

**16796 Utilities Inc. of Louisiana**

0000008

0001-0630-F Fidelity Homestead Savings

TOTAL:	\$415,100.00
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THIS CHECK IS VOID WITHOUT A BLUE & GREEN BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

**STIRLING**  
PROPERTIES

Maurmont Properties, L.L.C.  
Stirling Properties, LLC, Agent  
109 Northpark Blvd., Suite 300  
Covington, LA 70433

Fidelity Homestead Savings Bank  
Metairie, LA 70005

NO: 0000008

Check No.	Date	Amount
00000008	06/19/2009	\$415,100.00

Four Hundred Fifteen Thousand One Hundred and 00/100 Dollars\*\*\*\*\*

Pay to the order of

Utilities Inc. of Louisiana  
2335 Sanders Road  
Northbrook IL 60062

P. M. Math

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

11000000811 1:2650705321: 800976978011

**AGREEMENT FOR WATER AND WASTEWATER SERVICE**  
**STIRLING/MAURMONT COMMERCIAL/RESIDENTIAL DEVELOPMENTS**  
**COVINGTON, LOUISIANA**

This Agreement is entered into June 23, 2009 by and between SM South, L.L.C., Stirling Mandeville, L.L.C., and Maurmont Properties L.L.C., (hereinafter collectively referred to as "**Developer**"), and Utilities Inc. of Louisiana, a Louisiana corporation, (hereinafter referred to as "**Utility**").

**WITNESSETH:**

WHEREAS, Developer is the owner of or is duly authorized to act on behalf of the owners of certain real estate more fully described on **Exhibit A** attached hereto, (hereinafter referred to as the "**Property**"); and

WHEREAS, Developer is in the process of developing approximately 168.38 acres of the Property, which, upon completion, will contain a number of light commercial tracts (office space, shopping and restaurants) and residential lots, of which the exact quantities and actual types of occupancy have not been determined at this time; and

WHEREAS, Utility and Developer acknowledge that the terms of the previous agreement between Stirling Mandeville, L.L.C. and Utility dated January 25, 2003 expired on January 25, 2008 and neither Utility nor Developer have any obligations under that agreement. Additionally, Utility acknowledges that the existing development, as constructed as of the date of this agreement, has been developed in compliance with the terms of that agreement and all obligations of Utility and Stirling Mandeville, L.L.C. have been fulfilled as it relates to the existing development on the site; and

WHEREAS, Utility is engaged in the business of furnishing central water and sanitary wastewater service to the public in the Greenbrier service areas in St. Tammany Parish, Louisiana, whose service territories encompasses the Property; and

WHEREAS, Developer desires Utility to provide central water for domestic use and sanitary wastewater service to the Property and Utility desires to provide central water for domestic use and sanitary wastewater services to said commercial and residential developments within the Property according to the terms, conditions and covenants of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Service by Utility

- a. Subject to the terms and conditions of this Agreement as hereinafter set forth, Utility shall operate and maintain a utility system providing both central potable water and wastewater service ("Utility Services") to the Property in accordance with this Agreement and the regulations of appropriate regulatory agencies and governmental authorities.
- b. The Utility Services shall be furnished by Utility in compliance with the rules and regulations of the Louisiana Public Service Commission (the "**Commission**") and the Department of Environmental Quality of the State of Louisiana, and other regulatory authorities having jurisdiction and all state and federal laws and regulations.

2. Representations and Warranties of Developer

Developer represents and warrants to Utility:

- a. That Developer is the owner of and or is duly authorized to act on behalf of the owners of the Property, and;
- b. That Developer will reasonably cooperate with Utility in any and all applications or petitions to public authorities deemed necessary by Utility in connection with the providing Utility Services to the Property.

