CITY OF MARGATE

DEVELOPER AGREEMENT

84247459

THIS AGREEMENT made and entered into this 29th day of March, 1983, by and between 1957 Margaret Woodson Fisher Trust hereinafter referred to as "Developer" and the CITY OF MARGATE, a municipal corporation organized and existing under the laws of the State of Florida, hereinafter referred to as "City".

WHEREAS, Developer owns or controls lands located in Broward County, Florida, and described in Exhibit "A", attached hereto and made a part hereof as if fully set out in this paragraph and hereinafter referred to as "Property" and Developer has or is about to develop the Property by erecting thereon such improvements as are in accord with the zoning laws and land use plans of the City of Margate, Broward County or City of Coconut Creek, and

WHEREAS, in order to meet the financing and general requirements of certain private agencies and certain Federal, State and Local governmental agencies, such as but not limited to, the State Board of Health, the Department of Environmental Regulations, the Veterans' Administration, the Federal Housing Administration, and private lending institutions, it is necessary that adequate water and sewage facilities and services be provided to serve the Property and to serve the occupants of each residence, building, or unit constructed or located on the Property, and

WHEREAS, Developer is not desirous of providing water and sewage facilities to serve the Property, but is desirous of promoting the construction of central water and sewage facilities by City so occupants of each residence, building, or unit constructed or located thereon will receive adequate water and sewage service, and

WHEREAS, City is the owner and operator of public water treatment and/or sewage treatment plant, together with water distribution and/or sewage collection facility, and City is willing to operate such facilities so that the occupants of each residence, building, or unit constructed on the property will receive an adequate water supply and sewage disposal service from City for the benefit of the public as determined by the City, and

WHEREAS, Developer is desirous of the City to expand its central water and sewage facilities so as to serve the property of the developer, and

WHEREAS, it is the intention of the City to provide exclusive water and sewage facilities within the service area wherein the Property of Developer lies,

NOW, THEREFORE, for and in consideration of the mutual covenants and undertakings of the parties hereto, and other good and valuable considerations, the parties hereto covenant and agree, each with the other as follows:

1. The foregoing statements are true and correct and are incorporated herein by reference.

2. The following definitions and references are given for the purpose of interpreting the terms as used in this agreement and apply unless the context indicates a difference meaning:

a. Property - All the land described in Exhibit "A" and all the land to which City shall provide water and sewage service.

b. Stage Area - Refers to a part of the Property which is being or is to be developed as a unit.

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c. Lot or Tract - Each building site as platted for record or as shown on the master plan and plat.

d. Service - The readiness and ability on the part of the City to furnish water or sewage service to each lot. Thus, the maintenance by City of adequate pressure at the point of delivery shall constitute the rendering of water service, and the maintenance of a connection providing for the removal and disposal of sewage service. Sewage service refers to sanitary sewer service.

e. Point of Delivery - The point where the pipes or meters of City are connected with the pipes of the consumer. Unless otherwise indicated, point of delivery shall be at the point on the consumer's lot line,

f. Consumer Installation - All facilities on the consumer's side of the point of delivery.

g. Contribution in Aid-of-Construction - The sum of money and/or the value of propery represented by the cost of the water distribution and sewage collection systems including lift stations and treatment plants by a Developer, or owner, of the utility, which Developer or owner transfer, or agrees to transfer, to City in order to induce City to provide utility service to the Property.

h. Water and Sewer Extension Policy - The Document creating a uniform method of determining the contribution in aid of construction to be borne by property owners, builders or developers within the service area, all as more particularly set forth in Exhibit "B" attached hereto and made a part hereof by reference and as same may be amended from time to time.

i. Developer - The owner of the parcel of land described in Exhibit "A".

ARTICLE I

(A) It will be the obligation of the Developer, at his expense to design, construct and install water distribution and sewage collection lines, over, through, under and across Developer's Property in accordance with plans, specifications and engineering data as submitted by a Florida registered engineer, to be approved by the City's engineers and/or administrator and said water distribution and sewage collection lines will be installed and connected to City's existing water and sewage collection lines, all of which work shall be paid for by Developer. Such water facilities to be installed at Developer's expense shall include, but not be limited to all services, distribution mains, and transmission mains required for the furnishing of service to Developer's Property. Such sewage facilities to be installed at Developer's expense shall include, but not be limited to all, services, gravity flow mains, force mains and lift stations required for the furnishing of service to Developer's Property.

(B) Developer shall, at his expense, retain the services of a registered professional engineer for the purpose of providing necessary inspection and supervision of the construction work to insure that construction is at all times in compliance with accepted sanitary engineering practices and the approved plans and specifications.

(C) Prior to approval of said plans and specifications, however, the City shall receive written verification that:

(1) If the Property is required by law to be platted prior to building construction, the platted area which the water and sewer facilities are to serve has been approved by all required City and County agencies and recorded in the Official Records of Broward County, Florida.

(2) If the property is not required to be platted, a Property Development Plan or similar plan has been approved by the City of Margate or the City of Coconut Creek or Broward County for the Property in question.

(D) The work to be performed by Developer, as above provided for, may not be commenced until all plans and specifications covering the work to be performed are approved in writing by City's engineers and/or administrator.

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(E) The work to be performed by Developer, pursuant to the provisions set forth herein, shall be in accordance with all requirements of the regulatory agencies having jurisdiction of the subject matter of this agreement.

(F) Developer will notify City before any construction is begun and at the times when inspections will be required. Said notification shall be made in writing and shall be received by the City at least twenty-four (24) hours in advance.

(G) During construction and at the time when periodic inspections are required, City's engineers and/or administrator, or his authorized representative, together with Developer's engineer, will be present to observe and jointly witness tests for determination of conformance to approved plans and specifications.

(H) As and when the water service and sewage collection systems have been satisfactory installed, inspected, tested and approved in writing by the Developer's engineer, together with the City's engineers and/or administrator, the City will thereafter maintain the water service system and sewage collection system without cost to Developer; provided, the obligation of the City to maintain the water service system and sewage collection system will not take affect until such time as Developer has conveyed title to said systems to City and furnished the As-Built drawings described in Paragraph (I) below.

(I) Developer will, at his expense, furnish to the City one complete set of reproducible as-built drawings prepared by the engineer who designed the water service and sewage collection systems. Said as-built drawings shall also be certified by the engineer and must show all pertinent information as to the correct location of all mains, services, pumps, valves, manholes, laterals, easements, etc. affecting the water service and sewage collection systems as constructed in the field.

