

Re- AKERMAN SENTERFITT
106 E COLLEGE AVE #1200
TALLAHASSEE, FL 32301

INTERLOCAL AGREEMENT
RELATING TO THE ESTABLISHMENT
OF THE
WATER COOPERATIVE OF CENTRAL FLORIDA

DESTROY DATE: **RECORD COPY**
NILSA C. DIAZ

By and Among

THE CITY OF ST. CLOUD, FLORIDA,
TOHOPEKALIGA WATER AUTHORITY,
ORANGE COUNTY, FLORIDA,

and

POLK COUNTY, FLORIDA

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Preamble

This Interlocal Agreement provides a mechanism for innovative regional cooperation amongst special purpose and general purpose local governments. This Interlocal Agreement creates the charter for a separate legal entity entitled the Water Cooperative of Central Florida or Cooperative to serve these regional purposes. Capitalized terms used in this preamble shall have the meaning ascribed to those terms in the definitions section of this Interlocal Agreement.

Employing this mechanism is intentionally and severely restrained as follows: the Cooperative is an entity tasked with evaluating, planning and implementing various Water Projects on a unanimous basis; only Water Projects approved by each and all of the local governments who are the members of the Cooperative will be advanced; and, any Non-Member Local Government must also approve the Water Project if it is within its jurisdiction.

By requiring unanimous approval of any Water Project by the Member Governments before undertaking planning, and by requiring approval by any Non-Member Local Government before a Water Project is implemented within its jurisdiction, the potential for disputes or conflicts amongst local governments is diminished. As well, such unanimous approval greatly advances the potential success, credibility and efficiency of any Water Project.

The required approval of Non-Member Local Governments in this Interlocal Agreement will not constrain, prohibit or otherwise impede any local government executing this Interlocal Agreement or any other party, public or private, from separately or independently undertaking or attempting to implement any project not embraced by the Cooperative.

Accordingly, because of the severe constraints to the exercise of powers of the Cooperative emanating from the approval process for any Water Project undertaken, the powers and abilities articulated in this Interlocal Agreement are broad and far-reaching. This is done intentionally so that when such extraordinary agreement relative to any single Water Project is achieved, the Cooperative can be the most efficient and effective means to carry out such regional undertakings and objectives.

**INTERLOCAL AGREEMENT
RELATING TO THE ESTABLISHMENT OF THE
WATER COOPERATIVE OF CENTRAL FLORIDA**

THIS INTERLOCAL AGREEMENT (the “Interlocal Agreement”) is made and entered into as of the Effective Date as hereinafter defined, by and among the City of St. Cloud, Florida (“St. Cloud”), a municipal corporation, whose address is 1300 Ninth Street, St. Cloud, Florida 34769, the Tohopekaliga Water Authority (“TWA”), an independent special district established and created pursuant to Chapter 189, Florida Statutes, by special act of the Florida Legislature, Chapter 2003-368, Laws of Florida, whose address is 951 MLK, Jr. Boulevard, Kissimmee, Florida 34741, Orange County (“Orange County”), a charter county and political subdivision of the State of Florida, whose address is P.O. Box 1393, Orlando, Florida 32802-1393, and Polk County (“Polk County”), a charter county and political subdivision of the State of Florida, whose address is P.O. Box 9005, Bartow, Florida 33831-9005, individually also referred to as a “Party” and collectively referred to as the “Parties.”

THE PURPOSE of this Interlocal Agreement is to create and establish a legal entity, public body and unit of local government, pursuant to Section 163.01(7)(g), Florida Statutes, with all of the privileges, benefits, powers and terms provided for herein and by law.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration each to the other, receipt of which is hereby acknowledged by each Party, St. Cloud, TWA, Orange County, and Polk County hereby agree, stipulate and covenant as follows:

ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Interlocal Agreement, the following terms shall have the following meanings unless the context clearly requires otherwise:

“Approved Projects List” means the master list of Approved Water Projects, more particularly described in Section 2.09(A)(3).

“Approved Water Project” means a Water Project that is approved for implementation, under the process of approval more particularly described in Section 2.09(A)(3).

“Board of Supervisors” means the governing body of the Cooperative constituted and empowered as provided in Section 2.02, and other provisions of this Interlocal Agreement.

“Candidate Projects List” means the master list of Candidate Water Projects, more particularly described in Section 2.09(A)(2).

“Candidate Water Project” means a Water Project deemed ready for assessment and evaluation for implementation under the process more particularly described in Section 2.09(A)(2).

“Cooperative” means the Water Cooperative of Central Florida and, unless the context indicates otherwise, means the separate legal entity created by this Interlocal Agreement and identified in Section 2.01 to be known as the Cooperative.

“Cooperative Facilities” means the Cooperative’s potable and non-potable water resources, reinfiltration, collection, production, pumping, treatment, transmission, distribution and other public facilities, and property of any kind or nature, as they may be modified, improved or expanded from time to time, which are owned, leased, operated, managed and or used or contracted for use, in whole or in part, by the Cooperative to collect, obtain, treat, hold,

store, conserve, reuse, share or distribute water. In this context, the term may also include wastewater, stormwater reuse/harvest or reclaimed water facilities. Cooperative Facilities shall include all property, real or personal, tangible or intangible, now or hereafter owned, leased, operated or managed by the Cooperative.

“Cost” when used in connection with a Water Project means (A) the Cooperative’s costs of feasibility studies, permitting, design, construction or installation; (B) costs of transfer or acquisition by or for the Cooperative of such Water Project; (C) costs of land, equipment, fixtures or chattel and interests thereon or therein and the cost of the Cooperative incidental to such transfer or acquisition; (D) the costs of any indemnity and or surety bonds and premiums for insurance during construction or installation; (E) all interest due to be paid on the Obligations relating to any Water Project during the period of acquisition and construction of such Water Project and for periods subsequent to completion of acquisition and construction as the Board of Supervisors may determine by resolution; (F) engineering, legal and other consulting fees and expenses; (G) costs and expenses of the financing incurred for such Water Project, including without limitation, audits, fees and expenses of any paying agent, registrar, trustee, consultants, attorneys, engineers, financial advisors, credit enhancers or depository; (H) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any interim or temporary indebtedness incurred for such Water Project; (I) costs of machinery, equipment, supplies and spare parts required by the Cooperative for the commencement of operation of such Water Project or continuation of operation of such Water Project; and (J) any other costs properly attributable to such Water Project or to the issuance of Obligations that finance such Water Project, as determined by generally accepted accounting principles applicable to such Water Project, and may include reimbursement to the Cooperative or a local

government for any such items of cost advanced, incurred or paid by the Cooperative or a local government prior to issuance of the Obligations issued to finance or acquire such Water Project. Additional items of cost may be provided pursuant to the Financing Documents.

“Effective Date” means the first day of the month that begins after any three Parties execute and file this Interlocal Agreement in the public records of each county where the Parties that signed this Interlocal Agreement are located.

“Financing Documents” means the resolution or resolutions duly adopted by the Cooperative, as well as any indenture of trust, trust agreement, interlocal agreement or other instrument relating to the issuance or security of any bond or obligations of the Cooperative.

“Interlocal Agreement” means this Interlocal Agreement including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

“Member Government” means a local government that is a member of the Cooperative, admitted to membership pursuant to the terms of this Interlocal Agreement and by binding execution of this Interlocal Agreement.

“Nominated Projects List” means the master list of Nominated Water Projects, more particularly described in Section 2.09(A)(1).

“Nominated Water Project” means a Water Project initially submitted to the Board of Supervisors for consideration under the process of review more particularly described in Section 2.09(A)(1).

