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July 20, 2022

Via Certified Mail and Electronic Mail

Gran Paradiso Property Owners Association, Inc. Attn: Steve Glunt President 20125 Galleria Boulevard Venice, Florida 34293 sgluntgpboard@gmail.com

RE: Gran Paradiso Irrigation Quality Water Reserved Allocation

Dear Mr. Glunt,

As you are aware, the West Villages Improvement District (the "**District**") and Gran Paradiso Property Owners Association, Inc. (the "**Association**") previously entered into the *Amended and Restated Agreement for the Delivery and Use of Irrigation Quality Water*, dated December 16, 2020 (the "**Agreement**") stipulating the District's provision of Irrigation Quality Water (as defined in the Agreement) to the Gran Paradiso residential development (the "**Development**").

The District previously sent you correspondence on May 19, 2022 (the "**Prior Correspondence**")¹ advising that, due to Board of Directors' member John Meisel inquiries as to the veracity of the calculation of the Association's allocation of Irrigation Quality Water (hereinafter, its "**Reserved Allocation**"), District staff determined that the amount of the Reserved Allocation included in the Agreement inadvertently included lands *outside* of the Development. Thus, the Reserved Allocation referenced in the Agreement is higher than what is permissible to be provided to Gran Paradiso pursuant to the terms of the District's water use permit (the "**Permit**") issued by the Southwest Florida Water Management District ("**SWFWMD**").

Further, the Reserved Allocation for the Development was determined in 2018 based on estimated irrigable acres, when development of the community was not yet complete. However, Lennar Homes, LLC ("Lennar") has subsequently completed development of the Gran Paradiso community. As a result, in addition to reviewing the appropriate Reserved Allocations for the Development, and subsequent to distributing the Prior Correspondence, Mr. Meisel's inquiries also

¹ Note that the District has yet to receive either an executed amendment to the Agreement as requested by the Prior Correspondence or a response from the Association relative to the Prior Correspondence.

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prompted the District's field team to request an updated development plan for the community from Lennar in order to determine i) total irrigable acres of common area and ii) a final residential lot count.

While the Development's Revised Allocation in the Permit was based on 277.3 acres of irrigated lawn and landscaped areas, the final development plan for the Development actually totals 271.6 acres of irrigated lawn and landscape areas. This brings the appropriate Reserved Allocation for the Development to <u>547,200 gpd</u> as determined by AGMOD. Accordingly, enclosed is a revised amendment (the "Amendment") to the Agreement updating the Reserved Allocation to 547,200 gpd (the "Revised Reserved Allocation").

As you'll recall from the District's Prior Correspondence, Section 12(B) of the Agreement provides that, in the event "the Irrigation Quality Water in the amounts addressed pursuant to this Agreement is otherwise prohibited by operation of any statute or law or governmental permit, rule or order," that the District may thereafter terminate the Agreement without penalty or liability by giving written notice to the Association. Unfortunately, the over-allocation of Irrigation Quality Water to the Development is violative of the terms of the Permit, which is issued by SWFWMD-a governmental entity. Thus, such over-allocation "is prohibited by a government permit" and permits the District to terminate the Agreement, which would effectively leave the Development without a source of Irrigation Quality Water.

However, Section 19 of the Agreement provides that the Parties may amend the Agreement when such amendment is in writing and authorized by both Parties. Accordingly, in lieu of terminating the Agreement pursuant to Section 12(B), which would result in <u>no</u> Irrigation Quality Water being provided to the Development- which is clearly detrimental to the development of both the lands within the District as well as within the Development- the District instead desires to amend the Agreement pursuant to Section 19 in order to revise the Reserved Allocation to account for the proper allocation of Irrigation Quality Water to the Development on a going forward basis.

Accordingly, such Revised Reserved Allocation shall go into effect as of August 1, 2022. Also, please be advised that due to consistent over-usage of Irrigation Quality Water by the Development, Gran Paradiso's Revised Reserved Allocation for the remainder of 2022 shall be prorated to <u>415,318 gpd</u> in order to get the Development's water usage back in line with Permit requirements.

Please note that should the District not promptly receive the executed Amendment, it shall have no option but to terminate the Agreement, thus eliminating the Development's supply of Irrigation Quality Water. Govern yourself accordingly.

Should you have any questions please do not hesitate to contact me at (850) 692-7308 or lindsay.whelan@kutakrock.com.

