

time, and to obtain and maintain all licenses and permits necessary for the installation and operation of a public sanitary sewer and wastewater system.

13.6. Provide a tap in a timely manner to all property owners in the Development who desire to be connected to the System. SCWCO's proposed initial tariff schedule shall be attached hereto as **Exhibit "B"** and incorporated herein by reference so as to indicate the current fees and charges of SCWCO as of the date of this Agreement. SCWCO reserves the ability to modify the fees and charges on its initial tariff pursuant to the requirements of the TCEQ or any other Regulatory Agency that may have jurisdiction over such charges.

13.7. SCWCO has adequate financing and means to complete the Wastewater Treatment Facility, and the construction of same will move forward in a reasonable manner with the Development.

13.8. SCWCO shall operate and maintain the System and the Wastewater Treatment Facility in accordance within all required state, local or federal governmental standards for a wastewater plant and system.

14. **DEVELOPER's Obligations and Representations.** DEVELOPER obligates itself and represents the following:

14.1. DEVELOPER will provide non-exclusive easements for installation of the System, all as more fully shown on the preliminary plat of the Development not yet recorded in the Map and Plat Records of Parker County, Texas.;

14.2. DEVELOPER shall be responsible to SCWCO for a minimum operating revenue of TWO THOUSAND, FIVE HUNDRED AND NO/100 DOLLARS (\$2,500.00) per month until SCWCO obtains such minimum operating revenue from the System operations;

14.3. DEVELOPER shall provide notice to all Lot Purchasers of the necessity of an individual grinder pump, of a type approved by SCWCO to be purchased, installed and connected to the System at the Lot Purchasers expense. Such notification shall be included in the DEVELOPER's Land Purchase Contracts. All contracts executed prior to this Agreement are exempt from this requirement.

14.4. DEVELOPER shall provide SCWCO an option to purchase a Plant Site as described above for TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration;

14.5. After the completion of each phase of construction on the System and as certified by DEVELOPER's Engineer, convey to SCWCO, that particular phase of the System via Bill of Sale along with an "as built" drawing to identify locations of the System in the properly dedicated non-exclusive easements.

14.6. DEVELOPER has adequate financing to complete and market the Development.

15. **Default and Termination.** In the event that SCWCO or DEVELOPER shall fail to comply with the terms, conditions and/or obligations as herein set forth for any reason or cause, save and except "Force Majeure," or so called "Acts of God" (which is defined as naturally occurring events beyond the control and without the interference of any human agency or power of man) the non-defaulting party, or its assigns, shall have the sole right and option to terminate this Agreement upon five (5) days written notice subject to the right to cure any alleged default. The party not in default must give written notice to the defaulting party, expressly notifying it of the default. If the defaulting party fails to fully cure the default specified in the written notice within thirty (30) days after receipt of such notice, or if default cannot be reasonably cured within thirty (30) days, and the defaulting party has failed to use reasonable efforts to attempt to cure such default, the party not in default shall have the right to pursue all remedies allowed by law, including specific performance of this Agreement or may terminate this Agreement.

16. **Water Code Remedy.** SCWCO represents that when it ultimately becomes the holder of the sewer CCN and associated water quality permit (hereinafter the "Permit") for the Development, which allows it to provide sewer service to residents of the Development for compensation, SCWCO shall provide continuous and adequate service in compliance with its service obligations and covenants, DEVELOPER shall have the right and standing to seek corrective orders from the TCEQ. Any request by DEVELOPER to replace SCWCO as the certified utility service provider within the service area, after SCWCO's failure to remedy and cure any noticed service deficiency under TCEQ rule and order shall recognize the compensation obligations of the Texas Water Code § 13.254.

17. **Insurance Requirements.** SCWCO shall carry General Liability insurance, comprehensive coverage, automobile coverage and workers compensation insurance satisfactory to the DEVELOPER and until the Wastewater Treatment Facility and the System is completed by SCWCO and/or DEVELOPER, and evidence of the coverage, represented by certificates issued by the insurance carrier, must be furnished to the DEVELOPER prior to the commencement of work naming DEVELOPER as an "additional insured." All certificates of insurance shall state that DEVELOPER will be notified in writing at least 30 days prior to cancellation or renewal of insurance.