“Non-Member Local Government” means any general purpose local government having jurisdiction over all or a portion of a Water Project that is proposed or implemented. The term does not include any of the following: (A) any Member Government, (B) any local

government whose sole nexus to a Water Project is governmental control over right-of-way installations, and, (C) any county, to the extent a Water Project is within a municipality.

“Obligations” means bonds, obligations or other evidence of indebtedness, including, but not limited to, notes, commercial paper, capital leases or any other obligations of the Cooperative issued or incurred hereunder, or under any general law provisions, and pursuant to the Financing Documents. The term shall also include any lawful obligation committed to by the Cooperative pursuant to agreement including, but not limited to, an interlocal agreement with another governmental body or agency.

“Orange County” means Orange County, a charter county and political subdivision of the State of Florida, or, when the context requires, its geographic boundaries.

“Pledged Funds” means (A) the revenues, fees, charges, contract revenues, interlocal obligations and or other moneys received by the Cooperative or its designee relating to its ownership or operation of the Cooperative Facilities, or some portion thereof, (B) until applied in accordance with the terms of the Financing Documents, all moneys in the funds, accounts and sub-accounts established thereby, including investments therein, and (C) such other property, assets and moneys of the Cooperative as shall be pledged pursuant to the Financing Documents; in each case to the extent provided by the Board of Supervisors pursuant to the Financing Documents. The Pledged Funds pledged to one series of Obligations may be different than the Pledged Funds pledged to other series of Obligations. Pledged Funds shall not include any ad valorem tax revenues or general fund account of the Cooperative.

“Polk County” means Polk County, a charter county and political subdivision of the State of Florida, or, when the context requires, its geographic boundaries.

“Reedy Creek Improvement District” or “RCID” means the independent special district created pursuant to Chapter 67-764, Laws of Florida, or when the context requires its geographic boundaries.

“St. Cloud” means the City of St. Cloud, a municipal corporation duly organized and validly existing under the laws of the State of Florida, or, when the context requires, its geographic boundaries.

“Supervisor” means a member of the Board of Supervisors of the Cooperative.

“Tohopekaliga Water Authority” or “TWA” means the Tohopekaliga Water Authority, an independent special district, established and created pursuant to Chapter 189, Florida Statutes, by special act of the Florida Legislature, Chapter 2003-368, Laws of Florida, or, when the context requires, its geographic boundaries or authorized service areas.

“Water Management District” means any one or any combination of the Northwest Florida Water Management District (“NFWMD”), the Suwannee River Water Management District (“SRWMD”), the St. Johns River Water Management District (“SJRWMD”), the Southwest Florida Water Management District (“SWFWMD”), and or the South Florida Water Management District (“SFWMD”) as the context reasonably requires, which are public corporations of the State of Florida, created and existing pursuant to Chapter 373, Florida Statutes.

“Water Project” means the use, acquisition or transfer of any water collection, holding, storage, pumping, treatment, transmission, distribution, conservation or disposal facility, or system, or any related assets thereof (including real or personal property), or the securing of the right to collect, obtain, hold, store, treat, conserve, reuse, share, distribute or provide water or related service as provided for in one or more implementation agreements to which the

Cooperative and any governmental body are a party. The term may include wastewater, stormwater or reclaimed water structures, properties or facilities of any kind or nature. The term does not include facilities for local distribution. As the context requires, a Water Project may be a Nominated Water Project, a Candidate Water Project, or an Approved Water Project, as those terms are further defined in this Interlocal Agreement. This term is to be broadly construed so as to include the lawful undertaking that will accrue, or is reasonably expected to accrue, to the benefit or furtherance of the Cooperative Facilities, including joint ventures and acquisitions of partial interests or contractual rights.

SECTION 1.02. CONSTRUCTION.

(A) Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. Term “day” shall refer to a calendar day. The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms, shall refer to this Interlocal Agreement; the term “heretofore” shall mean before the date this Interlocal Agreement is executed; and the term “hereafter” shall mean after the Effective Date of this Interlocal Agreement. References to articles and sections shall refer to the provisions of this Interlocal Agreement unless expressly referenced otherwise.

(B) Each recital, covenant, agreement, representation and warranty made by a Party shall be deemed to have been material and to have been relied on by the other parties to this Interlocal Agreement. All of the Parties have participated in the drafting and preparation of this Interlocal Agreement; and, the Cooperative is the resulting separate legal entity created and established by the authors hereof. The provisions hereof shall not be construed for or against any Party or the Cooperative by reason of authorship.

SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Interlocal Agreement and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Interlocal Agreement nor affect its meaning, construction or effect.

SECTION 1.04. FINDINGS. The Parties find and determine that:

(A) The growth of population and attendant commerce throughout Orange, Osceola and Polk counties have caused the Parties to recognize the need to consider, advance and develop an effective regional approach to the governmental conservation, use, delivery and provision of potable and non-potable water facilities systems, the protection of the environment and the efficient innovative and cooperative use of valuable water resources.

(B) The establishment of the Cooperative demonstrates an appreciation of the comprehensive planning requirements of Chapter 163, Florida Statutes, and the beneficial use policy declarations of Chapter 373, Florida Statutes, which mandate that local governments and Water Management Districts coordinate their plans for future growth with available resources, funding constraints and thoughtful delivery of infrastructure.

(C) It is in the public interest to create a separate legal entity that can carry out Water Projects to provide economies of scale, eliminate duplicative functions and expenditures, and protect the local and regional environment.

(D) This Interlocal Agreement constitutes a joint exercise of power, privilege or authority by and between the Member Governments and shall be deemed to be an "interlocal agreement" within the meaning of the Florida Interlocal Cooperation Act of 1969, as amended.

(E) This Interlocal Agreement is for the purpose of advancing and cooperatively developing essential public functions and shall be liberally construed to effect the purposes hereof. This Interlocal Agreement shall be deemed to be supplemental to any other powers available by law.

(F) The Parties have and the Cooperative will have upon its formation on the Effective Date of this Interlocal Agreement the power to enter into agreements with each other and to join with each other and other governmental entities in the exercise of common powers.

(G) The Parties each own and operate extensive water, wastewater, reuse, collection and distribution systems and treatment facilities within Orange, Osceola and Polk counties.

(H) The Cooperative and each Member Government aspire and expect to cooperate with each other over time to advance regional water supply planning and avoid competition for water supplies. This Interlocal Agreement provides a means and ability to achieve such objectives.

ARTICLE II

THE COOPERATIVE

SECTION 2.01. ESTABLISHMENT AND CREATION.

(A) There is hereby created and established the "Water Cooperative of Central Florida," a legal entity and public body and unit of local government with all of the privileges, benefits, powers and terms provided for herein and by law, including without limitation, Section 163.01(7)(g) and Chapter 189, Florida Statutes.

(B) Membership in the Cooperative shall initially consist of no less than three of the following: St. Cloud, TWA, Orange County, and Polk County. Provided, however, that within two (2) years of the Effective Date of this Interlocal Agreement, the RCID or any entity listed

above in this Section 2.01 (B) that did not sign this Interlocal Agreement before the Effective Date shall be admitted by amendment hereto upon the written request of the entity seeking admission. Said amendment need only be executed by the Party seeking admission and the Cooperative. The Cooperative shall not withhold such approval or execution. At any time after the Effective Date of this Interlocal Agreement, to the extent permitted by Chapter 163, Florida Statutes, and this Interlocal Agreement, additional members, including but not limited to RCID and any entity listed above in this Section 2.01(B) who did not join within the period specified above, may be admitted by amendment hereto approved unanimously by the Member Governments and the Board of Supervisors. No entity shall be admitted to the Cooperative unless it is a municipality or county or other government permitted by Chapter 163, Florida Statutes.