3. Representations and Warranties of Utility

- a. Utility represents that the wastewater and water systems of Utility shall (i) receive and treat, in compliance with applicable laws, residential and commercial wastewater from users within the Property and (ii) provide domestic potable drinking water to the Property for residential and commercial customers in accordance with the applicable state, federal and local rules and regulations, including the Safe Drinking Water Act as amended.
- b. Utility represents and warrants that it shall comply with applicable codes, regulations and rules of appropriate federal, state and local agencies relative to Utility Service originating from the Property.

4. Construction of Facilities by Developer

- a. Developer shall construct and install all necessary water distribution and wastewater collection facilities within the Property (hereinafter collectively referred to as the "**Facilities**") such as mains, service lines, storage, meter boxes, booster stations, hydrants, lift stations, manholes, sewer service lines, commercial meters with backflow prevention, and other facilities reasonably required to

provide adequate water and sanitary wastewater service (in accordance with applicable governmental standards) to all units to be constructed within the Property. The water facilities shall be interconnected by Developer to Utility's existing facilities located along the west side of the Property.

- b. All Facilities constructed and installed by Developer pursuant to Sub-paragraph (a) of this Paragraph 4 shall be constructed and installed without cost or expense to Utility.
- c. All plans, specifications and construction pursuant to this Paragraph 4 shall be in accordance with applicable standards, requirements, rules and regulations of all agencies of the State of Louisiana and St. Tammany Parish or municipal jurisdiction within which the Property is situated. Plans and specifications will be submitted to Utility for review, and shall have received the written approval of Utility before construction is begun, which approval shall not be unreasonably withheld or delayed. Wastewater collection mains will be of PVC material acceptable to Utility and have a minimum diameter of eight (8") inches. Water mains will also be of PVC material acceptable to Utility and have a minimum diameter of eight (8") inches. In no event shall the Developer be required to design or install service lines, storage facilities, or any Developer supplied distribution method that would be of size or capacity that exceeds the maximum required capacity needed to service the buildings and uses that the Developer is constructing on this Property.

5. Title to Facilities

- a. Upon written acceptance of the Facilities by the Utility and interconnection with the Utility's existing water and wastewater systems, all of the Facilities installed by Developer pursuant to this Agreement shall become the property of Utility as installed, without cost or expense to Utility, with the exception of the service lines for which each residential or commercial unit shall retain ownership and maintenance responsibility. Utility shall own, operate and maintain as its sole responsibility and shall have all right, title and interest as sole owner of such Facilities. Developer shall execute all conveyances, licenses and other documents reasonably requested by Utility as necessary or desirable in its opinion to ensure its ownership of, ready access to, and operation and maintenance of such Facilities.
- b. Developer shall furnish Utility with copies of all Facilities' construction invoices and lien waivers from the contractor who constructs the Facilities.

6. Maintenance of Facilities

Upon written acceptance of the Facilities by the Utility and payment of all fees referenced in Paragraph 8 herein, Utility agrees to supply all customers within the Property with adequate and customary Utility Services, and to operate, maintain and repair all Facilities constructed herein.

7. Easements

Developer shall convey to Utility or provide by recorded subdivision plats, in either case at no cost or expense to Utility, such easements or rights-of-way within the Property for the Facilities and off-site interconnections and the use, operation and maintenance thereof as Utility shall reasonably require for the performance of Utility's obligations under this Agreement. All easements and rights-of-way shall be in a form satisfactory to Utility and Developer's respective legal counsels.

8. Reservation of Utility Capacity

- a. The parties expect that the Property will be developed in a total of three (3) separate phases as outlined in Exhibit A with the associated required capacities outlined in Exhibit B:

1. Phase 1 - Northwest Commercial - 57,500 gpd
2. Phase 2 - Northeast Office/Commercial - 63,154 gpd
3. Phase 3 - Residential – 163,300 gpd

In no event shall Utility be obligated to provide Developer with more than 283,954 gpd of capacity pursuant to this Agreement (the "Total Available Capacity").