18. **Assignment.** No assignment of this agreement by SCWCO shall be valid unless consented to in writing by the DEVELOPER, which consent shall not be unreasonably withheld. Any assignment by SCWCO shall conform to the standards of all governmental authorities. Any assignment by SCWCO shall require the assignee to expressly agree to perform all of the SCWCO's obligations as herein set forth and conform to the standards of all governmental authorities. Nothing herein shall prevent DEVELOPER, or its assigns, from requiring such additional obligations of the assignee as may be necessary to fulfill the intent of this Agreement.

19. **Binding Effect.** This agreement shall extend to and bind the successors and assigns of the respective Parties.

20. **SCWCO as Independent Contractor.** SCWCO is an independent contractor. Neither the DEVELOPER, nor its successors or assigns, shall direct, provide tools or materials to SCWCO nor have control over the management or operation of SCWCO business. Neither this Agreement nor the sale of the Plant Site to SCWCO and vendor's lien reserved by DEVELOPER shall constitute a partnership or joint venture or any other kind of business relationship, whether as an employer-employee or otherwise, as between the DEVELOPER, its successors or assigns, and SCWCO, its successors or assigns.

21. **DEVELOPER Indemnification.** DEVELOPER shall indemnify, defend and hold harmless SCWCO, its officers, directors, employees and agents from and against any and all claims, demands, debts, suits, causes of action, losses, damages, judgments, fines, penalties, liabilities, and costs, including reasonable attorney fees and defense costs incurred by SCWCO arising out of or relating to the Construction and installation of the System.

22. **SCWCO Indemnification.** SCWCO shall indemnify, defend and hold harmless DEVELOPER, its officers, directors, employees and agents from and against any and all claims, demands, debts, suits, causes of action, losses, damages, judgments, fines, penalties, liabilities, and costs, including reasonable attorney fees and defense costs incurred by DEVELOPER arising out of or relating to the Construction and installation of the Wastewater Treatment Facility and any expansions of the Wastewater Treatment Facility.

23. **Entire Agreement.** This Agreement contains all of the agreements of the Parties, and no warranty, covenants, representation, or condition so expressly set forth herein shall be binding upon the Parties. This Agreement may not be altered except in writing, signed by both Parties hereto.

24. **Notices.**

24.1. All notices hereunder to SCWCO will be sufficient if sent by overnight, certified mail or facsimile transmission with confirmation of delivery, addressed to SCWCO to the attention of Malcolm Bailey, P. O. Box 570177, Houston, Texas 77257 or 5818 Beverly Hill, Suite 200, Houston, Texas 77057, or fax (713) 783-6321 with copies to Mark H. Zeppa, 4833 Spicewood Springs Road, Suite 202, Austin, Texas 78759, or fax (512) 346-6847.

24.2. All notices to DEVELOPER will be sufficiently given if sent by certified mail or facsimile transmission with confirmation of delivery to the attention of Terrell Jones, 4960 Conference Way North, Boca Raton, Florida 33431 or fax (561) 912-8121 and Oscar Rohne, 2000 E. Lamar Boulevard, Suite 290, Arlington, Texas 76006 or fax (817) 303-2174; with copies to Matthew D. Bradley, PIPKIN, OLIVER & BRADLEY, L.L.P., 1020 Northeast Loop 410, Suite 810, San Antonio, Texas 78209, or fax (210) 820-0077.

24.3. All notices will be deemed to have been given on the date of mailing or sending of such notice. Any Party may change its address upon five days written notice to the other Party.

25. Miscellaneous.

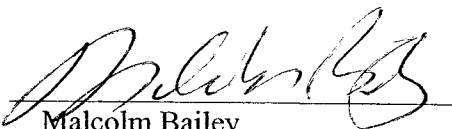
25.1. This Agreement shall be construed and enforced in accordance with Texas law. Venue for the litigation of any dispute arising hereunder shall be in Parker County; venue for any dispute within the jurisdiction of the TCEQ shall be before the TCEQ and for any appeal from a final decision of the TCEQ shall be in Travis County.