(C) A Member Government may withdraw upon 30 days written notice as provided herein accompanied by a copy of a duly adopted resolution from its governing body. Upon issuance of written notice, the withdrawing Member Government may only participate in decisions pertaining to matters in existence prior to issuance of the notice. Upon withdrawal, a former Member Government shall have no further rights as a member under this Interlocal Agreement. Withdrawal shall not relieve any Member Government from any obligation or responsibility under any Water Project implementation agreement to which it is a party. In order to effectuate its withdrawal from the Cooperative, the withdrawing Member Government shall file its resolution and notice of withdrawal with the Cooperative, and record its resolution and notice of withdrawal in the official records of the counties where a Member Government is located, including the departing Member Government.

(D) The purpose of the Cooperative shall be to perform such acts as shall be necessary to effectuate the purpose of this Interlocal Agreement and for the sound planning, acquisition, development, management, operation, improvement, and maintenance of Water Projects, including all business or associated facilities necessary and incidental thereto.

SECTION 2.02. GOVERNING BODY.

(A) Except where this Interlocal Agreement expressly requires approval of an action by the Member Governments, all powers, privileges, and duties vested in or imposed on the Cooperative shall be exercised and performed by and through the governing body of the Cooperative to be known as the Board of Supervisors; provided, however, that the exercise of any and all executive, administrative and ministerial powers may be delegated by the Board of Supervisors to the Cooperative's executive director or general counsel.

(B) The Board of Supervisors shall consist of one Supervisor appointed by each Member Government. Within 45 days of the Effective Date, or its later admission, each Member Government shall provide the Cooperative with a resolution identifying the appointment and term of its Supervisor. The Supervisor representing Orange County shall be the Orange County Mayor or such member of the board of county commissioners the Mayor shall designate.

(C) Each Supervisor shall be at all times a duly authorized and sitting member of a Member Government. Each Member Government shall appoint its Supervisor for a term deemed appropriate by the Member Government, but not less than one year. Reappointments shall be made when necessary to ensure continuous representation of the Member Governments. Appointment to the Board of Supervisors shall be effective only for so long as the appointing government is a Member Government.

(D) Appointment to the Board of Supervisors does not implicate dual office prohibitions of Art. II (5)(a), Fla. Const., in that the Cooperative is a separate legal entity, and is not a dependent district as such term is defined in Section 189.40(2), Florida Statutes, but rather a local unit of a special purpose government created for all purposes set forth in Section 163.01(7)(g) and Chapter 189, Florida Statutes.

(E) The Board of Supervisors shall elect a chairman, a vice-chairman, a secretary, and such other officers of the Cooperative as it deems fit, each of whom shall serve for an initial term of one (1) year and such additional time as may transpire between the completion of one (1) year and October 1. After the initial term, officers shall serve one year terms during the cycle October 1 to September 30. If a vacancy occurs in any office (e.g., chairman, vice-chairman, etc.), the Board of Supervisors shall elect from one of the Member Government-appointed Supervisors a replacement to serve the balance of the unexpired term.

(F) The chairman shall conduct the meetings of the Cooperative and perform such other functions as herein provided. The chairman and vice-chairman shall take such actions, and have all such powers and sign all documents on behalf of the Cooperative in furtherance of this Interlocal Agreement or as may be approved by resolution of the Board of Supervisors adopted at a duly called meeting. The vice-chairman, in the chairman's absence, shall preside at all meetings. If neither the chairman nor the vice-chairman attends a meeting at which a quorum is present, the Supervisors present may elect one of their own to serve as chairman pro-tem for that meeting.

(G) The secretary, or the secretary's designee, shall keep minutes of all meetings, proceedings and acts of the Board of Supervisors, but such minutes need not be verbatim. Copies of all minutes of the meetings of the Cooperative shall promptly be sent by the secretary,

or the secretary's designee, to all Supervisors, to each Member Government, and to any Non-Member Government that has consented to a Water Project within its boundaries. The secretary may also attest to the execution of documents. The Board of Supervisors may designate one or more persons who are not members of the Board of Supervisors to act as an assistant secretary for the purpose of attesting to the execution of documents. The secretary and any assistant secretary shall have such other powers as may be approved by resolution of the Board of Supervisors.

(H) The Board of Supervisors shall appoint a person or entity to act as its executive director having such official title, functions, duties, and powers as the Board of Supervisors may prescribe. The Board of Supervisors shall appoint a person or entity to act as the general counsel for the Cooperative. The executive director and general counsel shall each answer directly to the Board of Supervisors. The executive director may be provided by or otherwise be employed or retained by a Member Government, provided, however, that a sitting Supervisor shall not be eligible to serve as executive director or general counsel to the Cooperative.

(I) The Board of Supervisors shall have those administrative duties set forth in this Interlocal Agreement and Chapter 189, Florida Statutes, as the same may be amended from time to time. Any certificate, resolution or instrument signed by the chairman, vice-chairman or such other person of the Cooperative as may hereafter be designated and authorized by the Board of Supervisors shall be evidence of the action of the Cooperative and any such certificate, resolution or other instrument so signed shall be conclusively be presumed to be authentic.

(J) Supervisors shall serve voluntarily and shall not receive compensation for service. Supervisors may be reimbursed for expenses as provided in Section 112.061, Florida Statutes, as

approved by the Board of Supervisors exclusively for travel on Cooperative business, excluding regularly scheduled board meetings.

(K) A majority of the Board of Supervisors shall constitute a quorum for the transaction of business of the Cooperative. The affirmative vote of the majority of the Supervisors present (exclusive of any member having a declared conflict) shall be necessary to transact business; provided, however, that a majority shall not be sufficient to act on matters that require unanimous approval by the Board of Supervisors, as provided in this Interlocal Agreement.

SECTION 2.03. MEETINGS; NOTICE; REGISTERED AGENT AND OFFICE. The Board of Supervisors shall designate a registered agent and office and hold meetings pursuant to Sections 189.416 and 189.417, Florida Statutes.

SECTION 2.04. REPORTS; BUDGETS; AUDITS. The Cooperative shall prepare and submit reports, budgets and audits as provided by law in Sections 189.415, 189.417, 189.418, and 218.39, Florida Statutes. The Board of Supervisors shall provide each Member Government with a notice of its intention to adopt the budget along with a copy of the tentative budget no later than thirty days prior to the budget hearing. The Cooperative's duly adopted final budget shall also be transmitted to or filed annually with the clerk or other similar official for each Member Government.

SECTION 2.05. COOPERATIVE POWERS, FUNCTIONS AND DUTIES; LIMITATIONS.