(J) The Developer will pay to the City the applicable charges (as set by City from time to time) for water meters and meter installations, meter security deposits, connection charges and capacity reservation charges and contributions in aid-of-construction as set forth in the Water and Sewer Extension Policy (Attached as Exhibit "A") as same may be modified from time to time. Schedules of current meter fees and connection charges are attached as Exhibits "C"

(K) Failure of the Developer to execute this agreement within thirty (30) days after submission to the Developer, shall result in its withdrawal.

(L) Under no circumstances shall the City provide water and sewer service to a stage area encompassed under a Developer's agreement when, in fact, that stage area has not been completed, tested, as-built drawings provided, certified, approved and accepted by City.

(M) Developer hereby agrees to make full disclosure to any party purchasing all or any part of the Property encompassed by this agreement as to the terms hereof, with particular reference to the charges set forth and of the rates set forth in Exhibits "B", and C, attached hereto and made a part hereof.

(N) If for unseen circumstances including, but not limited to actions of any other governmental or regulatory agency, the proposed development is abandoned, terminated or caused to be cancelled short of full completion, it is mutually agreed by the parties hereto that the monies paid to City shall constitute liquidated damages to City. No refund of any type, monetary or otherwise, shall be made to Developer and this agreement shall be thereafter null and void. Failure to continue or proceed with construction in a meaningful manner for a consecutive period of one hundred and eighty (180) days shall be deemed to be an abandonment or termination. "Meaningful" as used herein is defined as proceeding with construction in the normal manner customary and common to the trade.

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ARTICLE II

Upon completion, approval and acceptance of the work required to be done, Developer will, without cost to City:

(1) Within a period of thirty (30) days after the execution of this contract, at the expense of Developer, Developer agrees to either deliver to City an Abstract of Title brought up to date, which abstract shall be retained by City and remain the property of City, or to furnish City an opinion of title from a qualified attorney with respect to the Property, which opinion shall include a current report on the status of the title setting out the name of the legal title holders, the outstanding mortgages, taxes liens and covenants. The Developer agrees to provide City at the expense of Developer, title insurance in connection with all Warranty Deed conveyances of lift station sites or easements covering areas in which water or sewer lines have been installed. The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service contained in this agreement. Any mortgage or lien holder having an interest in the property shall be required to join in the grant of exclusive service rights set forth in this agreement.

(2) Convey to City, in a form acceptable to City's attorney, by good and sufficient easement deed a perpetual right, easement and privilege to operate and maintain all water and sewer mains, pipes, connections, pumps, and meters, in connection with supplying water and sewer service to the inhabitants, occupants and customers in Developer's property, together with a perpetual right, easement and privilege unto City and its successors and assigns, to go in, under and upon the land or lands where said water and sewer mains, pipes, connections, pumps and pumping stations, if any, are located in order for City and its successors and assigns, to maintain, repair or replace the same.

(3) Transfer to City by Bill of Sale Absolute all Developer's right, title and interest in and to all of the water and sewer supply lines, mains, pumps, connections, pipes, valves, meters and equipment installed within the lands described in Exhibit "A" attached hereto and made a part hereof for the purpose of supplying of water service and sewage collection for the inhabitants, occupants, and customers in Developer's Property.

(4) Furnish construction costs of all utility facilities constructed by Developer and proposed to be transferred to City.

(5) Furnish City with an affidavit that all persons, firms, or corporations who furnished labor or material used directly or indirectly in the prosecution of the work required to be performed by this agreement have been paid.

(6) Furnish City with a satisfactory warranty or bond guaranteeing the facilities installed pursuant to this agreement against defects in materials, equipment or construction for a period of not less than one (1) year from date of acceptance of same by City.

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ARTICLE III

City further convenants and agrees with Developer as follows:

City shall provide service meeting the standards required by the Florida Department of Health and Rehabilitative Services, Department of Evironmental Regulation, and any other regulatory agency having jurisdiction. The obligation of the City to furnish service other than construction water shall not arise until Developer has performed pursuant to this Agreement.

ARTICLE IV

It is mutually convenanted and agreed by and between the parties hereto, as follows:

(1) City shall have the exclusive right to furnish water and sewer collection service to consumers within the area covered by this agreement; and

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(2) Developer shall do all things and make all installations and perform all work in accordance with the terms of this agreement; and

(3) Any sale, assignment or transfer of Developer's interest in this agreement is hereby prohibited without written consent of the City; and

(4) Developer, his successors and assigns, and the owners and occupants of buildings on Developer's Property are hereby prohibited from installing or maintaining any water wells except for irrigation purposes; and

(5) Developer, his successors and assigns, and the owners and occupants of buildings on Developer's Property are hereby prohibited from installing, maintaining or using septic tanks in connection with the disposal of sewage from said buildings; and

(6) City shall have the right to promulgate from time to time reasonable rules and regulations relating to the furnishing of water service and sewage collection service to consumers within the area encompassed by this agreement. Such rules and regulations may relate to but are not limited to, rates, desposits, connection charges, prepayment of connection charges, capacity reservation charges and the right to discontinue services under certain conditions.

(7) City shall not be liable or responsible for the maintenance or operation of any pipes, pipelines, valves, fixtures or equipment on any of the properties of the Developer or customer.

(8) Each customer of water service and/or sewage collection service on Developer's Property shall keep all water pipes, service lines, connections and necessary fixtures and equipment on the premises occupied by said customer; and within the interior lines of the lot occupied by the customer in good order and condition. The sale of water by City to the customer shall occur at the customer's side of the meter; and

(9) No water from City's water distribution system is to be used or disbursed through fire hydrants or water mains by any person, firm, corporation or agency, public or private, unless there has first been made adequate provisions for compensating City for such water; and

(10) Any temporary cessations or interruptions of the furnishing of water and sewer service to the property described herein at any time caused by an Act of God, fires, strikes, casualties, accidents, power failures, necessary maintenance work, breakdowns, damage to equipment or mains, Civil or Military authority, riots or other cause beyond the control of the City shall not constitute a breach of the provisions contained herein or impose liability upon the City by the Developer, his successors and assigns nor shall any cessation of service or additional connections for service due to action by any governmental regulatory agency having jurisdiction over the City constitute said breach or impose liability upon City; and

(11) If any section, subsection, sentence, clause, phrase or portion of this agreement is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

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ARTICLE V

(A) The provisions of this Agreement shall be binding upon and inure to the benefits of the successors and assigns of the parties hereto.