25.2. In the event one or more provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the Parties have executed this agreement on the day and year stated below in multiple counterparts, each of which shall constitute an original.

SCWCO:

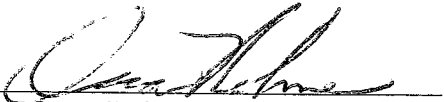
SOUTH CENTRAL WATER COMPANY, INC.

By: 
Malcolm Bailey
President

Date: 3-25-05

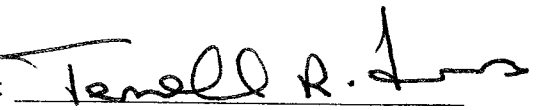
DEVELOPER:

BLUEGREEN SOUTHWEST ONE, L. P.
by its General Partner
BLUEGREEN SOUTHWEST LAND, INC.

By: 
Oscar Rohne
Vice President

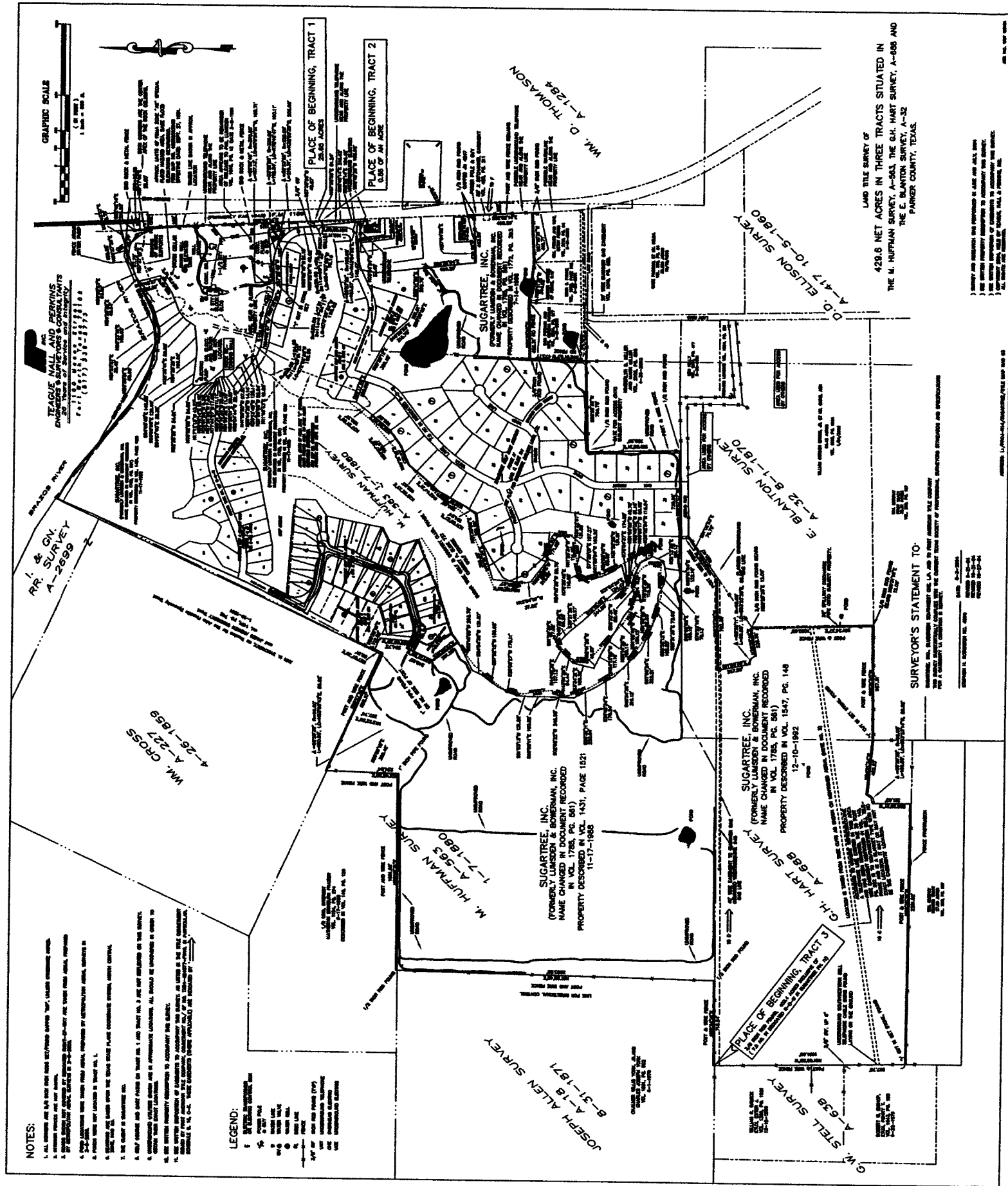
Date: 3/17/05

BLUEGREEN SOUTHWEST ONE, L. P.
by its General Partner
BLUEGREEN SOUTHWEST LAND, INC.