(A) The Cooperative shall have all powers to carry out the purposes of this Interlocal Agreement and the functions and duties provided for herein, including the following powers,

which shall be in addition to and supplementing any other privileges, benefits and powers granted by this Interlocal Agreement or by law:

(1) to acquire water and water rights, and to develop, store, and transport water, and sell water in the manner provided herein;

(2) to acquire, construct, own, lease, operate, manage, maintain, dispose of, improve and expand the Cooperative Facilities, and to have the exclusive control and jurisdiction thereof;

(3) to acquire, by purchase, gift, devise or otherwise, real property, or any estate, rights and interests therein, including lands under water, littoral rights, and riparian rights; and to acquire, by purchase, gift, devise or otherwise, such personal property as the Cooperative may deem necessary and appropriate in connection with the acquisition, construction, ownership, expansion, improvement, operation and maintenance of the Cooperative Facilities; and to hold and dispose of all real and personal property under its control; the power of eminent domain, to the maximum extent available (except that the power of eminent domain shall not be available to acquire any property owned or controlled by any Member Government), may be exercised by the Cooperative for the purpose of carrying out the purpose of this Interlocal Agreement;

(4) to lease, as lessor or lessee, to or from any person, firm, corporation, association, or body, public or private, facilities or properties of any nature for the use of the Cooperative to carry out any of the purposes authorized by this Interlocal Agreement;

(5) to make and execute contracts or other instruments necessary or convenient to the exercise of the powers of the Cooperative;

(6) to contract with one or more public corporations for the purpose of carrying out any of the powers of the Cooperative and for that purpose to contract with one or

more public or private corporations for the purpose of financing such acquisitions, construction, and operations;

(7) to contract for the service of engineers, accountants, attorneys and other experts or consultants, and such other agents and employees as the Board of Supervisors may require or deem appropriate from time to time;

(8) to contract with a Member Government or any private or public entity for the operation and management of any Cooperative Facility;

(9) to collect rates, fees and charges from public or private corporations, the state or its agencies, the federal government or any other entities for the use or provision of Cooperative Facilities or services;

(10) to use any lawful means of enforcement available to the Cooperative to require and enforce the performance of any entity or person as required by or in conjunction with any agreement related to a Water Project;

(11) to adopt by resolution all necessary standards, rules and regulations that provide design and construction specifications and procedures associated with the Cooperative Facilities; the Cooperative may require as condition precedent to the approval of any connection to Cooperative Facilities (a) any infrastructure necessary to serve a particular user, and necessary easements, be approved by and dedicated to the Cooperative, and (b) surety bonds or other guarantees from any user to assure completion of construction in compliance with any standards, rules and regulations adopted by the Cooperative;

(12) to provide water and wastewater treatment and disposal and develop, receive, recover, treat, store, and supply potable and non-potable water on a wholesale or bulk-service basis;

(13) to accomplish construction directly, through contracts, or by letting construction contracts to other entities, whether public or private, for all or any part of the acquisition, installation or construction of improvements that may comprise Cooperative Facilities in accordance with applicable law and as determined by the Board of Supervisors;

(14) subject to such provisions and restrictions as may be set forth in Financing Documents, to enter into contracts with the government of the United States or any agency or instrumentality thereof, the State, or with any municipality, county, district, authority, political subdivision, private corporation, partnership, association or individual providing for or relating to the treatment, collection and disposal of wastewater, or the treatment, supply and distribution of reuse or reclaimed water and any other matters relevant thereto or otherwise necessary to effect the purposes of this Interlocal Agreement;

(15) to apply for, receive and accept from any governmental agency, grants, subsidies, or loans for or in aid of the planning, acquisition, construction, reconstruction, operation and maintenance, or financing of Cooperative Facilities and improvements, additions or extensions thereto; and to receive and accept aid or contributions or loans from any other source of either money, labor or other things of value, to be held, used and applied only for the purpose for which such grants, contributions or loans may be made;

(16) to purchase, assume the ownership, lease, operation, management and or control of any publicly or privately owned water, reuse or reclaimed water or wastewater collection, distribution, conservation, treatment, disposal or similar facilities of every kind or nature, including the assumption, defeasance or payment of the financial liabilities associated with such water related facilities;

(17) to appoint advisory boards and committees to assist the Board of Supervisors in the exercise and performance of the powers and duties provided in this Interlocal Agreement;

(18) to adopt and use a seal and authorize use of a facsimile thereof;

(19) to sue and be sued in its own name;

(20) subject to such provisions and restrictions in Financing Documents, to sell or otherwise dispose of the Cooperative Facilities, or any portion thereof, upon such terms as the Board of Supervisors deems appropriate;

(21) to engage and or employ persons or legal entities and provide such deferred compensation, retirement benefits or other benefits or programs, as the Board of Supervisors deems appropriate;

(22) to maintain an office or offices at such place or places as the Board of Supervisors may designate;

(23) to borrow money and issue bonds, certificates, warrants, notes, obligations or other evidence of indebtedness; to enter into interest rate swaps, caps, collars, and any other financial instruments for the purpose of hedging or managing interest rates;

(24) to the extent allowed by law and to the extent required to effectuate the purposes of this Interlocal Agreement, to exercise all privileges, immunities and exemptions accorded municipalities and counties of the State under the provisions of the constitution and laws of the State;

(25) to invest its moneys in such investments as directed by the Board of Supervisors in accordance with State law and that shall be consistent in all instances with the applicable provisions of the Financing Documents;

(26) to purchase such insurance as it deems appropriate;

(27) to develop and update periodically a regional water supply plan encompassing the jurisdictions of the Member Governments, endeavoring to involve the applicable Water Management District(s) in such planning, to include consolidated water demands, water supply resources and facilities, individual and cooperative water supply projects, regional ground water and distribution system modeling and other information to facilitate cooperative regional planning for water supply; and

(28) to do all acts and to exercise all of the powers necessary, convenient, incidental, implied or proper, in connection with any of the powers, duties, obligations or purposes authorized by this Interlocal Agreement or by law.

(B) In exercising the powers conferred by this Interlocal Agreement the Board of Supervisors shall act by resolution or motion made and adopted at duly noticed and publicly held meetings in conformance with applicable law.

(C) Unless otherwise expressly required by law, the provisions of Chapter 120, Florida Statutes, shall not apply to the Cooperative.

(D) Nothing herein shall be construed to grant the Cooperative any jurisdiction to regulate the services or rates of any investor owned utility or any governmental utility.

(E) The Cooperative may exercise any of its rights, powers, privileges and authorities granted herein in any and all portions of any county, municipality, special district or other political subdivision of the State, heretofore or hereafter created or organized.

SECTION 2.06. CREATION OF STATE, COUNTY OR MUNICIPAL DEBTS PROHIBITED. The Cooperative shall not be empowered or authorized in any manner to create a debt, liability or obligation of the State, any county, any municipality, or any other

district or authority and may not pledge the full faith and credit or taxing power of the State, any county, any municipality or any other district or authority. All revenue bonds or debt obligations of the Cooperative shall contain on the face thereof a statement to the effect that they are limited obligations of the Cooperative payable solely from revenues of the Cooperative or the portion thereof expressly pledged thereto and that neither the State nor any county, any municipality, or other district or authority shall be obligated to pay the same or the interest thereon and that neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds. The issuance of revenue or refunding bonds under the provisions of law or this Interlocal Agreement shall not directly or indirectly or contingently obligate the State, any county, any municipality, or any district or authority to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

SECTION 2.07. ADOPTION OF RATES, FEES AND CHARGES; USE OF FUNDS.

(A) The Board of Supervisors shall authorize and adopt by resolution any agreement relating to or schedule of rates, fees or other charges for the use of the services, facilities and products of the Cooperative to be paid by each user that may be connected with or provided service by such Cooperative Facilities. Notwithstanding the foregoing, the Board of Supervisors shall have no authority to change the terms and conditions of any agreement implementing a Water Project without the consent of all Parties to such agreement.

(B) The Board of Supervisors may establish by resolution schedules of separate rates, fees and charges for individual Cooperative Facilities and/or individual portions of any given Cooperative Facility. The Board of Supervisors may establish by resolution differing rates, fees

and charges for services, facilities and products provided by any one or several Cooperative Facilities provided such rates, fees and charges are consistent with applicable law.