(B) This agreement is being recorded among the public records of Broward County, Florida, for the particular purpose of placing all owners or occupants of properties in Developer's Property connected to or to be connected to said water and sewer systems of City upon notice of each and every one of the provisions herein contained to the same extent and with the same force and effect as if said owners and occupants had joined with the parties to the Agreement in the execution thereof; and the acquisition or occupancy of property in Developer's property connected to or to be connected to the said water and sewage systems of City shall be deemed conclusive evidence of the fact that the said owners or occupants have consented to and

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and accepted the agreement herein contained and have become bound thereby.

ARTICLE VI

Whenever either party desires to give notice unto the other, it must be given by written notice, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the place last specified as the place for giving of notice, shall remain such until it shall have been changed by written notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective places for the giving of notice; to wit:

For City: 5790 Margate Boulevard
Margate, Florida 33063

For Developer: P. O. Box 65
Wausau, Wisconsin 54401

Notice so addressed and sent by registered mail, with return receipt requested, shall be deemed given when it shall have been so deposited in the United States Registered Mail.

ARTICLE VII

(A) It is mutually agreed that the City shall be held harmless from any and all liability for damages if City's obligations under this agreement cannot be fulfilled as a result of any ruling or order by any other governmental or regulatory agency having jurisdiction over the subject matter hereof; and in such event this agreement shall be null and void, and unenforceable by either party.

(B) The rights, privileges, obligations and covenants of Developer and City shall survive the completion of the work of Developer with respect to completing the water and sewer facilities and services to any stage area and to the Property as a whole.

(C) This agreement supersedes all previous agreement or representations, either verbal or written heretofore in effect between the Developer and City made with respect to the matters herein contained, and when duly executed, constitutes the agreement between the Developer and City. No additions, alterations or variations of the terms of this agreement shall be valid, nor can provisions of this agreement be waived by either party unless such additions, alterations, variations or waivers are expressed in writing and duly signed by both parties.

ARTICLE VIII

That the City reserves unto itself the right to increase plant capacity deemed necessary in order to provide water and/or sewer services for new users. In so doing the City shall require specific reservation of capacity and prepayment of such connection charges as are necessary to construct expanded facilities along with a procedure to implement same. Same shall be attached and made a part of this agreement as an addendum.

IN WITNESS WHEREOF, Developer and City have executed or have caused this agreement, with the named Exhibits attached, to be duly executed in several counterparts, each of which counterpart shall be considered an original copy of this agreement.

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Witnesses:

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[illegible]

CITY OF MARGATE, FLORIDA

BY _____
Mayor

BY _____
City Manager

Developer: 1957 Margaret Woodson Fisher Trust

BY _____
San W. Orr, Jr., Trustee

BY _____

Approved as to Form:

EUGENE M. STEINFELD, City Attorney

Notice to Developer: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY WHICH
CONSTITUTES THE SUBJECT MATTER OF THIS AGREEMENT

The South 672.85 feet (as measured at right angles) of Tract "C" of a subdivision of Section 1, Township 49 South, Range 41 East, according to the plat thereof recorded in Plat Book 26, page 21, of the public records of Broward County, Florida, containing 40 acres, and known as the Riding Stable.

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EXHIBIT B

WATER AND SEWER EXTENSION POLICY

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PURPOSE

The City of Margate, Florida, hereinafter referred to as "City" hereby establishes this Extension Policy for the purpose of creating a uniform method of determining the contribution in aid of construction to be borne by property owners, builders or developers within the service area to defray or partially defray the costs of on-site water distribution and sewage collection system; the allocable share of off-site water distribution and sewage collection system; and allocable shares of treatment plant costs. City declares that this Extension Policy has as its goal, the establishment of a uniform method of computing or determining such contributions to the end that all such contributions shall be non-discriminatory amongst consumers in the area and shall be applied as nearly as possible with uniformity to all consumers and prospective consumers within the present or future service area.

AVAILABILITY

The provisions of this Extension Policy area available to consumers and property owners throughout the service area of the City of Margate Utility Department, subject only to matters of economic feasibility which shall always allow to the utility an amount to provide coverage test ratios as indicated in the City's Trust Indenture.

APPLICABILITY OF CONTRIBUTION IN AID OF CONSTRUCTION

City requires the payment of contributions in aid of construction, either by cash payments or through the installation of water distribution and sewage collection facilities, by the developer, with title to such facilities transferred to City or a combination of both forms of contributions. The requirement of City for such contributions is declared to be for the purpose of defraying the cost of the water distribution and sewage collection system and to defray the cost of construction of water and wastewater treatment plant facilities.

The payment by developer, builder and/or owner of such contributions to City shall be a condition precedent to the rendering of service by City.

The aggregate value of contributions in aid of construction required by City either in cash or by utility system construction donated to City shall be computed and determined as follows:

On Site Facilities Each developer, owner or builder (hereinafter referred to as Developer), shall be responsible for the design, installation, inspection and testing of the complete water distribution and sewage collection system located in the street or streets adjoining or within the boundaries of Developer's Property.

The term "complete water distribution and sewage collection system", as used herein, shall include all component parts of a water distribution system, including valves, fittings, laterals, hydrants and all appurtenances as shown upon the approved design of such water distribution system. The sewage collection system shall include all collection lines, manholes, force mains, lift or pumping stations, including the site for same, and all other appurtenances as shown upon the approved design for the installation of such sewage collection system.

City's requirement for the installation of over-sized lines or facilities, located on Developer's Property and designed to provide service for other properties, shall be the subject of a Developer's Agreement which may include refunding provisions as set forth hereafter in this Extension Policy.

The limited size of Developer's Property, for which service has been requested may indicate to City the desirability of having City design and install the water distribution and sewage collection system. In such event, City reserves the right to compute the estimated cost of such extension and to require developer to pay such cost of construction in lieu of Developer's installation of the water distribution and sewage collection system.

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Off-Site Water Distribution and Sewage Collection System - Hydraulic Share: The location, size or proposed density of Developer's Property may make service to such Property dependent upon the extension of off-site water distribution and sewage collection facilities. For the purpose of this Extension Policy, the term off-site shall be defined as those main water transmission lines, sewage collection lines, sewage force mains and/or pumping stations necessary to connect Developer's Property with facilities of City adequate in size to transmit to Developer's Property, an adequate quantity of water under adequate pressure and/or transmit sewage collected on developer's property to the treatment plant or disposal site of City.

It is City policy to apportion the cost of main transmission and collection lines and pumping stations pro rata against the properties receiving service from such main transmission lines located off site as to Developer's Property.

Since each Developer draws from the hydraulic capacity of such lines, City will require that developer pay his Property's hydraulic share of the cost of the off site main transmission and collection facilities through which service is rendered to Developer's Property. This portion of City's extension policy is referred to as Developer's "hydraulic share of off-site facilities."