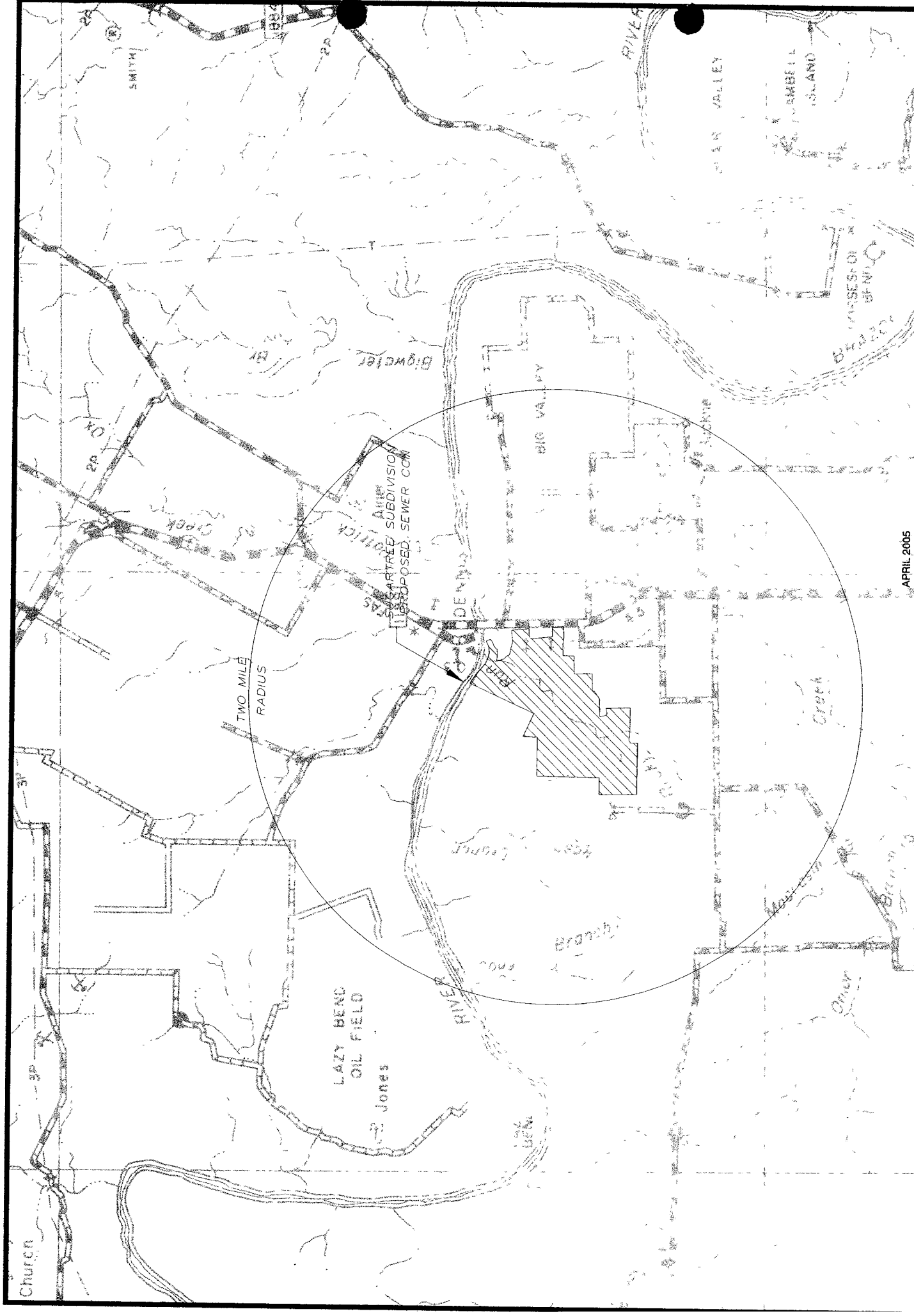
By: 
Terrell R. Jones,
Vice President

Date: 3/17/05

Attachment C
Plat Map
Item 2ei



Attach
CEQ Offici
Item



APRIL 2005

Scale



SOUTH CENTRAL WATER COMPANY PROPOSED SEWER CCN

PO BOX 570177
HOUSTON TEXAS 77257-0177
713 763-6611
FAX 713-763-6321

**Attach
Sewer Systems with
Iter**

**NOTE NO SYSTEM
FILES OF THE PRO**

Attachment F
South Central Water Company's
Approved Sewer Tariff

SEWER UTILIT

FOR

South Central Water Company
Houston, Texas 77257

This tariff is effective for utility operations under the f
Necessity:

20964

This tariff is effective in the following county(ies):

Liberty and Harris Counties

This tariff is effective in the following cities or unincor

None

This tariff is effective for the following subdivisions an

Steamboat Springs: WQ 12344-001

TABLE OF CON

The above utility lists the following sections of its tariff (all pages should be numbered consecutively):

SECTION

1.0 RATE SCHEDULE
2.0 SERVICE RULES
3.0 EXTENSION POLICY

APPENDIX A SERVICE AGREEMENT

SECTION 1.0-RATE SCHEDULESection 1.01-Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
Residential	<u>\$25.00</u> (Including -0- Gallons)	<u>\$2.00</u> per 1000 gal.
Commercial and Other (based upon water meter size):		
5/8" x 3/4"	<u>\$25.00</u> (Including -0- Gallons)	<u>\$2.00</u> per 1000 gal.
3/4"	<u>\$37.50</u>	same for all meter sizes
1"	<u>\$62.50</u>	
1 1/2"	<u>\$125.00</u>	
2"	<u>\$200.00</u>	
3"	<u>\$375.00</u>	
4"	<u>\$750.00</u>	
6"	<u>\$1562.50</u>	