- b. Immediately upon execution of this Agreement, Developer will pay Utility a nonrefundable fee in the amount of \$315,100 (the "Phase 1 Capacity Reservation Fee"); in consideration of which Utility agrees to reserve and immediately make available 57,500 gpd of capacity for Phase 1 of the Property. The Phase 1 Capacity Reservation Fee was calculated on the basis of: 1) Utility's system development charges of \$5.48/gpd for commercial use and \$1,125/residential unit as currently approved by the Commission ("Current SDC") using loading and capacity requirements based upon the State of Louisiana Sanitary Code, Loading Guidelines; and 2) Developer's anticipated capacity requirements for Phase 1 of the project. It is understood that Phase 1 remains subject to change as of the date of this Agreement and it is possible that the capacity required for Phase 1 could differ from 57,500 gpd. In the event project changes require any additional capacity for Phase 1, Developer may notify Utility of that requirement and, within 18 months after Developer has paid Utility the applicable reservation fee based

on Current SDC, Utility will make available the requested additional capacity for the Property; provided, however, that the total capacity provided for all Phases of the Property shall not exceed the Total Available Capacity. Any additional capacity so provided shall be deducted from the capacity to be made available for Phases 2 and/or 3, and the Phase 2 and/or Phase 3 Capacity Reservation Fees (as defined below) shall be reduced accordingly. In the event project changes require less capacity for Phase 1 than 57,500 gpd, Developer may, at its option, apply the amount of such unused Phase 1 capacity to Phase 2 of the Property.

- c. Immediately upon execution of this Agreement, Developer will also pay Utility a nonrefundable fee in the amount of \$100,000 (the "Option Reservation Fee") in consideration of which Utility has agreed to:
  - (1) use Current SDC in the calculation of the Phase 2 and Phase 3 Capacity Reservation Fees, as defined below; and
  - (2) apply Current SDC to any additional capacity reserved by Developer pursuant to subparagraph 8f hereof.
- d. At any time within 24 months after the date of this Agreement, Developer may elect to reserve capacity for Phase 2 of the Property by paying Utility a nonrefundable fee in the amount of \$346,084 (the "Phase 2 Capacity Reservation Fee"), in consideration of which Utility agrees to reserve 63,154 gpd of capacity for Phase 2 of the Property. Utility will make such capacity available within 18 months after Utility receives the Phase 2 Capacity Reservation Fee from Developer. It is understood that Phase 2 remains subject to change as of the date of this Agreement and it is possible that the capacity required for Phase 2 could differ from 63,154 gpd. In the event project changes require any additional capacity for Phase 2, and after applying any unused Phase 1 capacity carried over as provided in subparagraph 8b, Developer may notify Utility of that requirement and, within 18 months after Developer has paid Utility the applicable reservation fee based on Current SDC, Utility will make available the requested additional capacity for the Property; provided, however, that the total capacity provided for all Phases of the Property shall not exceed the Total Available Capacity. Any additional capacity so provided shall be deducted from the capacity to be made available for Phase 3, and the Phase 3 Capacity Reservation Fee (as defined below) shall be reduced accordingly. In the event project changes require less capacity for Phase 2 than 63,154 gpd plus any unused Phase 1 capacity, Developer may, at its option, apply the amount of such unused Phase 2 capacity to Phase 3 of the Property.