It is further declared and established that City will compute such hydraulic share of off site facilities based upon two major factors which will contribute to the engineering determination:

(a) The quantum area of Developer's land, and
(b) The density and estimated consumption to be generated from the property as it is proposed to be developed.

City further declares that the charge for Developer's hydaulic share of off site facilities will be applicable to Developer's property whether or not the main transmission lines and/or pumping stations have been previously constructed. It is the intent of this section to apportion the cost of main transmission lines and pumping stations on a fair share basis irrespective of whether such transmission lines and pumping stations have been previously constructed or are proposed to be constructed.

Developers may be required to advance all or a portion of the main transmission lines and pumping stations in order to provide a physical interconnection of Developer's property with the facilities of City at their then present terminus. Such eventualities are covered by provisions in this Extension Policy under the heading of "Refundable Advances."

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CONNECTION CHARGES

In order to defray costs relating to construction of: production, certain transmission, storage, pumping, and treatment facilities for water supply service, and wastewater collection, coveyance, pumping, treatment, and disposal facilities, there shall be paid by landowner/developer connecting into the water and/or wastewater system, at the time application is made for a building permit, water and wastewater connection charges as listed in Tables 1, 2 and 3 of Section 24-73 of Chapter 24, Article V of the City of Margate Code of Ordinances; provided, however, that the City may require and accept the prepayment of connection charges whenever it shall determine that such prepayments are required in the funding of all or part of the capital costs of new utility facilities.

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All connection charges shall be paid by the landowner/developer on the basis of the number of equivalent residential connections (ERC's) proposed to be connected into the water or wastewater system. An ERC equates all classes of utility users to a common denominator (i.e., a detached single family residential unit has a value of 1.0 ERC). All other types and classes of users shall be equated to this value as listed in Tables 1, 2,and 3

The established connection charges as set forth in Tables 1, 2, and 3 are fixed until 31 March 1983 and each 31 March thereafter, or at such time as is deemed appropriate by the City Commission of Margate, each connection charge shall be adjusted as reflected by the Engineering News Record (ENR) Construction Cost Index (CCI). The adjustment factor for each connection charge shall be computed by dividing the ENR CCI given in the March issue by the CCI given for the approximate same time one year before and multiplying

the result by the appropriate connection charge. When deemed necessary by the City Commission and duly adopted by ordinance, connection charges may be further adjusted, and the landowner/developer agrees to be bound by such adjustments.

CAPACITY RESERVATION CHARGE

A capacity reservation charge (CRC) will be paid by the landowner/developer for each ERC on which connection charges have been prepaid. The CRC will be applicable to the landowner/developer in every case in which the City has provided available capacity, and the landowner/developer has not yet connected to the water and/or sewer system. The CRC (also known as a guaranteed revenue charge) is a method of equitably charging new utility system customers for whom capacity is being reserved those costs which are fixed and non-flow variable (such as maintenance and administration costs - i.e., all costs not varying with commodity costs). The CRC is a monthly charge which is prepaid annually.

The CRC will be payable one (1) year in advance, from the time that additional system capacity becomes available, and each year thereafter until connection is made into the system. Upon connection of each ERC into the system, a corresponding CRC will be terminated. At the end of each year, the landowner/developer will receive credit for those CRC's terminated during the previous year, and a new advance payment will be made for the following year until the landowner's/developer's prepaid ERC commitment is exhausted.

Upon payment of the CRC, the City will guarantee that the landowner/developer will not be subject to any future increases in connection charges, to the extent that CRC's are currently paid up. Monthly CRC rates as listed in the tariff schedule in Section 1, Section 24-71 of Chapter 24, Article V, of the City of Margate Code of Ordinances shall apply, and the landowner/developer agrees to be bound by the provisions of the aforesaid ordinance.

OBLIGATIONS OF THE CITY

City shall maintain copies of this Extension Policy along with all applicable ordinances, rules and regulations available for the inspection of any property owner, developer, builder or prospective consumer desiring information regarding all elements of the cost of connecting to the water and sewer facilities of City.

City shall maintain "as-built" information on its water and sewer facilities in its office or in the office of its designated representatives for the purpose of providing reasonable information concerning the location of its water and sewer facilities.

City shall install all meters upon the request of prospective consumers providing the contributions in aid of construction as described herein and meter installation fees as set forth below have been paid in accordance with the provisions of this Extension Policy.

In instances where City undertakes the installation of water distribution and sewage collection lines, at the cost and expense of developer in lieu of developer's installation of such facilities, City will provide laterals for water and sewer service to developer's lot line ready for plumber's "hook-up" and the installation of meters.

OBLIGATIONS OF DEVELOPER

It shall be developer's obligation to furnish to City accurate information with regard to matters of engineering, construction of buildings and dwellings and proposed densities. Developers who increase their density factors and/or consumption requirements during the course of construction of the project are exposed to an adjustment in their hydraulic share for off-site facilities and/or an increase in connection charges applicable to developer's project. Developer is responsible for errors or changes in engineering information furnished to City when such error or change results in increased cost to City for any construction which City may undertake in connection with installing water distribution or sewage collection facilities or which would necessitate a new design or re-design of water distribution or sewage collection plans.

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EASEMENTS AND RIGHTS OF WAY

As a pre-requisite to the construction of any water distribution or sewage

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collection system proposed to be connected to the facilities of City, Developer shall grant to City such easements or rights of way corresponding with the installation of the proposed facilities. Such grant or conveyance shall be in form satisfactory to counsel of City. Such conveyance, when located on the property of Developer, shall be made without cost to City. City reserves the right to require such easement or right of way to the point at which the meter is proposed to be installed or at the "point of delivery of service" being the point at which the facilities of City joins with consumer's own installation.

SYSTEM DESIGN - INDEPENDENT ENGINEERS

City shall recognize the design of water and sewer facilities prepared by a registered professional engineer regularly engaged in the field of sanitary engineering, covering the design of Developer's on-site water distribution and sewage collection system. Provided, however, that each design shall be fully subject to the approval of City's engineer and shall conform in all respects to the criteria of City governing the installation of utility facilities ultimately to be accepted by City for ownership, operation and maintenance. City reserves the right to charge a fee commensurate with the cost to City of reviewing such engineering plans and furnishing to Developer's engineer, various information regarding location and criteria. All designs of water distribution and sewage collection facilities are at all times subject to the approval of other agencies having jurisdiction over such design.