(C) Such rates, fees and charges shall be adopted and revised so as to provide moneys, which, with other funds available for such purposes, shall be at least sufficient at all times to pay the expenses of operating, managing, expanding, improving and maintaining the Cooperative Facilities, including renewal and replacement costs and appropriate reserves for such Cooperative Facilities, to pay costs and expenses provided for by law, the Financing Documents, or any applicable interlocal agreements, and to pay the principal and interest on the Obligations as the same shall become due and reserves therefor and to provide a reasonable margin of safety over and above the total amount of such payments. Notwithstanding any other provision in this Interlocal Agreement, such rates, fees and charges shall always be sufficient to comply fully with any covenants contained in the Financing Documents. The Cooperative shall charge and collect such rates, fees and charges so adopted and revised, and such rates, fees and charges shall not be subject to supervision or regulation by any other commission, board, bureau, agency or other political subdivision of the State.

(D) Such rates, fees and charges for each Cooperative Facility or portion thereof shall be just and equitable for the users in the same class and may be based upon or computed upon any factor (including without limitation, the relative contribution of any participants in the development of the Cooperative Facility) or combination of factors affecting the cost and use of the services, products or facilities furnished to the users of such Cooperative Facility or portion thereof, as may be determined by the Board of Supervisors. Except as provided in Section 2.07(G), no rates, fees or charges shall be fixed, adopted or revised under the foregoing provisions of this Section 2.07 until after a duly noticed public hearing at which all of the users

of the Cooperative Facility affected thereby and all other interested persons shall have an opportunity to be heard concerning the proposed rates, fees or charges. Notice of such public hearing setting forth the proposed schedule or schedules of rates, fees or charges shall be given by one publication in a newspaper of general circulation in the areas affected by such proposed rates, fees or charges at least twenty (20) days before the date fixed in such notice for the public hearing, which may be adjourned from time to time. After such hearing, the proposed schedule or schedules, either as initially adopted, or as modified or amended, may be finally adopted.

(E) The rates, fees or charges adopted for any class of users served shall be extended to cover any additional users thereafter served within the same class, without the necessity of any further hearing or notice.

(F) The Board of Supervisors may appoint the executive director, a Supervisor, a committee of Supervisors, and/or a special master to act as a hearing officer to conduct the public hearing or hearings on its behalf relating to rates, fees and charges. The designated hearing officer shall report to the Board of Supervisors findings relating to such public hearing. Only the Board of Supervisors may set or revise rates, fees and charges.

(G) No public hearing shall be required for adoption by the Cooperative by resolution of the rates, fees and charges contained in the rate tariff relating thereto previously approved by the Florida Public Service Commission, or any governmental entity. In the event any rate tariff previously approved by a governmental entity includes a surcharge authorized by Section 180.191, Florida Statutes, or its successor in function, the Cooperative may continue the imposition of any such surcharge provided that the Cooperative incrementally reduces each year thereafter and ultimately discontinues such surcharge within fifteen (15) years of any transfer to the Cooperative.

(H) No subsequent public hearings shall be required to implement a periodic automatic indexing factor after its adoption by the Board of Supervisors applicable to the initial or any revised schedule of rates, fees and charges.

(I) Notwithstanding anything in this Interlocal Agreement to the contrary, no public hearing shall be required for adoption by the Cooperative of any interlocal agreements, Water Project implementation agreements, large-user or similar funding or project agreements.

(J) Notwithstanding anything in this Interlocal Agreement to the contrary, the Cooperative may establish a general fund account into which moneys may be deposited from any rates, fees, charges or other revenues identified by the Board of Supervisors to be established during the budget approval process. Any moneys deposited to such general fund account shall be considered legally available for any lawful purpose approved by the Board of Supervisors that furthers the mission of the Cooperative and may not be pledged beyond any fiscal year of the Cooperative.

(K) The imposition or use of rates, fees and charges herein shall be the subject of covenants, conditions or contractual provisions in a Water Project implementation agreement; provided, however, that following the issuance of Obligations for a given Water Project, the Board of Supervisors shall not approve any amendment to an implementation agreement therefor without the consent of the trustee or holders of the affected Obligations.

SECTION 2.08. BONDS AND OBLIGATIONS.

(A) The Board of Supervisors shall have the power and it is hereby authorized to provide pursuant to the Financing Documents for the issuance, at one time or from time to time in one or more series, of Obligations of the Cooperative, or notes in anticipation thereof, for one or more of the following purposes:

(1) paying all or part of the Cost of one or more Water Projects and and/or Cooperative Facilities;

(2) refunding any bonds or other indebtedness of the Cooperative, or paying costs of terminating any interest rate swap, hedge or other financial interest with respect thereto;

(3) assuming or repaying the indebtedness relating to Cooperative Facilities acquired or leased by the Cooperative from a public or private entity;

(4) setting aside moneys in a renewal or replacement account;

(5) funding a debt service reserve account;

(6) capitalizing interest on the Obligations;

(7) paying costs of issuance relating to the Obligations; and,

(8) any other purpose relating to this Interlocal Agreement.

(B) The principal of and the interest on each series of Obligations shall be payable from the Pledged Funds, all as determined pursuant to the Financing Documents. The Cooperative may grant a lien upon and pledge the Pledged Funds in favor of the holders of each series of Obligations in the manner and to the extent provided in the Financing Documents. Such Pledged Funds shall immediately be subject to such lien without any physical delivery thereof and such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Cooperative.

(C) The Obligations of each series shall be dated, shall bear interest and such rate or rates, shall mature at such time or times not exceeding forty (40) years from their date or dates, may be made redeemable or subject to optional or mandatory tender for purchase before maturity and shall contain or be subject to such terms and conditions, all as shall be determined by the Board of Supervisors pursuant to the Financing Documents. The Board of Supervisors shall

determine the form of the Obligations, the manner of executing such Obligations, and shall fix the denomination of such Obligations and the place of payment of the principal and interest, which may be at any bank or trust company within or without the State. In case any officer whose signature or facsimile of whose signature shall appear on any Obligations shall cease to be such officer before the delivery of such Obligations, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if she had remained in office until delivery.

(D) The Board of Supervisors may sell Obligations in such manner and for such price as it may determine to be in the best interest of the Cooperative in accordance with the terms of the Financing Documents. In addition to the Pledged Funds, the Obligations may be secured by such credit enhancement as the Board of Supervisors determines to be appropriate pursuant to the Financing Documents. The Obligations may be issued as capital appreciation bonds, current interest bonds, term bonds, serial bonds, variable bonds or any combination thereof, all as shall be determined pursuant to the Financing Documents.

(E) Prior to the preparation of definitive Obligations of any series, the Board of Supervisors may issue interim receipts, interim certificates or temporary Obligations, exchangeable for definitive Obligations when such Obligations have been executed and are available for delivery. The Board of Supervisors may also provide for the replacement of any Obligations that shall become mutilated, or be destroyed or lost. Obligations may be issued without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions or things that are specifically required by this Interlocal Agreement, the Financing Documents or other applicable laws.

(F) The proceeds of any series of Obligations shall be used for such purposes, and shall be disbursed in such manner and under such restrictions, if any, as the Board of Supervisors may provide pursuant to the Financing Documents.

(G) The Financing Documents may also contain such limitations upon the issuance of additional Obligations as the Board of Supervisors may deem appropriate, and such additional Obligations shall be issued under such restrictions and limitations as may be proscribed by such Financing Documents. The Financing Documents may contain such provisions and terms in relation to the Obligations, the Pledged Funds and the use and operation of the Water Project or facilities financed thereby as the Board of Supervisors deems appropriate and that shall not be inconsistent herewith.