Gallage charges for individual residential customers shall be calculated based upon their average metered water consumption for the winter months of December, January, and February. Where an individual residential customer requests service at a location that does not have a winter consumption history, that customer shall be imputed with a monthly gallage rate of 8,000 gallons until a winter usage average is established. Gallage charges for non-residential customers, including associations of residential customers, shall be calculated using their actual monthly-metered water consumption without winter averaging.

DEVELOPER OPERATING CHARGE: A developer requesting the construction of a new utility system who does not pay all of the cost of plant constructed to serve that development shall be billed each month for the incremental difference between the revenues collected for utility services rendered and \$2,500 or other amount mutually agreed to. This charge shall cease when utility service revenues collected from consumers in that new development exceed \$1,500 for three consecutive months excluding July through September or five consecutive months including July through September. This charge shall be implemented only where the developer voluntarily agrees to pay it in a service, construction or extension contract.

**RATES LISTED ARE EFFECTIVE ONLY IF
THIS PAGE HAS TCEQ APPROVAL STAMP**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

345050 CGN 2096 REC-20

APPROVED TARIFF BY DR

SECTION 1.0-RATE SCHEDULE (Continued)

OF PAYMENT: The utility will accept the following forms of payment :
Check x , Money Order x , Discover , MasterCard , Visa
(THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT
PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE
GIVEN FOR CASH PAYMENTS.)