SYSTEM DESIGN - CITY'S ENGINEER

City maintains a relationship with its engineer to provide utility design services to Developers for the purpose of facilitating the design of Developer's on-site distribution and sewage collection system. Designs prepared by City's engineer are acceptable to City, but are at all times subject to the approval of other governmental agencies having jurisdiction over the subject matter of such design. The cost of plans prepared by City's engineer shall be borne by Developer. However, in such cases, Developer will not be required to pay the charge for review of such plans as provided for in the foregoing paragraph.

INSPECTION FEES

City reserves the right to inspect the installation of all water distribution or sewage collection facilities installed by Developer or Developer's contractors, which facilities are proposed to be transferred to City for ownership, operation and control. Such inspection is designed to insure City that water and sewer lines and/or lift stations are installed in accordance with approved designs and are further consistent with the criteria and specifications governing the kind and quality of such installation. City further reserves the right to be present at tests of component parts of water distribution or sewage collection systems for the purpose of determining that the system, as constructed, conforms to City's criteria for exfiltration, infiltration, pressure testing, line and grade. Such tests will be performed by Developer or Developer's constractor, but only under the direct supervision of City's engineer or authorized inspector.

City reserves the right to charge an inspection fee not to exceed two percent (2%) of the cost, either actual or estimated, of the subject water and sewer facilities as installed by Developer. City maintains full time inspection availability and the cost for inspection services as set forth herein is and shall continue to be designed to defray the actual cost of conducting such inspections and testing.

INSPECTIONS OF PLUMBER'S HOOK-UP

It shall be the responsibility of Developer or its plumbing contractor to connect Developer's plumbing installation with the sewage collection facilities of City. This connection is generally made "at the point of delivery of service" as defined elsewhere in this Extension Policy. City reserves the right to inspect all such connections to be assured that the same are properly made in accordance with City's rules governing such connections and that the connection, as made, is free from infiltration. City maintains inspection personnel for the purpose of inspecting these plumbing hook-ups and will provide such inspection service for Developer without cost.

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Developer shall be required to notify City of any proposed interconnection with the facilities of City and connection may be made without the presence of City's inspector. However, such connection shall remain open until inspected by City and until notice of the approval of such connection is furnished to Developer in accordance with the practices and procedures of City. Any plumber's connection covered over without the benefit of inspection will result in Developer being required to reopen the connection for subsequent inspection.

METER INSTALLATION FEES

City will charge to each prospective consumer requesting water service, a meter installation fee to defray City's cost of the meter, meter appurtenances and cost of installation. City will require the payment of such meter installation fee concurrently with the request by prospective consumers for the meter installation. The meter installation fee shall be charged only one time for the installation of a meter at any one location, provided, however, that requests to exchange existing meters for meters of a larger size will result in a charge to the prospective consumer of a difference between the existing smaller size meter and the requested larger size meter.

TRANSFER OF CONTRIBUTED PROPERTY - BILLS OF SALE

Each developer who has constructed portions of the water distribution and sewage collection system on Developer's own property prior to interconnnection with City's existing facilities, shall convey such component parts of water distribution and sewage collection system to City by bill of sale in form satisfactory to City's attorney, together with distribution system proposed to be transferred to City is free of all liens and encumbrances.

Any facilities in the category of "consumer's lines" or "plumber's lines" located on the discharge side of the water meter or on the consumer's side of the point of delivery of service shall not be transferred to City and shall remain the property of Developer, a subsequent owner-occupant or their successors and assigns. Such "consumer's lines" or "plumber's lines" shall remain the maintenance responsibility of Developer or subsequent consumers.

City shall not be required to accept title to any component part of the water distributuion or sewage collection system as constructed by Developer until City's engineer has approved the construction of said lines, accepted the tests to determine that such construction is in accordance with the criteria established by City and thereby has evidenced its acceptance of such lines for City's ownership, operation and maintenance.

Developer shall maintain accurate cost records establishing the construction costs of all utility facilities constructed by developer and proposed to be transferred to City. Such cost information shall be furnished to City concurrently with the bill of sale and such cost information shall be a prerequisite for the acceptance by City of the portion of the water distribution and sewage collection system constructed by Developer.

City reserves the right to refuse connection and to deny the commencement of service to any consumer seeking to be connected to portions of the water distribution and sewage collection system installed by Developer until such time as the provisions of this paragraph have been fully met by Developer or Developer's successors or assigns.

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REFUNDABLE ADVANCES

City may require, in addition to the contribution provisions set forth herein, a refundable advance by developer to further temporarily defray the cost of any "off-site" extension of water and/or sewer mains and pumping stations necessary to connect the Developer's property with the then terminus of City's water and sewer facilities adequate in size to provide service to the subject property. As set forth elsewhere in this Extension Policy, Developer shall always be responsible for his "hydraulic share" of the cost of off-site facilities. However, this Extension Policy recognizes instances in which a Developer may be required to advance the hydraulic share applicable to other undeveloped property in order that "off-site" facilities may be constucted to serve Developer's Property and at the same time be sized in accordance with City's master plan. All amounts expended by Developer, over and able Developer's hydraulic share for "off-site"

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facilities shall be refunded to Developer in accordance with the terms and conditions of a refunding agreement which City will execute with Developer. The refund agreement shall provide for a plan of refund based upon the connection of other properties, to the extent of their hydraulic share, which properties will be served by the "off-site" facilities installed by developer. Notwithstanding the provisions of this section, City may limit the life of such refund agreement to a term of not more than seven years, after which time any portion of the refund not made to developer by the terms and conditions of the refund agreement will have lapsed and thereafter, such refund agreement will be cancelled. In no event shall Developer recover an amount greater than the difference between the capitalized cost of such "off-site" improvements and developers own hydraulic share of such improvements. City shall not include any interest upon the refund of Developer's advance.

DEVELOPER AGREEMENTS REQUIRED

Owner, builder, or Developer may be required to execute a "Developer's agreement" setting forth such reasonable provisions governing Developer and City responsibility pertaining to the installation of plumber's lines with the facilities of City, the manner and method of payment of contributions in aid of construction; matters of exclusive service rights by City; standards of construction or specifications; time commitments to "take and use water and sewer services"; engineering errors and omissions; rules, regulations and procedures of City's facilities and other matters normally associated with and contained in Developer agreements. Nothing contained in such Developer agreements shall be in conflict with this Extension Policy, nor ordinances of City. City may require that Developer in addition to the contribution formulas set forth herein, bear the cost of the preparation of Developer agreements by independent counsel or persons qualified to draft and prepare such agreements. Said charge shall not exceed that amount normally to be contemplated for such services.

