called for them to extend and oversize the line. This was approximately a year before they filed a complaint in this proceeding before the Commission. The Commission's rules authorize a developer who disagrees with the requirements for service imposed by a utility to file a complaint after execution of an agreement. That rule envisions that the developer would make its disagreement known at the time of execution of that agreement, rather than many months down the road. This developer did not do that. Realm acted deliberately in breach of its agreement. Realm filed a complaint in an effort to pressure the Utility to initiate water and wastewater service, without doing anything toward completing its obligations related to offsite reuse construction.
- (H) At some point in time, a developer agreement must become final and not subject to complaint by a developer. The Commission's allowing this developer to do so, approximately a year later, not only raises the specter of this happening in each and every future case, but also in every single prior case where a developer was required to construct water, sewer or reuse facilities oversized in order to ensure the efficient provision of service to future customers.
- (3) General Compliance with regulatory agency and legislative goals. The provisions of Section 403.064 and Section 373.250 each note that it is the legislative intent for the PSC, DEP and the Water Management Districts to promote and encourage the maximization of utilization of reuse water.

The Florida Public Service Commission has entered into Memoranda of Understanding with the Florida Department of Environmental Protection; the Florida Water Management Districts; and the Florida Department of Community Affairs. Each of these documents stresses the importance of promoting and maximizing reuse of reclaimed water. The three Memoranda of Understanding which the PSC has entered into are:

Cheryl Bulecza-Banks

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MOU between FDEP and FPSC dated September of 2001 (supercedes the MOU dated November 20, 1992; MOU between FPSC and Florida Water Management Districts dated June 27, 1991; and MOU between FPSC and the FDCA dated May 16, 2000.

These MOUs between the FPSC and three other agencies clearly and repeatedly express the intent of all of these agencies to work cooperatively to promote and maximize utilization of reuse.

In addition, the Florida Public Service Commission has entered into a "Statement of Support for Water Reuse" between the PSC, the EPA, the FDOH, the FDACS, the FDCA, all of the Water Management Districts, and the FDEP, wherein they specifically state their objective to promote and maximize the use of reuse water.

The proposed position taken by the staff in this case, not only do not promote reuse water, it would treat it substantially less favorably than is required in any water or wastewater developer agreement or refundable advance agreement.

- (4) Specific compliance with regulatory agencies. The Florida Department of Environmental Protection ("DEP") and the Southwest Florida Water Management District ("SWFWMD") required as part of their permitting of Aloha Utilities, Inc. that it aggressively pursue reuse and utilize reuse as a method of effluent disposal. This Commission also imposed such a requirement in its recent rate order. The Commission staff's initial position substantially undermines Aloha's ability to comply with those requirements.
- (A) DEP. DEP imposes permit requirements for Aloha wastewater treatment system. DEP has specifically recognized in Aloha's most recent wastewater treatment plant operating permit that all of Aloha's undeveloped certificated territory is to be utilized as part of the reuse system. The reuse system is first and foremost a method of effluent disposal. Aloha is required to provide reuse to any new customers who connect to Aloha's wastewater system and such requirement is a part of the utility's wastewater treatment plant operating permit. The Public Service Commission staff's initial position substantially undermines the ability of the utility to require future customers to take reuse and therefore endangers the ability of the utility to continue to comply with the requirements of its permit and operate its wastewater treatment plant in an efficient and sound manner in conformance with that permit.
- (B) SWFWMD. Aloha's SWFWMD approved: (a) water use permit; (b) conservation plan; and (c) the grants it received for construction of its reuse system all require this utility to aggressively pursue the provision of reuse service to all new customers. The Commission staff's initial position substantially jeopardizes Aloha's ability to do so and to remain in compliance with those requirements.
- (C) PSC. The Florida Public Service Commission in its Final Order No.

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PSC-97-0280-FOF-WS issued in the Reuse Project Plan for Aloha Utilities, Inc. directed the Utility to aggressively pursue the provision of reuse service to all future customers, and in fact made unprecedented and extremely aggressive assumptions about the Utility's ability to sell every gallon of reuse which it produced. Without the ability to require the construction of small portions of reuse facilities in accordance with the standard Service Availability Policy, compliance with that requirement by the Commission is rendered nearly impossible, and substantial increases in the cost of providing reuse service to the general body of ratepayers can be expected.

Based upon the above, Aloha believes that the staff's position as stated in your letter of June 19, 2007 is clearly inappropriate and will have substantial and immediate negative impacts to Aloha's reuse system, its ability to comply with its water use permit, its ability to comply with its wastewater treatment plant operating permit, its ability to comply with the prior Commission orders, and its ability to comply with the requirements of its reuse grants from SWFWMD. Furthermore, staff's position will substantially increase uncertainty and litigation (and probably most importantly to the Florida Public Service Commission), it will substantially increase the cost of providing service to the general body of rate payers. Based upon these facts, it is the position of Aloha Utilities, Inc. that the staff position is clearly inappropriate and Aloha requests that the Commission staff move this matter forward to the next appropriate step under PSC rules and regulations so that Aloha may present its case and, if necessary, proceed to hearing on this matter.