- e. At any time within 54 months after the date of this Agreement, Developer may elect to reserve capacity for Phase 3 of the Property by paying Utility a nonrefundable fee in the amount of \$608,625 (the "Phase 3 Capacity Reservation Fee"), in consideration of which Utility agrees to reserve 163,300 gpd of capacity for Phase 3 of the Property. Utility will make such capacity available within 18 months after Utility receives the Phase 3 Capacity Reservation Fee from Developer. It is understood that Phase 3 remains subject to change as of the date of this Agreement and it is possible that the capacity required for Phase 3 could differ from 163,300 gpd. In the event project changes require any additional capacity for Phase 3, and after applying any unused Phase 2 capacity carried over as provided in subparagraph 8d, Developer may notify Utility of that requirement and, within 18 months after Developer has paid Utility the applicable reservation fee based on Current SDC, Utility will make available the requested additional capacity for the Property; provided, however, that the total capacity provided shall not exceed the Total Available Capacity. In the event project changes require less capacity for Phase 3 than 163,300 gpd plus any unused Phase 2 capacity, Developer may reduce the amount of capacity to be reserved under this paragraph 8e, and the Phase 3 Capacity Reservation Fee shall be reduced accordingly.
- f. If Developer has paid Utility the Option Reservation Fee in full, along with the required Phase 1, Phase 2 and Phase 3 Capacity Reservation Fees, all within the time periods specified in this Agreement, then Utility agrees that any capacity exceeding Total Available Capacity that Utility may, in its sole discretion, agree to reserve for Developer within 5 years after the date of this Agreement (the "Option Period") shall be subject to Current SDC. In addition, Utility agrees to credit the Option Reservation Fee against any Current SDC owed for capacity reserved pursuant to this subparagraph. Developer must identify the intended use for any additional reserved capacity subject to the foregoing credit at least 3 months prior to the expiration of the Option Period. Developer may extend the Option Period in increments of 1 year, up to a maximum of 8 years after the date of this Agreement, by paying Utility \$50,000 for each 1 year extension. Extension payments must be received by Utility at least 6 months prior to the end of the Option Period (including any extensions thereof).
- g. Utility shall have no obligation to reserve capacity more than 8 years after the date of this Agreement. Any capacity reserved hereunder by Developer that remains unused on the eighth anniversary of this Agreement shall be forfeited.

h. It is understood that Developer may allocate capacity reserved hereunder to parcels located within the described phases of the Property and sold by Developer to third parties. Utility must be notified in writing of these transactions, and provided with the amount of capacity being allocated. This capacity must be allocated according to the Louisiana State Sanitary Code Loading Guidelines for each site and new development within the Property. Allocation of reserved capacity by Developer as provided in this subparagraph shall in no way modify or expand Utility's obligations hereunder, or confer any rights, benefits or remedies hereunder to any third parties.

9. Rates and Charges

Water and wastewater usage charges shall be rendered by Utility in accordance with Utility's rates, rules, regulations, and conditions of service from time to time on file with the Commission. ,

10. Indemnification

Developer shall save and hold Utility harmless from and against all suits or claims that may be based upon any injury to any person or property arising from any act or omission of the Developer that may occur within the Property in the course of the performance of the Developer's obligations under this Agreement, or by anyone acting on Developer's behalf, or under Developer's supervision and control, including but not limited to claims made by employees of Developer.

11. Delays

Neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder, if such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, passage of laws, orders of court, adoption of rules, ordinances, acts, failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or other cause, whether of similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence such party is unable to prevent or overcome.

12. Assignment

Developer understands and agrees that this Agreement may only be assigned in its entirety by SM South, L.L.C. Stirling Mandeville, L.L.C., and Maurmont Properties L.L.C. acting jointly. This Agreement shall not be assigned by Developer without the express written approval of Utility, which approval shall not be unreasonably withheld.



13. Governing Law, Notices, Etc.

- a. This Agreement is intended to be performed in the State of Louisiana and shall be governed by the laws of the State of Louisiana.
- b. This Agreement sets forth the complete understanding between Developer and Utility and supersedes all prior agreements with respect to Utility Services to the Property. Any amendments hereto to be effective must be made in writing.
- c. Notices, correspondence and invoicing required hereunder shall be given to Developer and to Utility at the following addresses, or at any other addresses designated in writing by either party subsequent to the date hereof:

If to Developer:

SM South, L.L.C.  
Stirling Properties, Inc.  
109 Northpark Blvd., Suite 300  
Covington, Louisiana 70433  
Attn.: Gerald E. Songy, Manager

Stirling Mandeville, L.L.C.  
Stirling Properties, Inc.  
109 Northpark Blvd., Suite 300  
Covington, Louisiana 70433  
Attn.: Gerald E. Songy, Manager

Maurmont Properties, L.L.C.  
Stirling Properties, Inc.  
109 Northpark Blvd., Suite 300  
Covington, Louisiana 70433  
Attn.: James E. Maurin, Manager

If to Utility:

Utilities, Inc. of Louisiana  
2335 Sanders Road  
Northbrook, Illinois 60062  
Attn.: Lisa A. Sparrow,  
Chief Operating Officer

Delivery, when made by registered or certified mail, return receipt requested, shall be deemed complete upon mailing.