EXENSIONS OUTSIDE SERVICE AREA

Owners, builders, or Developers being potential consumers wherein the subject property lies outside the City's area may paply to City for the extension of water distribution and sewage collection mains to said property. City shall not be obligated to provide service outside of its franchised area, but may elect to do so upon terms and conditions similar to those contained in this Extension Policy provided, however, City may require additional contributions in aid of construction should the same be reasonably required in order to maintain the same level of economic feasibility then in effect within the franchised area.

EXTENSION POLICY - COPIES AVAILABLE

Copies of this Extension Policy shall be maintained at City Hall and shall be available to all prospective consumers upon requrest, either in person or by mail, addressed to the City.

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EXHIBIT C

SCHEDULE OF PROPOSED METER FEES

WATER

AVAILABILITY - AVAILABLE THROUGHOUT THE AREA SERVED BY THE CITY.

APPLICABILITY - TO ALL CLASSIFICATIONS OF CUSTOMERS FOR THE INITIAL COMMENCEMENT OF SERVICE AT ANY GIVEN LOCATION.

RATE -	(METER FEE)	
	5/8" Meter	$115.00
	3/4" Meter	150.00
	1 " Meter	225.00
	1 1/2" Meter	400.00
	2 " Meter	525.00

ALL OVER 2" BY AGREEMENT WITH THE CITY.

TERMS OF PAYMENT - PAYMENT TO BE MADE PRIOR TO SERVICE BEING RENDERED TO PROPERTY.

DEPOSITS REQUIRED AT TIME OF PAYMENT OF METER FEES

	Meter Size				
	5/8"	1"	1½"	2"	3"
Residential	$ 60.00	$100.00	$200.00	$300.00	- - -
Multifamily	----------$35.00 per unit----------				
Commerical	70.00	150.00	$250.00	$325.00	*

Over 2" shall be by agreement

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12/17/82

ADDENDUM TO DEVELOPER AGREEMENT

THIS ADDENDUM to Agreement made and entered into this 29th day of March, 1983, by and between 1957 Margaret Woodson Fisher Trust hereinafter referred to as "Developer" and the City of Margate, a municipal corporation, organized and existing under the laws of the State of Florida, hereinafter referred to as "City"

WHEREAS, Developer entered into a Developer Agreement with the City of Margate or its predecessor in interest, the Margate Utility Authority, Inc. or one of its predecessors in interest, and

WHEREAS, City has the exclusive right to provide water and sewer services within the service area of the Utility Department of the City of Margate, Florida, and

WHEREAS, the City Commission of the City of Margate, Florida, has commissioned a study in order to properly provide for the planning and implementation of the construction of water and sewer services in the service area of the Utility Department of the City of Margate, Florida, and

WHEREAS, the City Commission of the City of Margate, Florida, has determined that the cost of the construction of the expanded water and sewer facilities for the service area of the Utility Department of the City of Margate, Florida shall not be at the cost of nor subsidized by the rates of the present users in the system, and

WHEREAS, the Florida Supreme Court in Contractors and Builders vs. the City of Dunedin, 329 So.2d 314 (Fla. 1976), has stated that a municipality need not resort to deficit financing in order to raise capital, and

WHEREAS, the City of Margate or its predecessor in interest has contracted with Developer to provide water and sewer facilities for certain properties which are more properly described in the Developer Agreement between the City and/or its predecessor in interest which this Addendum shall be attached, and

WHEREAS, the City Commission of the City of Margate, the policy and rate-making body controlling the service area of the Utility Department of the City of Margate, wishes to only construct that water and sewer capacity which is necessary as determined by the Developers who have signed a Developer Agreement with the City of Margate or its predecessors, and

WHEREAS, the City Commission of the City of Margate, wishes to construct water and sewer facilities in a phase constructed manner at the time that the Developers in the Margate service area have need of said water and sewer services with enough time for the City of Margate to construct facilities for said water and sewer services with the understanding that the cost of construction of said facilities for expanded water and sewer services shall not be paid for nor supported by a pledge against the rates of the present water and sewer users, and

WHEREAS, the City of Margate by ordinance has provided for establishment of rates and charges intended to defray the costs of construction of expanded water and sewer facilities in the service area of the Utility Department of the Cityof Margate, and

WHEREAS, the City Commission of the City of Margate wishes at all times to foster the orderly development of land within the City of Margate, and to foster the construction of only those water and sewer facilities which are specifically needed and to have the prospective users of the anticipated expanded constructed facilities for water and sewer within the Utility System of the Utility Department of the City of Margate pay the cost of the construction of said facility, and

WHEREAS, the Developer herein wishes to reserve specific capacity for all or a certain portion of the property which is described in the original Developer Agreement with the City of Margate or its predecessors in interest, and

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WHEREAS, the Developer wishes to have the City of Margate construct that specific capacity which it wishes to reserve with the understanding that the City of Margate is at or near capacity for sewer and/or water service presently within the service area,

NOW, THEREFORE, for and in consideration of the mutual covenants and undertakings of the parties hereto and other good and valuable considerations, the parties hereto covenant and agree each with the other as follows:

The foregoing statements are true and correct and are incorporated herein by reference.

A. CONNECTION CHARGES - PREPAYMENTS

The parties recognize that pursuant to the City's Uniform Extension Policy, and the ordinances of the City, the City has established a uniform connection charge to defray the cost corresponding to and allocable to each equivalent residential connection (ERC) proposed to be added to the system and for which capacity is herein expressly reserved. As of the date of the agreement, said connection charges are:

Water ERC -	$ 450.00
Sewer ERC -	$ 800.00
Total	$1,250.00

Developer herein agrees to pay said connection charges in accordance with the terms and conditions and at the times set forth herein.

Further, pursuant to the ordinances of the City same requires the advance payment of said connection charges if it deems the same to be necessary in conjunction with the construction of utility facilities. City has advised Developer herein, and Developer acknowledges, that City has deemed that it requires that a portion of the connection charge be prepaid in order that a fund may thereby be created from which the immediate construction of new wastewater treatment plant facilities and the longer term construction of certain other utility facilities may be accomplished. Accordinly, Developer shall be obligated to prepay the sum of $940.00 for each ERC reserved pursuant to the terms of this Agreement.

Be these presents, Developer herein expressly reserves 139 ERC's of water and sewer treatment plant capacity for its project, calculated as follows:

Unless the deferred payment alternatives set forth herein are adopted by Developer concurrently with the signing of this Agreement, Developer shall pay to City, the sum of $940,00 x _____ equalling _____.