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP

  
F. Marshall Deterding  
For the Firm

FMD/bsr

cc: Mr. Stephen Watford  
Troy Rendell, Division of Economic Regulation  
Roseanne Gervasi, Office of General Counsel

aloha\bulecza-banks,fmd.wpd

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TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

## Public Service Commission

August 24, 2007

F. Marshall Deterding  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

**Re: Complaint filed by Warren Dunphy, on behalf of Realm Management**

Dear Mr. Deterding:

The Public Service Commission (PSC) in receipt of your letter dated July 24, 2007 in regards to the above referenced complaint. In order to further evaluate the complaint, staff requests the following information:

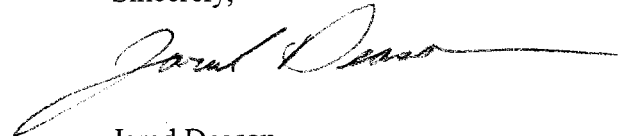
1. Your letter dated July 22, 2007 states, "DEP imposes permit requirements for Aloha wastewater treatment system. DEP has specifically recognized in Aloha's most recent wastewater treatment plant operating permit that all of Aloha's undeveloped certificated territory is to be utilized as part of the reuse system." It further states, "Aloha is required to provide reuse to any new customers who connect to Aloha's wastewater system and such requirement is a part of the utility's wastewater treatment operating permit." Please provide a copy all DEP operating permits referenced in the preceding statement.
2. Your letter dated July 22, 2007 states, "Aloha's SWFWMD approved; (a) water use permit; (b) conservation plan; and, (c) the grants it received for construction of its reuse system all require this utility to aggressively pursue the provision of reuse service to all new customers." Please provide a copy of the SWFWMD-approved water use permit, conservation plan and grants referenced in the preceding statement.
3. Please provide a copy of all correspondence with Aloha, Warren Dunphy, and Leroy Allen, regarding the installation of the reuse line dated after July 24, 2007.
4. Aloha claims that the estimated constructed costs for the reuse line is \$300,000. Please provide a detailed cost breakdown for the elements of the reuse line. In addition, please provide documentation to support the cost breakdown for the elements of the reuse line that would justify the \$300,000 estimate.

F. Marshall Deterding  
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August 22, 2007

5. Please explain in detail why Seven Springs Medical Park was not required to execute a Refundable Advance Agreement to install the reuse line, but instead was able to execute the Developer Agreement Amendment for Reclaimed Water that requires Seven Springs Medical Park to connect to a reuse line when it becomes available in the future.
6. Are there any other properties serviced by Aloha that were required by Aloha to install a reuse line larger than what was required to service the property for the benefit of surrounding properties, developed or undeveloped? If so, please provide a list of those customers that installed the reuse line, as well as, all documentation relating to the installation of their reuse line. The documentation should include, but is not limited to Refundable Advance Agreements and correspondence with the properties owners or agents.
7. Please provide a status update as of August of 2007 for Aloha's reuse system. Are Aloha's reuse customers currently utilizing all reuse produced by their sewage treatment plan?. If so, how many gallons of water are available in holding ponds to meet the excess demand.

In order to expedite this complaint processing, please provide this information by September 8, 2007, pursuant to Rule 25-30.355(3), Florida Administrative Code. If you have any questions, please contact me at (850) 413-6934.

Sincerely,



Jared Deason

cc: Division of Economic Regulation (Willis, Bulecza-Banks, Rendell)  
Office of General Counsel (Fleming)  
John Jenkins, Rose Sundtrom & Bentley  
Warren Dunphy

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CHRISTIAN W. MARCELLI, OF COUNSEL  
(LICENSED IN NEW YORK ONLY)

September 7, 2007  
VIA HAND DELIVERY

Jared Deason  
Florida Public Service Commission  
Division of Economic Regulation  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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Re: Aloha Utilities, Inc.; Complaint of Warren Dunphy on behalf of Realm Management, LLC

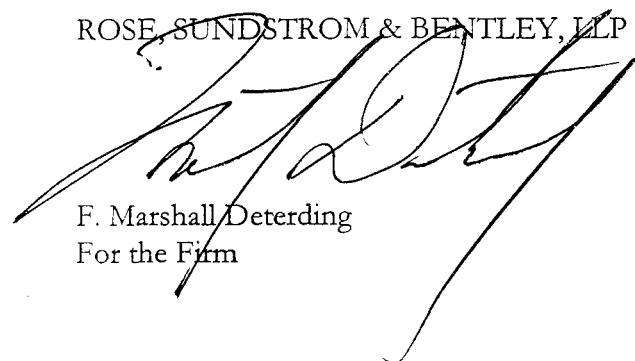
Dear Jared:

We are in receipt of your letter dated August 24, 2007 with regard to the above-referenced matter. Because this letter did not reach me until August 30, this letter only allowed for approximately six business days to respond. Due to the extensive information requested therein, Aloha Utilities, Inc. will need additional time. We are hereby requesting a two week extension (September 24, 2007) to reply to that letter.

If you have any questions or need anything further, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding  
For the Firm

FMD/tms