ATORY ASSESSMENT FEE 1%
REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL SEWER
SERVICE ONLY. SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER.

.02-Miscellaneous Fees

NTIAL TAP FEE (Gravity) \$650.00
HE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS
ND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS ROAD BORES AND OTHER
XTRAORDINARY COST PERMITTED BY 30 TAC291.86(a)(1)(A)-(C).

NTIAL TAP FEE (Pressure) \$1140.00
HE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS
ND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS ROAD BORES AND OTHER
XTRAORDINARY COST PERMITTED BY 30 TAC291.86(a)(1)(A)-(C).

ERIAL TAP FEE Actual Cost

SECTION FEE
HE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A
USTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

-) Non payment of bill (Maximum \$25.00) \$25.00
 -) Customer's request \$45.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

FER FEE \$45.00
HE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME
ERVICE LOCATION WHERE THE SERVICE IS NOT DISCONNECTED.

LISTED ARE EFFECTIVE ONLY IF
AGE HAS TCEQ APPROVAL STAMP

TEXAS COM. ON ENVIRONMENTAL QUALITY

54566 CCN 2096 AUG 3 04

APPROVED TARIFF BY L. J. P.

SECTION 1.0--RATE SCHEDULE (Continued)

LATE CHARGE **\$5.00**
 A ONE TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE **\$25.00**
 RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT (Maximum \$50) **\$50.00**

NON-RESIDENTIAL DEPOSIT 1/6th est. annual bill

SEASONAL RECONNECT FEE: Monthly minimum bill for meter size for each month of disconnection not to exceed six months for voluntary disconnection and reconnection within 12 months or involuntary disconnection over 45 days.

LINE EXTENSION AND CONSTRUCTION CHARGES: Refer to Section 2.20 Specific Utility Service Rules.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

Increases in inspection fees and testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions on 30 T.A.C. 291.21(k)(2) after notice to the public and the TCEQ.

PURCHASED SEWAGE TREATMENT PASS THROUGH:

Changes in fees imposed by any non-affiliate wholesale sewer treatment supplier shall be passed through as an adjustment to the gallonage charge according to the formula:

$$AG = G + B / (1 - L), \text{ Where:}$$

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved per 1,000 gallon gallonage charge

B = change in district fee (per 1,000 gallons)

L = system average line loss for preceding 12 months, not to exceed 0.15

To implement or modify the Purchased Sewer Treatment Fee, the utility must comply with all notice and other requirements of 30 TAC 291.21(h).

**RATES LISTED ARE EFFECTIVE ONLY IF
 THIS PAGE HAS TCEQ APPROVAL STAMP**

TEXAS COM. ON ENVIRONMENTAL QUALITY

345660 CCN-2096-MS 20

APPROVED TARIFF BY SL/LR

TOTAL P.10

Attachment G
Core Data Form

TNRCC Core Data Form

SECTION I: General Information

1. Reason for Submission <i>Example: new wastewater permit; IHW registration; change in customer information; etc.</i> CCN Amendment Application	
2. Attachments <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Describe Any Attachments: (ex: Title V Application, Waste Transporter Application, etc.) none
CN 01612962 (9 digits)	RN Not Issued (9 digits)