- 14. This Agreement must be signed by Developer and returned to Utility prior to June 30, 2009 in order to come into effect.

IN WITNESS WHEREOF, this Agreement is executed on the date above first written.

WITNESS:

Sheron M. Amacker  
7/4

SM SOUTH, L.L.C.

By: STIRLING 21, L.L.C., MANAGER

By: Gerald E. Songy  
GERALD E. SONGY, MANAGER

WITNESS:

Sheron M. Amacker  
7/4

MAURMONT PROPERTIES, L.L.C.

By: MAURMONT MANAGERS, L.L.C., MANAGER

By: James E. Maurin  
JAMES E. MAURIN, MANAGER

WITNESS:

Sheron M. Amacker  
7/4

STIRLING MANDEVILLE, L.L.C.

By: STIRLING 21, L.L.C., MANAGER

By: Gerald E. Songy  
GERALD E. SONGY, MANAGER

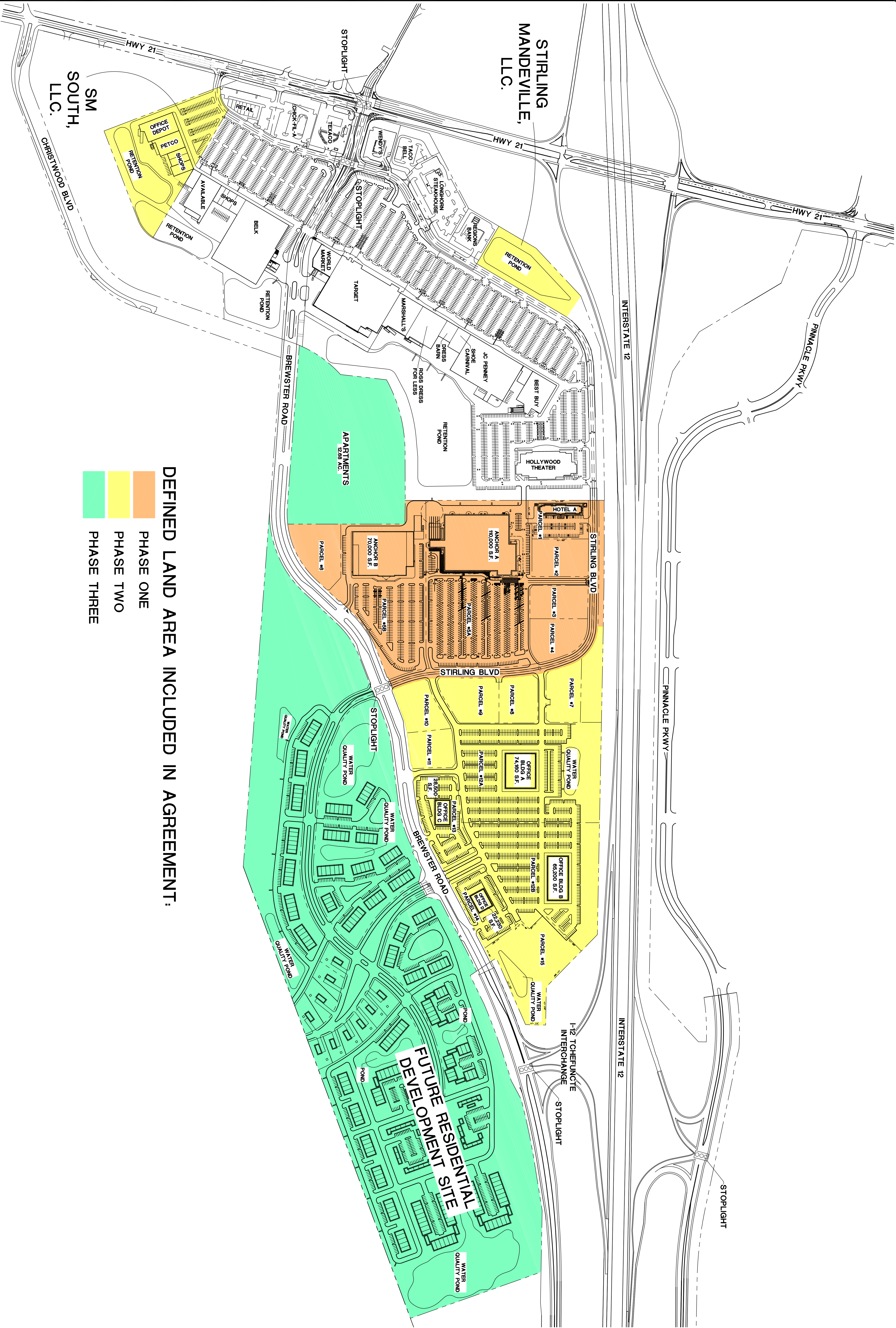
WITNESS:

[Signature]

UTILITIES, INC. OF LOUISIANA

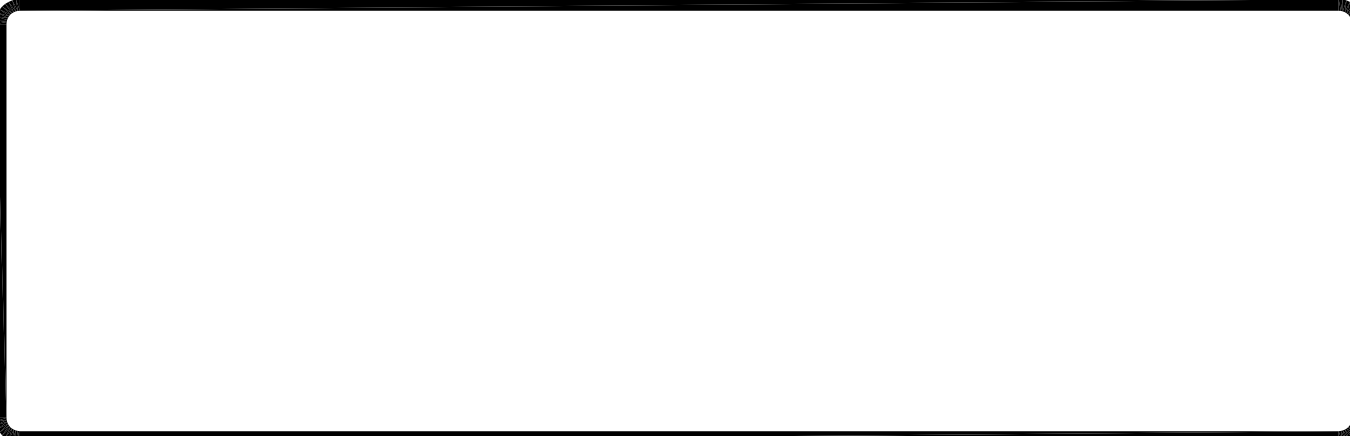
By: Lisa A. Sparrow  
LISA A. SPARROW, CHIEF OPERATING OFFICER





DRAWN	DLG
CHECKED	THB
ISSUED DATE	07-31-2013
ISSUED FOR	EXHIBIT
PROJECT NO.	07-370
FILE	07-370 P-31 EX13
SHEET	

UTILITIES, INC. OF LA  
SYSTEM DEVELOPMENT AGREEMENT  
PROPOSED MAURMONT DEVELOPMENT  
FOR STIRLING PROPERTIES  
COVINGTON, LA