The parties further recognize that the sum of $310.00 per ERC reserved will remain to be paid by Developer to City in order that the full connection charge be ultimately collected. Developer agrees to pay said remaining sum of $310.00 per ERC as and when it requests of City, a building permit for buildings, units or residences, and such payment shall be for that number of ERC's corresponding to the improvement proposed to be constructed.

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B. DEFERRED PAYMENT ALTERNATIVE

Developer is hereby advised that City has entered into a loan agreeemnt with the Florida Coast Banks, the terms and conditions of which are designed to afford developers participating in the City's Phase I capacity reservation program to obtain the benefits of deferred payment of the protion of the connection charges ($940.00 per ERC) to which developer is obligated to City. Developer may elect to defer to City, an irrevocable letter of credit issued by a banking institution approved by Florida

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Coast Banks. Said letter of credit shall be issued on Forms approved by counsel to Florida Coast Banks. Said letter of credit will indicate their assignability by the City to Florida Coast Bank. City agrees to borrow from Florida Coast Bank, a principal sum of money which corresponds to $940.00 for each ERC reserved, which reservation shall be supported by the promises contained in this agreement and by the said letter of credit guaranteeing payment therefore.

Developer's letter of credit may be for a term not to exceed five years and may contain a schedule of partial payments to be made on any anniversary date during said five (5) year period.

Prior to the closing of said loan between City and Florida Coast Bank, Developer shall be advised of the revised amount of the connection charges which shall have been calculated after adding interest and financing costs, taking into account, the date or dates of payment specified by Developer and included in said letter of credit.

Notwithstanding the payment provisions contained in said letter of credit, Developer may, at any time, elect to prepay the then remaining amount due to City and City and Bank shall allow to Developer, a credit on the amount of connection charges corresponding to the savings in interest cost enuring to the benefit of the City by virtue of said prepayment.

C. CONNECTIONS AVAILABLE

Notwithstanding that Developer may have elected to participate in the "Deferred Payment Alternative", the connection charges corresponding to the number of ERC's reserved herein shall be deemed to be prepaid based upon Developer's posting of said irrevocable letter of creeit. Further, notwithstanding that Developer's letter of credit may have provided for actual payment in the fifth year, Developer shall be entitled to connect ERC's at a prior date without accelerating said payment.

Developer expressly recognizes, however, that the portion of the total connection charge ($310.00 per ERC) which will not have been prepaid pursuant to the terms of this agreement shall be paid as each building permit is requested from City in accordance with the provisions hereof.

D. CONNECTION CHARGE COST FOR PHASE I FIXED

Developer herein and other developers reserving capacity in the City's Phase I expansion program will not be subject to escalation in the cost of connection charges which may occur subsequent to the date hereof, but at all times limited to that number of ERC's specifically reserved herein. In the event that City shall reduce the cost of connection charges for others not participating in the Phase I expansion program, then, in that event, only Developer herein shall be entitled to a retroactive adjustment in said connection charge cost. Developer shall never be entitled to retroactive adjustments for interest which may have been paid or accured upon the payment or prepayment of connection charges.

E. INTERIM AND PERMANENT CAPACITY

Developer herein (and all other developers participating in the Phase I expansion program) recognizes that the ultimate and permanent capacity reserved is represented by and part of the construction of new wastewater treatment facilities which City commits to build for and on behalf of participants in said Phase I expansion program. City has advised participating developers that the design and construction of expanded facilities will commence immediately following the execution of Phase I Developer Agreements and the closing of the City's loan pertaining thereto. City has estimated that expanded wastewater treatment facilities will be completed in approximately 18 months, subject always to matters of force majeure. City recognizes that the prepayment of connection charges, in cash or pursuant to the deferred payment alternative, constitutes valuable consideration, without which City would not have undertaken said expansion. Accordingly, City grants to Developer, full and complete rights and benefits to that portion of the plant facilities corresponding to the capacity reserved herein, and in no event will City permit any diversion or use of said capacity to the detriment of Developer herein. It is the intention of the City to confer upon the Developer herein, the benefits of third party beneficiary status in the construction of Phase I expansion facilities to the end that Developer may be absolutely assured that such

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permanent capacity belongs to Developer, its successors and assigns in proportion to the total capacity to be available out of said Phase I expansion.

City further agrees that it will cause said expanded facilities to be continually operated in accordance with the rules and regulations of regulatory agencies having jurisdiction over such matters, and to be maintained in such a manner so as to preserve and protect the capacities reserved to Developer herein, and the City will take no action which would in any way impair the reservation or ability of the capacity granted herein.

City declares to Developer that the basic City policy shall be that capacity shall not be available generally, except to those who have subscribed for same in the Phase I expansion program. City has advised all owners, developers and prospective consumers within its service area that it has effectively reached the limit of its present treatment plant capabilities and has offered equally and uniformly to all such property owners, developers and prospective consumers, the opportunity to participate on an equal basis in the reservation of capacity in this Phase I expansion program.

Developer herein understands that City cannot guarantee the availability of interim capacity in any specific quantity prior to the completion of Phase I expanded facilities. Any capacities which may be available subsequent to the execution of these agreements and prior to the completion of expanded facilities shall be made availble to participating developers on a first come, first serve basis for as long as such capacities may remain available. Such interim capacities will only be made available in quantities corresponding to actual construction proposed to be immediately commenced. City agrees to use its best efforts to conserve available capacities for and utilization in connection with this provision, and will further seek to obtain from regulatory agencies, temporary advance capacity allocations for the system in contemplation of the completion of Phase I expanded facilities. Developer herein recognizes that it has been given the opportunity to independently assess the prospects of the availability of interim capacity and has elected to proceed with this agreement with knowledge of such facts.

F. EXPANSION SIZE - REQUIRED CASH FLOW

City hereby advises Developer that the Phase I expanded facilities proposed to be constructed have been sized as nearly as practicable to provide for the capacity reservations which in the aggregate have been subscribed to by Phase I participants. Excess capacities which, of engineering necessity, may remain over and above Developers' subscriptions shall be considered to be in the capacity portfolio of City and shall be utilized at the discretion of the City Commission only in such circumstances where great public interest, preservation of the integrity of its service area and equity to individual applicants requires that capacity be allocated from such City portfolio. City has advised Developer herein that it is not the intention of City to reserve substantial capacities for the potential benefit of non-participating developers. Subject only to the exceptions set forth herein, non-participating developers shall be afforded capacity from subsequent expansions to utility facilities which will, from time to time, be undertaken by City after analyzing such requests and aggregating subscriptons therefor.

City has used its best efforts to match the anticipated cost of construction with the aggregate total of connection charge advances. In the event that the cost of the construction program exceeds the aggregate value or prepaid connection charges, then such excess constructio cost shall be advanced by City and no further advance shall be required by Developer herein.