(H) Obligations shall not be deemed to constitute a general obligation debt of the Cooperative or a pledge of the faith and credit of the Cooperative, but such Obligations shall be payable solely from the Pledged Funds and any moneys received from the credit enhancers of the Obligations, in accordance with the terms of the Financing Documents. The Obligations shall not constitute a debt, liability or obligation of any Member Government (provided that the foregoing shall not be deemed to relieve any such Member Government of its obligation to pay fees, rates or charges imposed in accordance with the terms hereof) with respect to the Cooperative Facilities. The issuance of Obligations shall not directly or indirectly or contingently obligate the Cooperative or any Member Government to levy or to pledge any form of ad valorem taxation whatsoever therefor. No holder of any such Obligations shall ever have the right to compel any exercise of the ad valorem taxing power on the part of the Cooperative or any Member Government to pay any such Obligations or the interest thereon or the right to enforce payment of such Obligations, or the interest thereon, against any property of the Cooperative, nor

shall such Obligations constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Cooperative, except the Pledged Funds in accordance with the terms of the Financing Documents.

(I) All Pledged Funds shall be deemed to be trust funds, to be held and applied solely as provided in the Financing Documents. Such Pledged Funds may be invested by the Cooperative in such manner as provided in the Financing Documents.

(J) Any holder of Obligations, except to the extent the rights herein given may be restricted by the Financing Documents, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State or granted hereunder or under the Financing Documents, and may enforce and compel the performance of all agreements or covenants required by this Interlocal Agreement, or by such Financing Documents, to be performed by the Cooperative or by any officer thereof.

(K) The Obligations may be validated, at the sole discretion of the Board of Supervisors, pursuant to Chapter 75, Florida Statutes. Obligations may be issued pursuant to and secured by a resolution of the Board of Supervisors.

(L) In addition to the other provisions and requirements of this Interlocal Agreement, any Financing Documents may contain such provisions as the Board of Supervisors deems appropriate.

(M) Obligations issued hereunder shall not be invalid for any irregularity or defect in the proceedings for the issuance and sale thereof and shall be incontestable in the hands of bona fide purchasers for value. No proceedings in respect to the issuance of such Obligations shall be necessary except such as are required by law, this Interlocal Agreement or the Financing Documents. The provisions of the Financing Documents shall constitute an irrevocable contract

between the Cooperative and the holders of the Obligations issued pursuant to the provisions thereof.

(N) Holders of Obligations shall be considered third party beneficiaries hereunder and may enforce the provisions of this Interlocal Agreement or general purpose law.

(O) The Board of Supervisors may enter into such swap, hedge or other similar arrangements relating to any Obligations as it deems appropriate.

SECTION 2.09. PLANNING AND DEVELOPMENT OF WATER PROJECTS; DEVELOPING AND MODIFYING PROJECT LISTS.

(A) This Section 2.09(A) sets forth the steps that transpire from nomination of a Water Project to its establishment as one of the Cooperative Facilities.

(1) Step 1. Nominated Projects List. A Water Project shall enter the first evaluative step by inclusion in the Nominated Projects List. A Water Project shall become a Nominated Water Project upon submittal for consideration to the Board of Supervisors by any member of the Board of Supervisors. A Nominated Water Project must be submitted to the Board of Supervisors with sufficient information to allow the Board of Supervisors to determine if it should be recommended to the Member Governments for inclusion in the Candidate Projects List.

(2) Step 2. Candidate Projects List. The Board of Supervisors may recommend by unanimous vote to the Member Governments the elevation of a Nominated Water Project to the Candidate Projects List if it deems that the Nominated Water Project has potential for development according to criteria adopted by the Board of Supervisors. Once a Nominated Water Project is approved for placement on the Candidate Projects List, it becomes a Candidate Water Project and is deemed ready for ranking for assessment and evaluation for potential

implementation. The Cooperative shall not advance or begin implementation of any Water Project unless it is first placed on the Candidate Projects List.

(3) Step 3. Approved Projects List. If a Candidate Water Project is approved for implementation pursuant to the provisions of Section 2.09(D), the Cooperative shall enter into one or more implementation agreements that will further the Water Project and potentially lead to its ultimate completion. The Cooperative shall maintain an Approved Projects List, which shall include all Water Projects that have been approved for implementation.

(4) Step 4. Cooperative Facilities. After an Approved Water Project is constructed, it shall become a Cooperative Facility.

(B) Water Projects may be added to, modified, or removed from the Candidate Project List only by unanimous approval by the Member Governments. The initial Candidate Project List attached hereto as Appendix A is hereby approved.

(C) The Board of Supervisors shall periodically (but no less frequently than annually) review and, if necessary, propose modifications, additions, and deletions to the Candidate Project List to all Member Governments. Additionally, any Member Government may submit to the Cooperative a written proposal to modify, add to, or delete a Candidate Water Project from the Candidate Projects List. The Board of Supervisors shall submit such proposals to all Member Governments with a recommendation within sixty (60) days of receipt of the proposal.

(D) Each Member Government shall act to approve or deny proposals submitted or recommended pursuant to Sections 2.09(A)2, 3, or (C) within ninety (90) days of receipt from the Board of Supervisors. An extension of time of up to another ninety (90) days may be requested, if needed. If a Member Government rejects a proposal to modify the Candidate Projects List, the Member Government should fairly describe its reasons for doing so. The

decision to reject a proposal shall be in the sole discretion of the respective Member Government and each Supervisor.

(E) Only such Water Projects as remain on one of the three lists set forth above need to undergo review and approval under the terms of this Interlocal Agreement.

(F) The Cooperative shall comply with the provisions of Sections 189.415 and 189.4155, Florida Statutes.

SECTION 2.10. IMPLEMENTATION OF WATER PROJECTS.

(A) One or more implementation agreements may be entered into for development of a Water Project under the auspices of the Cooperative at any stage prior to placement on the Approved Projects List. However, any Water Project placed on the Approved Projects List shall require one or more separate written implementation agreements in order to proceed under the auspices of the Cooperative. Implementation of a Candidate Water Project may occur in any lawful manner including without limitation, by the Cooperative, by one or more Member Governments on behalf of the Cooperative, or through contract with any Member Government(s) or any third party, any combination of the foregoing, or any alternative method.

(B) Each Water Project implementation agreement is subject to the unanimous approval of the Board of Supervisors. Implementation agreements shall reasonably detail the scope and nature of the Water Project, including without limitation (1) the affected resource, areas and utilities involved, (2) anticipated participants, customers or users, (3) anticipated permits and regulatory considerations, (4) a summary description of the capital program, if any, (5) consideration of relevant comprehensive plans, (6) anticipated administrative funding, revenue sources, financing, design, construction and operation responsibilities, and (7) allocations of costs and products.

(C) Full development of Water Projects may require amendments or modifications to implementation agreements, commitments and obligations. Approval by the Board of Supervisors to such amendments or modifications should not be unreasonably withheld; nevertheless, the decision to approve or reject a proposed implementation agreement or amendment thereto is in the sole discretion of each Supervisor.

(D) During the term of any Water Project implementation agreement in which the Cooperative, as a party, is proceeding to finance, construct and implement a Water Project, the Member Governments shall cooperate and not compete or interfere with the relevant Water Project.