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Sincerely,

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Lindsay Whelan West Villages Improvement District District Counsel

cc (via e-mail): Association Board of Directors:

John Meisel- <u>jmeiselgpboard@gmail.com</u> Pam Kantola- <u>pkantolagpboard@gmail.com</u> Victor Dobrin- <u>vdobringpboard@gmail.com</u>

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Enclosure

FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT FOR THE DELIVERY AND USE OF IRRIGATION QUALITY WATER

GRAN PARADISO

This **First Amendment** (the "First Amendment") is made and entered into this 1st day of August, 2022, by and between:

West Villages Improvement District, a local unit of special-purpose government established pursuant to Chapter 189, *Florida Statutes*, and whose address is 2501-A Burns Road, Palm Beach Gardens, Florida 33410 (the "District"); and

Gran Paradiso Property Owners Association, Inc., a Florida not-for-profit corporation, whose address is 20125 Galleria Boulevard, Venice, FL 34293 (the "Customer" and together with the District, the "Parties").

RECITALS

WHEREAS, the Parties previously entered into that certain Amended and Restated Agreement for the Delivery and Use of Irrigation Quality Water, dated December 16, 2020 (the "Agreement"); and

WHEREAS, Exhibit C to the Agreement established that the Customer's "Reserved Allocation" of Irrigation Quality Water (as defined in the Agreement) relative to the lands within the Gran Paradiso residential community (the "Development") are 593,200 GPD (annual average daily flow); and

WHEREAS, after inquiry by the Customer relative to the amount of the Reserved Allocation, and the District's investigation of same, it was determined that the District had inadvertently included lands outside of the Development in its allocation of Irrigation Quality Water for the Development; and

WHEREAS, additionally, the development of the Development has been completed such that total irrigable acres within the Development, and as a result a final allocation of Irrigation Quality Water for the Development, is now known; and

WHEREAS, overall Wellen Park and project-based Reserved Allocations within the boundary of the District are ultimately governed by the District's Water Use Permit (the "Permit") issued by the Southwest Florida Water Management District; and

WHEREAS, Section 12(B) of the Agreement provides that in the event "the Irrigation Quality Water in the amounts addressed pursuant to this Agreement is otherwise prohibited by operation of any statute or law or governmental permit, rule or order," that the District may thereafter terminate the Agreement without penalty or liability by giving written notice to the Customer; and

WHEREAS, the inadvertent over-allocation of Irrigation Quality to the Development is violative of the terms of the District's Permit, which is issued by a governmental entity, and thus such over-allocation "is prohibited by a government permit;" and

WHEREAS, Section 19 of the Agreement provides that the Parties may amend the Agreement when such amendment is in writing and authorized by both Parties; and

WHEREAS, in lieu of terminating the Agreement pursuant to Section 12(B) thereof, which would result in no Irrigation Quality Water being provided to the Development which is detrimental to the development of both the lands within the District and within the Development, the Parties instead desire to amend the Agreement pursuant to Section 19 thereof to revise the Reserved Allocation to account for the proper allocation of Irrigation Quality Water to the Development on a going forward basis.

- **Now, Therefore,** based upon good and valuable consideration and the mutual covenants of the Parties, the receipt of which and sufficiency of which are hereby acknowledged, the Parties agree as follows:
- **SECTION 1. INCORPORATION OF RECITALS.** The recitals stated above are true and correct and are incorporated as a material part of this First Amendment.
- **SECTION 2. AMENDMENT OF AGREEMENT.** Exhibit C of the Agreement is hereby deleted and replaced in its entirety with the attached **Exhibit A**. Such Revised Allocation shall be effective as of August 1, 2022.
- **SECTION 3. AFFIRMATION OF THE AGREEMENT.** The Agreement is hereby affirmed and continues to constitute a valid and binding agreement between the Parties. Except as described in Section 2 of this First Amendment, nothing herein shall modify the rights and obligations of the Parties under the Agreement. All of the remaining provisions, including, but not limited to, the engagement of services, indemnification, and sovereign immunity provisions, remain in full effect and fully enforceable.
- **SECTION 4. AUTHORIZATION.** The execution of this First Amendment has been duly authorized by the appropriate body or official of the Parties, both Parties have complied with all the requirements of law, and both the Parties have full power and authority to comply with the terms and provisions of this First Amendment.
- **SECTION 5. EXECUTION IN COUNTERPARTS.** This First Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment, effective the day and year first written above.

ATTEST:	WEST VILLAGES IMPROVEMENT DISTRICT
Secretary / Assistant Secretary	Chairperson, Board of Supervisors
ATTEST:	GRAN PARADISO PROPERTY OWNERS ASSOCIATION, INC.
Witness	By: Print: Its:

Exhibit A: Customer's Reserved Average Annual Daily Flow

EXHIBIT A

Customer's Reserved Average Annual Daily Flow¹

Reserved Annual Average Daily Quantity (Remainder of 2022)

415,318²

Reserved Annual Average Daily Quantity (2023 and Thereafter)

547,200

¹ Expressed in terms of gallons per day.
² The amount of the Reserved Allocation for 2022 has been prorated to account for the amount of the Reserved Allocation utilized from January 1, 2022 through July 15, 2022.