SECTION II: Customer Information

5. Customer Role (Proposed or Actual) – As It Relates to the Regulated Entity Listed on This Form Please check <u>one</u> of the following: <input type="checkbox"/> Owner <input type="checkbox"/> Operator <input checked="" type="checkbox"/> Owner and Operator <input type="checkbox"/> Occupational Licensee <input type="checkbox"/> Volunteer Cleanup Applicant <input type="checkbox"/> Other: _____			
6. General Customer Information <input type="checkbox"/> New Customer <input checked="" type="checkbox"/> Change to Customer Information <input type="checkbox"/> Change in Regulated Entity Ownership <input type="checkbox"/> No Change* *If "No Change" and Section I is complete, skip to Section III - Regulated Entity Information.			
7. Type of Customer: <input type="checkbox"/> Individual <input type="checkbox"/> Sole Proprietorship - D.B.A. <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Federal Government <input type="checkbox"/> State Government <input type="checkbox"/> County Government <input type="checkbox"/> City Government Other Government _____			
8. Customer Name (If an individual, please print last name first) South Central Water Company			
9. Mailing Address: Po Box 570177 City: Houston State: TX ZIP: 77257 ZIP + 4: 6321			
10. Country Mailing Information if outside USA		11. E-Mail Address if applicable	
12. Telephone Number (713) 783 - 6611		13. Extension or Code	14. Fax Number if applicable (713) 783 - 6321
15. Federal Tax ID (9 digits)	16. State Franchise Tax ID Number if applicable 01612962		17. DUNS Number if applicable (9 digits)
18. Number of Employees <input checked="" type="checkbox"/> 0-20 <input type="checkbox"/> 21-100 <input type="checkbox"/> 101-250 <input type="checkbox"/> 251-500 <input type="checkbox"/> 501 and higher			19. Independently Owned and Operated? <input type="checkbox"/> YES <input type="checkbox"/> NO

SECTION III: Regulated Entity Information

20. General Regulated Entity Information <input checked="" type="checkbox"/> New Regulated Entity <input type="checkbox"/> Change to Regulated Entity Information <input type="checkbox"/> No Change* *If "No Change" and Section I is complete, skip to Section IV - Preparer Information.
21. Regulated Entity Name (If an individual, please print last name first) Pine Trace

22. Street Address: Not Known					
(No P.O. Boxes)					
City			State	ZIP	ZIP + 4
23. Mailing Address					
City			State	ZIP	ZIP + 4
24. E-Mail Address:					
25. Telephone Number			26. Extension or Code	27. Fax Number if applicable	
(713) 783 - 6611				(713) 783 - 6321	
28. Primary SIC Code (4 digits) 4952	29. Secondary SIC Code (4 digits)	30. Primary NAICS Code (5 or 6 digits)		31. Secondary NAICS Code (5 or 6 digits)	
32. What is the Primary Business of this entity? (Please do not repeat the SIC or NAICS description.) Water Utility					
<i>Questions 33 - 37 address geographic location. Please refer to the instructions for applicability.</i>					
33. County: Parker County					
34. Description of Physical Location Sugartree Subdivision is located SW of the intersection of the Brazos River and FM 1189 in Parker County					
35. Nearest City Weatherford			State TX	Nearest ZIP	
36. Latitude (N)			37. Longitude (W)		
Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
32	36	41	97	55	36
38. TNRCC Programs In Which This Regulated Entity Participates <i>Not all programs have been listed. Please add to this list as needed. If you don't know or are unsure, please mark "unknown."</i>					
<input type="checkbox"/> Animal Feeding Operation		<input type="checkbox"/> Petroleum Storage Tank		<input type="checkbox"/> Water Rights	
<input type="checkbox"/> Title V – Air		<input checked="" type="checkbox"/> Wastewater Permit		<input type="checkbox"/>	
<input type="checkbox"/> Industrial & Hazardous Waste		<input type="checkbox"/> Water Districts		<input type="checkbox"/>	
<input type="checkbox"/> Municipal Solid Waste		<input type="checkbox"/> Water Utilities		<input type="checkbox"/> Unknown	
<input type="checkbox"/> New Source Review - Air		<input type="checkbox"/> Licensing - TYPE(s) _____			

SECTION IV: Preparer Information

39. Name Jeff Goebel			40. Title		
41. Telephone Number (713) 783 - 6611		42. Extension or Code	43. Fax Number if applicable (713) 783 - 6321		
44. E-Mail Address: texaswater@sbcglobal.net					

OVERSIZED MAP(S)

TO VIEW OVERSIZED MAP(S)
PLEASE GO TO
CENTRAL RECORDS

FOR ANY QUESTIONS
PLEASE CALL **CR** MAIN LINE
(512) 936-7180