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G. UTILIZATION AND ASSIGNMENT OF CAPACITY

Capacities reserved herein are primarily intended for use on the property of Developer described in Exhibit A attached hereto and made a part hereof. Notwithstanding this basic policy, Developer shall be entitled to transfer all or a portion of the capacity reserved herein to another property within the service area owned by Developer herein, or an affiliated company in which Developer has an interest. Developer shall further be entitled to assign all or a portion of the capacity reserved herein to another person, firm or corporation for use on another property provided the following conditions are met:

1. The transfer of capacity is at the cost to Developer. In this context, "the cost" may include interest carrying charges or costs of money.

2. All such transfers shall be evidenced by written documents entitled "Assignment of Treatment Plant Capacity". Such assignment shall be submitted to City for review. The purpose of this provision is to enable City and any other party in interest to identify the holder or holders of all its capacity rights at all times.

3. The transferor and the transferee shall each submit a sworn statement to the City indicating clearly that the capacity is transferred "at cost", as that term is used herein.

In the event the proposed transferor has participated in the "Deferred Payment Alternative", then such transfer may not be made unless and until a substitute letter of credit has been furnished by the proposed transferee and the same has been accepted in substitution by the bank. Proposed transferees shall be entitled to prepay in cash the amount of the connection charge advance corresponding to the capacity assignment, thereby avoiding the necesssity to post a substitute letter of credit.

Capacities may also be transferred, in like manner, in the event that the property described in Developer Agreement to which this is attached, is sold by Developer to a third party owner.

H. EQUIVALENT CAPACITIES

The parties recognize that the City's ordinances contain capacity equivalents for various types of construction which have been used in the calculation of the number of ERC's. For example, townhouse construction has been deemed to represent less of a capacity demand upon the system than single family construction. Accordingly, each townhouse represents .7142 of 1 ERC. In the event Developer herein alters its development plan so as to build a type of unit not originally contemplated, then the equivalency factor of the newly proposed construction shall be utilized in reduction of and application of capacity reserved herein.

For the purpose of this Developer AGreement and the capacity reserved hereunder, equivalents set forth in the ordinances of the City and in effect on the date of the execution of this agreement are incorporated herein by reference and shall remain the capacity equivalents which pertain to Developer's project, notwithstanding that the same may be amended by City from time to time in the future.

I. CONSTRUCTION FUND

All prepaid connection charges reserved by City in cash, and the proceeds of the loan from Florida Coast Bank shall be reserved exclusively for the construction of the Phase I expanded facilities designed to provide the capacities reserved herein. City agrees that up to and including the completion of construction of Phase I expanded facilities, it will not divert or utilize any of the funds represented by prepaid connection charges for any other purpose whatsoever. If any funds remain from the principal amount of connection charge prepayments, after Phase I improvements have been completed, then the City shall transfer such remaining funds to its general construction account for use in future contemplated capital improvements to the system.

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J. CAPACITY RESERVATION FEES

In accordance with the ordinances of the City, same requires the payment of capacity reservation fees in order to fully or partially defray City's cost in maintaining and administering to plant facilities held for future use. Such fees are payable until such time as an ultimate owner/occupant connects to the system and commences paying revenue to the system.

City has recognized that Developer herein and all developers participating in the Phase I expansion program have prepaid (in cash or credit) connection charges corresponding to the determined cost of facilities to be constructed in the future. Such prepayment will relieve City of the burden of carrying the captial cost of reserved future facilities. Accordingly, City has determined that the portion of the total fixed and non-variable cost of administering to and maintaining plant facilities held for future use is a sum equal to forty seven percent (47%) of its service availability (monthly minimum) charge to consumers. City further recognizes that it has encouraged the participation of developers in its Phase I expansion program in order that the most cost effective level of new capacity can be constructed. In recognition of the participation of developers whose projects and capacity utilization may extend over a term of years, the City has established the following formula for the calculation of capacity reservation fees:

1. All capacity reserved is subject to capacity reservation fees.

2. The first 100 ERC's or part thereof reserved by Developer shall be charged one hundred percent (100%) of the capacity reservation fee.

3. ERC's 101 to 200 reserved by Developer shall be charged fifty percent (50%) of the capacity reservation fee.

4. All ERC's above 200 shall be charged one-third (1/3) of the capacity reservation fee.

Capacity reservation fees shall be calculated and prepaid on the quarterly date (January 1st, April 1, July 1st or October 1st) most nearly corresponding to the date of this agreement. On such date, one year's capacity reservation fees thus calculated shall be prepaid. Thereafter on each succeeding anniversary date, Developer's capacity reservation shall be reviewed and recalculated in accordance with the formula set forth above, and the new capacity reservation charges thus calculated shall be prepaid for the next succeeding year. City has advised Developer that it will not commence the imposition of capacity reservation charges for Developer herein until such time as the quarterly date following the completion of the Phase I construction program, said date being the date on which permanent capacity reserved hereunder may be fully enjoyed by Developer.

The prepayment of capacity reservation fees one year in advance as provided for herein contemplates and allows for partial refunds to Developer equal to the number of ERC's actually connected during said twelve (12) month period and the number of actual whole months that each of such ERC's and the consumers occupying the premises shall have paid actual revenues to the City.

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K. CONSTRUCTION OF PHASE II

City agrees that should a Developer, individually or along with any other developers who have signed developer agreements with City and who are willing to commit to plant capacity of 3,000 ERC's or more show interest in commiting to a prepayment program of similar nature as set forth in this addendum, City represents that it will cause a program to be implemented simil to this one providing for the additional plant capacity for users over and abo that requested in Phase I. Same shall be based upon such requirements and cos as are determined by City at the time of the implementation of the Phase II program and shall be manifested in additional addendums to developer agreement

Notwithstanding the above,City reserves the right to commence Phase II of expansion of its plant with commitments of developers evidencing less than 3,000 ERC's.

IN WITNESS WHEREOF, Developer and City have executed or have caused this Addendum to Developer Agreement to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Addendum to Developer Agreement.

ATTEST:

CITY OF MARGATE, FLORIDA

BY _____
MAYOR

BY _____
CITY MANAGER

WITNESS:

_____

DEVELOPER:
1957 Margaret Woodson Fisher Trust

BY _____
San W. Orr, Jr., Trustee

BY _____

APPROVED AS TO FORM:

_____
EUGENE M. STEINFELD
City Attorney

RECORDED IN THE OFFICIAL RECORDS BOOK OF SE... COUNTY, FLORIDA
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