(E) The Cooperative shall not initiate any Water Project or install Cooperative Facilities within the geographic boundaries of any Non-Member Local Government without first obtaining written approval from such Non-Member Local Government. Notwithstanding anything in this Interlocal Agreement to the contrary, the Member Governments are not precluded from funding or implementing their own water projects or working with other governmental entities to implement water supply projects.

SECTION 2.11. MERGER; DISSOLUTION.

(A) In no event shall a merger involving the Cooperative be permitted unless approved unanimously by resolution of Member Governments.

(B) By an approving resolution of every Member Government, the charter of the Cooperative may be revoked or amended and restated and the Cooperative may be merged into an independent special district created by a special act of the Legislature.

(C) Dissolution of the Cooperative shall occur by law and transfer of title to all property owned by the Cooperative shall occur in a manner consistent with Chapter 189, Florida

Statutes, unless (1) the Cooperative is merged into an independent special district, or (2) otherwise provided in a dissolution plan adopted by a unanimous resolution of the Member Governments, or (3) otherwise provided herein.

(D) Any merger or dissolution plan may not become effective unless arrangements have been made for the full assumption of all governmental services and responsibilities then being provided and undertaken by the Cooperative, and the allocation of revenue, property, and indebtedness of the Cooperative. If any Obligations of the Cooperative are outstanding, any merger or dissolution plan shall set forth the arrangements under which holders of outstanding Obligations will be timely paid, or continue to be paid, which arrangements must be consistent with the terms of the outstanding Obligations and any related Financing Documents. Any resolution, agreement, or formal action merging or dissolving the Cooperative must specify an effective date.

(E) In the event a majority of the Member Governments determine by resolution that dissolution is necessary, but the unanimous approval of a dissolution plan cannot be obtained after reasonable good faith efforts to do so, then upon written demand by any Member Government so stating such circumstance the Board of Supervisors shall call a special meeting and direct its general counsel to file a petition for receivership and the appointment of a receiver to dissolve and wind up the affairs of the Cooperative in a manner generally consistent with this Interlocal Agreement. Failing such action by the Cooperative within thirty (30) days, any Member Government is then authorized to file such a petition on behalf of the Cooperative.

SECTION 2.12. ENFORCEMENT AND PENALTIES.

(A) The Board of Supervisors on behalf of the Cooperative, and any aggrieved Member Government, may have recourse to such remedies in law and equity as may be

necessary to ensure compliance with the provisions of this Interlocal Agreement, including injunctive relief to mandate compliance with or enjoin or restrain any person violating the provisions of this Interlocal Agreement and any bylaws, resolutions, regulations, rules, codes, and orders adopted under this Interlocal Agreement.

(B) The Member Governments expressly agree that the consideration, in part, for each of them entering into this Interlocal Agreement is the willingness of each of the others to limit the remedies for all actions arising out of or in connection with this Interlocal Agreement as to the other Member Governments and the Cooperative. Therefore, notwithstanding any provision of this Interlocal Agreement to the contrary, upon any failure by any Party to perform its obligations under this Interlocal Agreement, the Cooperative and each Member Government shall be limited strictly to only the following remedies:

- (i) action for specific performance or injunction; or
- (ii) the right to collect any Costs due hereunder.

(C) Notwithstanding anything herein to the contrary, each Member Government, on behalf of itself and its respective successors and assigns, hereby agrees that no Member Government shall be liable to the Cooperative or to any other Member Government(s) for any direct, indirect, special, punitive or consequential damages, including, but not limited to, damages based on loss of services, revenues, profits or business opportunities, and all Member Governments hereby waive any and all claims and causes of action hereafter accruing for the recovery of such direct, indirect, special, punitive or consequential damages.

(D) The provisions of this Section 2.12 shall survive the expiration and any termination of this Interlocal Agreement.

SECTION 2.13. TAX EXEMPTION. As the exercise of the powers conferred by this Interlocal Agreement to effect the purposes of this Interlocal Agreement constitute the performance of essential public functions, and as the Cooperative Facilities and Water Projects of the Cooperative will constitute public property used for public purposes, all assets and properties of the Cooperative and all Obligations issued hereunder and interest paid thereon and all rates, fees, charges, and other revenues derived by the Cooperative from the Water Projects provided for by this Interlocal Agreement or otherwise shall be exempt from all taxes by the state or any political subdivision, agency, or instrumentality thereof, except that this exemption shall not apply to interest earnings subject to taxation under Chapter 220, Florida Statutes.

ARTICLE III

ADMINISTRATION

SECTION 3.01. INITIAL FUNDING. The Member Governments, upon joining the Cooperative and entering into this Interlocal Agreement, agree to each respectively contribute to and consensually provide the initial working capital for the general fund of the Cooperative in the amount of twenty thousand dollars (\$20,000.00) upon notice to do so within ninety (90) days of the Effective Date or joining the Cooperative, whichever is applicable. Contributed working capital or other legally available funds may be used to administer the Cooperative.

SECTION 3.02. STAFFING.

(A) Although the Cooperative may hire, contract or otherwise retain a dedicated staff to administer the Cooperative at any time, the initial staffing and administration of the Cooperative shall be by and through the staff members, employees, consultants, and other

professionals of the Member Governments. TWA shall be deemed the agent of the Cooperative within the scope of authority provided herein until the Board of Supervisors retains a new agent.

(B) The Cooperative shall periodically, but not more often than monthly, pay and reimburse any Member Government duly authorized to act as the agent for all actual and verifiable costs incurred to implement and administer the Cooperative. Such costs shall include reasonable indirect cost accounting for labor, materials, equipment, facilities, and other resources used in administering the Cooperative. Such expenditures shall be reviewed and approved by the Cooperative. In the event of any dispute concerning any such amounts due, the Cooperative shall pay the agent those amounts not in dispute and promptly seek and submit to a mediated determination of any disputed costs. The expense of such mediation shall be shared equally between the agent and the Cooperative.

(C) The agent of the Cooperative shall maintain in accordance with generally accepted accounting procedures, and provide for an audit of, such information necessary to report to the Cooperative, not less than annually, the income, expenses, and expenditures associated with the administration and implementation of the Cooperative. Such information shall be timely made available to the Cooperative and its Member Governments as a part of the administration and implementation of the Cooperative.

(D) Subject to the limitations of general law and this Interlocal Agreement, the Cooperative shall indemnify, hold harmless and defend the agent of the Cooperative, or any of the agent's officers, employees or agents from and against any claims, demands and causes of action arising out of or related to any loss, damage, or injury related to the staffing and administration of the Cooperative not caused by or as a result of the intentional acts outside of the scope of the agent's authority or negligence of the agent, its officers, employees or agents, or

anyone for whom any of them is responsible. The provisions of this Section 3.02 shall survive the expiration and any termination of this Interlocal Agreement.

(E) With regard to staffing the Cooperative, each Member Government retains the right at any time to reassign or terminate any of its officials, staff or employees. Each Member Government may separately and independently exercise contractual rights associated with its officials, staff, employees, consultants or other professionals, and determine in its sole discretion to use or not use any consultants or other professionals used or employed by the Cooperative. However, each Member Government is encouraged to provide reasonable informal notice to the Cooperative of significant staffing determinations that may affect the administration of the Cooperative or any Water Project.

SECTION 3.03. CONFLICTS; WAIVERS. Because of the proximity of the Member Governments and the similarity of their utilities endeavors, consultants and other professionals they individually engage or employ may seek to also provide services to the Cooperative. Therefore, from time to time, such consultants and professionals may seek conflict waivers from Member Governments or the Cooperative. Such requests for waivers should be promptly requested with relevant information necessary for an informed decision and then be promptly considered.