**Maurmont/Stirling Sewer Loads**

<u>Location - Description</u>	<u># of Units</u>	<u>Total Area (SF)</u>	<u>Rooms/Seats</u>	<u>Daily Avg. Flow Factor (gpd)</u>	<u>Daily Average Flow (gpd)</u>	<u>Daily Average Flow (gpm)</u>	<u>Peak Flow (gpm)</u>
<b>Overall Maurmont/Stirling Covington</b>							
River Estate Homes (Single Family Homes)	10			400	4,000	2.8	8.3
Garden Distric Flats (Condos)	31			300	9,300	6.5	19.4
Brown Stones (Townhomes)	260			300	78,000	54.2	162.5
* Madison Park (Apartments)	240			300	72,000	50.0	150.0
Commercial (Maurmont)		180,000		0.2	36,000	25.0	75.0
Commercial (Stirling Cov Ph-2B)		55,680		0.2	11,136	7.7	23.2
Stirling Covington Additional Outparcel Area		10,000		0.2	2,000	1.4	4.2
Hotel A		53,940	85	100	8,500	5.9	17.7
Office		190,090		20	38,018	26.4	79.2
Retail Outparcels (7) - 5,000 SF/Outparcel		35,000		0.2	7,000	4.9	14.6
(2) Sit-down Restaurant			200	35	14,000	9.7	29.2
(1) Fast Food Restaurant			100	40	4,000	2.8	8.3
Overall Load (GPD)					<b>283,954</b>	<b>197.2</b>	<b>591.6</b>
<b>Total SDC =</b>					<b>\$1,269,809</b>		

<b>Northwest Commercial - Phase-1</b>							
Commercial (Maurmont)		180,000		0.2	36,000	25.0	75.0
Hotel A		53,940	85	100	8,500	5.9	17.7
Retail Outparcels (2) - 5,000 SF/Outparcel		10,000		0.2	2,000	1.4	4.2
Sit-down Restaurant (1)			200	35	7,000	4.9	14.6
Fast Food Restaurant (1)			100	40	4,000	2.8	8.3
Total Load (GPD)					<b>57,500</b>	<b>39.9</b>	<b>119.8</b>
<b>SDC =</b>					<b>\$315,100</b>		

<b>Northeast Office/Commercial - Phase-2</b>							
Office		190,090		20	38,018	26.4	79.2
Retail Outparcels (5) - 5,000 SF/Outparcel		25,000		0.2	5,000	3.5	10.4
Sit-down Restaurant (1)			200	35	7,000	4.9	14.6
*Stirling Covington, Additional Outparcel Area		10,000		0.2	2,000	1.4	4.2
*Stirling Covington Shopping Center, Ph-2B		55,680		0.2	11,136	7.7	23.2
Total Load (GPD)					<b>63,154</b>	<b>43.9</b>	<b>131.6</b>
<b>SDC =</b>					<b>\$346,084</b>		

<b>South Residential - Phase-3</b>							
River Estate Homes (Single Family Homes)	10			400	4,000	2.8	8.3
Garden Distric Flats (Condos)	31			300	9,300	6.5	19.4
Brown Stones (Townhomes)	260			300	78,000	54.2	162.5
* Madison Park (Apartments)	240			300	72,000	50.0	150.0
Total Load (GPD)	<b>541</b>				<b>163,300</b>	<b>113.4</b>	<b>340.2</b>
<b>Residential SDC =</b>					<b>\$608,625</b>		

**Commercial SDC = \$661,184**

**Total SDC \$1,269,809**

For Hotels, 100 gpd/room + 45 gpd/room for food service waste

For Offices, 20 gal/employee at 1 employee/100 SF

SDC = System Development Charges

Residential SDC = \$1125/unit

Commercial SDC = \$5.48/gallon

\*Stirling Covington Shopping Cntr, Phase-2B is to be included in Maurmont Ph-2

\* Madison Park Apts 12-acre site included in Maurmont Ph-3; property for sale, and capacities may not be needed