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01. TERM OF AGREEMENT.

(A) The term of this Interlocal Agreement shall commence on the Effective Date, and shall continue for so long as the Cooperative shall exist.

(B) The Cooperative shall exist so long as any portion of the Cooperative Facilities is owned, operated, leased or managed by the Cooperative or the Cooperative has Obligations outstanding. At such time as the Cooperative no longer owns, operates, leases or manages any portion of the Cooperative Facilities and no Obligations are outstanding, the Cooperative may dissolve in the manner provided for herein.

SECTION 4.02. AMENDMENTS AND WAIVERS.

(A) Except as otherwise provided herein, no amendment, supplement, modification or waiver of this Interlocal Agreement shall be binding unless executed in writing by all Member Governments.

(B) To the extent the Cooperative has outstanding bonds, obligations or other evidence of indebtedness, this Interlocal Agreement may not be amended or modified in any way that is materially adverse to holders of such bonds, obligations or other evidence of indebtedness without the consent in writing of the holders of a majority or more in principal amount of such bonds, obligations or other evidence of indebtedness then outstanding, or any insurer or credit enhancer duly authorized to provide such consent on behalf of such holders.

SECTION 4.03. NOTICES.

(A) All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, or sent by nationally recognized overnight courier (with delivery instructions for "next business day" service) to the Parties at the following addresses:

St. Cloud:
City Manager
City of St. Cloud
1300 Ninth Street
St. Cloud, Florida 34769
Phone: 407-957-7301

With copy to:

Public Services Administrator
Public Works Department
1300 Ninth Street
St. Cloud, Florida 34769
Phone: 407-957-7344

City Attorney
1300 Ninth Street
St. Cloud, Florida 34769
Phone: 407-957-7301

Tohopekaliga Water Authority:

Executive Director
Tohopekaliga Water Authority
951 MLK, Jr. Boulevard
Kissimmee, Florida 34741
Phone: 407-944-5000

With copy to:

General Counsel
Tohopekaliga Water Authority
Bryant Miller Olive P.A.
101 N. Monroe Street, Suite 900
Tallahassee, Florida 32301
Phone: 850-222-8611

Orange County:

County Administrator
P.O. Box 1393
Orlando, Florida 32802
Phone: 407-836-7366

With copy to:

County Attorney
P.O. Box 1393
Orlando, Florida 32802
Phone: 407-836-7320

Director
Orange County Utilities
9150 Curry Ford Rd.

Orlando, Florida 32825
Phone: 407-254-9801

Polk County:
County Manager
Drawer CA01/P.O. Box 9005
Bartow, Florida 33831-9005
Phone: 863-534-6444

With copy to:

County Attorney
Drawer AT01/P.O. Box 9005
Bartow, Florida 33831-9005
Phone: 863-534-6482

Utilities Director
Drawer ET01/P.O. Box 9005
Bartow, Florida 33831-9005
Phone: 863-298-4240

(B) All notices shall also be sent to the Cooperative, to the attention of its executive director, with a separate copy to its general counsel.

(C) Any Member Government, and the Cooperative, may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand (or facsimile transmission) or three days after the date mailed.

SECTION 4.04. IMMUNITY; LIMITED LIABILITY.

(A) All of the privileges and immunities from liability and exemptions from laws, ordinances and rules that apply to the activity of officials, officers, agents or employees of the Member Governments shall apply to the Cooperative, its officials, officers, agents or employees and any Member Governments when performing their respective functions and duties under the provisions of this Interlocal Agreement.

(B) The Cooperative and Member Governments are and shall be subject to Sections 768.28 and 163.01(9)(c), Florida Statutes, and any other provisions of Florida law governing sovereign immunity and notwithstanding any provision of this Interlocal Agreement to the contrary, nothing herein shall be deemed a waiver of sovereign immunity. Pursuant to Section 163.01(5)(o), Florida Statutes, Member Governments shall not be jointly or individually liable for the torts of the officers or employees of the Cooperative, or any other tort attributable to the Cooperative; the Cooperative alone shall be liable for any torts attributable to it or for torts of its officers, employees or agents, and then only to the extent of the waiver of sovereign immunity or limitation of liability as specified in Section 768.28, Florida Statutes, or its successor in function.

(C) No Member Government shall in any manner be obligated to pay any debts, obligations or liabilities arising as a result of any actions of the Cooperative, the Board of Supervisors or any other agents, employees, officers or officials of the Cooperative, except to the extent otherwise mutually agreed upon, and neither the Cooperative, the Board of Supervisors or any other agents, employees, officers or officials of the Cooperative have any authority or power to otherwise obligate any Member Government in any manner.

SECTION 4.05. SEVERABILITY. In the event any provision of this Interlocal Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 4.06. EXECUTION IN COUNTERPARTS. This Interlocal Agreement, or a resolution required hereunder, may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4.07. APPLICABLE LAW. This Interlocal Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Unless otherwise required by law, venue for any action or proceeding to construe or enforce the provisions of this Interlocal Agreement or any matters associated therewith shall lie in the Circuit Court in and for any county in Florida in which this Interlocal Agreement is either recorded or within which the Cooperative is authorized and in fact is engaged in business.

SECTION 4.08. ENTIRE AGREEMENT. This Interlocal Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the Parties, whether oral or written, and there are no warranties, representations or other agreements among the Parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 4.09. RECORDATION. This Interlocal Agreement and any amendment thereto shall be recorded in the public records of each county where a Member Government is located.


IN WITNESS WHEREOF, the undersigned has caused this Interlocal Agreement
Relating to the Establishment of the Water Cooperative of Central Florida to be duly executed
and entered into as of the Effective Date.

CITY COUNCIL OF THE
CITY OF ST. CLOUD, FLORIDA

By: 
Rebecca Borders, Mayor

Date: 3/24/2011

ATTEST:

By: 
Linda Jaworski, City Clerk

IN WITNESS WHEREOF, the undersigned has caused this Interlocal Agreement
Relating to the Establishment of the Water Cooperative of Central Florida to be duly executed
and entered into as of the Effective Date.

BOARD OF SUPERVISORS
TOHOPEKALIGA WATER AUTHORITY

By: 

Bruce R. Van Meter, Chairman

Date: ____ November 10, 2010 ____

ATTEST:

By: 

John E. Moody, Secretary

IN WITNESS WHEREOF, the undersigned has caused this Interlocal Agreement Relating to the Establishment of the Water Cooperative of Central Florida to be duly executed and entered into as of the Effective Date.

BOARD OF COUNTY COMMISSIONERS
ORANGE COUNTY, FLORIDA

By: _____
Richard T. Crotty, Mayor

Date: _____

ATTEST:

Martha O. Haynie, County Comptroller
As Clerk of the Board of County Commissioners

By: _____
Deputy Clerk

IN WITNESS WHEREOF, the undersigned has caused this Interlocal Agreement
Relating to the Establishment of the Water Cooperative of Central Florida to be duly executed
and entered into as of the Effective Date.

BOARD OF COUNTY COMMISSIONERS
POLK COUNTY, FLORIDA

By: Edwin V. Smith
Edwin V. Smith, Chairman

Date: March 8, 2011

ATTEST:

Richard M. Weiss, Clerk

By: Freda L. Wade
Deputy Clerk

Reviewed as to form and legal sufficiency
Philip K. Shewen 3/14/11
County Attorney's Office Date



APPENDIX A

CANDIDATE PROJECTS LIST

1. Cypress Lake Wellfield and Treatment System
2. Cooperative Distribution System Interconnect
3. Kissimmee River/East Lake Toho Surface Water Project