

STATE OF GEORGIA

WATER AND SEWER AGREEMENT

CHATHAM COUNTY, GEORGIA

WHEREAS, SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY (SEDA), hereinafter referred to as **SEDA**, shall be responsible for the construction of water and sewer utilities to serve the proposed Nine Line Apparel Facility located along 400 Argyle Road (SR 204) consisting of approximately 41.78 acres of land, located within the **CROSSROADS WPCP SERVICE AREA**, consisting of 18 equivalent residential units as shown on the attached drawing entitled Nine Line Apparel – Exhibit 1 prepared by Thomas & Hutton Engineering, Co. and dated October 26, 2016, scale 1" = 300'.

WHEREAS, MERRITT LAND HOLDING, LLC, hereinafter referred to as **MERRITT**, the owner of the property along 400 Argyle Road (SR 204) consisting of approximately 41.78 acres of land, shall be responsible for the development of the site and construction of the Nine Line Apparel Facility. Furthermore, it is agreed Merritt Land Holdings, LLC, or its approved assigns, shall fulfill all obligations under this agreement in regard to convenience of easements and payment of water and sewer connection fees.

WHEREAS, SEDA and MERRITT desire certain commitments from the CITY OF SAVANNAH, hereinafter referred to as the **CITY**, in regard to extending and making additions to existing water and sanitary sewer systems, or in regard to the construction of water distribution and sanitary sewer collection and disposal systems to serve said development, and;

WHEREAS, the engineering design for said water and sanitary sewer systems has been, or will be, accomplished by competent professional engineers registered in the State of Georgia, and bids for the construction of said systems has been or will be requested;

IT IS AGREED between the parties hereto that the City shall approve the designation of the engineer who shall be responsible for the engineering design and inspection in connection with the installation of the said water and sanitary sewer systems. SEDA and Merritt shall be responsible to

provide resident inspection during construction and to ensure the engineer's conformance to area planning, adequacy of design, and conformance to City requirements regarding location, size and depth of lines, capacity and arrangement of lift stations and quality of construction. SEDA and Merritt shall provide to the City a statement from the project engineer certifying that the materials and workmanship including pipes, bedding, joint restraints, valves, fire hydrants, manholes, lift station equipment, and other related materials and work meet the City's specifications and standards. Upon request of the City, the certification shall be substantiated by material affidavits from suppliers and by applicable test results for inflow/infiltration, exfiltration, deflection, pressure, leaks, bacteria, compaction and other tests required by the City. All construction, engineering and inspection cost in connection with these systems shall be borne by SEDA and Merritt. The City will provide only the sewage treatment and water supply facilities.

IT IS FURTHER AGREED that this agreement shall contain the following special conditions / requirements:

1. The City shall reimburse SEDA for the actual cost of construction of the sanitary gravity sewer from Merritt's site to the City's sanitary lift station minus the \$119,400.00 cost of a private pump station and force main along the same route, as shown on the attached Exhibit 1, up to a maximum of \$221,000.00.
2. The City shall reimburse SEDA \$24,000.00 for the design of the sanitary gravity sewer described above in item 1.
3. The combined amount that the City will pay for items 1 and 2 will not exceed \$245,000.00. Any amount in excess of \$245,000.00 shall be paid by SEDA and Merritt. The division of construction costs in excess of \$245,000.00 shall be in accordance with a separate mutual agreement between SEDA and Merritt.
4. The engineer's opinion of probable construction cost for design and construction of item 1, attached as Exhibit 2, includes estimated quantities. Cost overruns shall be borne by SEDA and Merritt based upon a separate mutual agreement between the two parties.
5. Merritt shall provide to the City two (2) utility easements: a twenty-five foot (25') wide easement along the front of the property and a thirty foot (30') wide easement to the back

of the property, as shown on the attached Exhibit 3.

6. A minimum of two (2) bids shall be obtained for all items in which the City is sharing the cost. Original copies of the bids received for item 1 will be submitted to the City for review.
7. The final pay request presented to the City for items 1 and 2 shall be accompanied by the original contractor/engineer invoices.
8. Any development which requires sanitary sewer main extension and/or involves storm sewer conduits will require televising by the City of Savannah televising crew. In accordance with the City of Savannah Televising Procedure Manual, the charge will be \$1.25 per linear foot plus a \$120.00 setup fee. This fee will be paid by SEDA to the City of Savannah in addition to those fees as described in the most recent edition of the City of Savannah Revenue Ordinance.

IT IS FURTHER AGREED that SEDA and Merritt shall render the City harmless for any claims and damages due to the work associated with the tie-in to existing water and sanitary sewer systems.

IT IS FURTHER AGREED that upon completion of the systems and all related facilities including water and sewage fees fully paid for by Merritt, or its approved assigns, except the sewage treatment and water supply facilities, and the provision of two copies of "as built" drawings on Chronoflex Mylar, the City will, subject to approval of the City Manager, accept title hereto and assume responsibility for maintenance and operation of those portions located within public easements and/or rights-of-way. This acceptance shall include all rights, title and interest that Merritt has in the water and sanitary sewer systems serving the said project and also all easements and/or rights-of-way required for the purpose of maintenance thereof.

IT IS FURTHER AGREED that Merritt will provide to the City a recordable plat(s) showing all utilities within public easements and/or rights-of-way to be owned and maintained by the City. This document shall be provided prior to construction. Should installation deviate from the original recordable plat, Merritt will provide to the City a revised recordable plat showing all utilities in public easements and/or rights-of-way. Should Merritt fail to provide the revised plat,

the City will not release the project nor will a Certificate of Occupancy or water meter be issued.

IT IS FURTHER AGREED that as development proceeds under the terms of this agreement, and prior to occupancy, there will be a sanitary sewer tap-in fee paid to the City by Merritt for each residential or equivalent residential unit, and there shall be a separate water meter installed and a water tap-in fee and a water meter installation fee paid for each residential or equivalent residential unit based on those fees in effect at the time of the water and/or sewer connection, or as provided in the Revenue Ordinance.

IT IS FURTHER AGREED that Merritt, or its approved assigns, shall pay to the City a proportionate share of the capital cost for expanding the wastewater treatment and/or transport facilities and of meeting discharge requirements as established by the Georgia Environmental Protection Division. The cost per residential or equivalent residential unit will be \$700 for water, \$500 for sewer, \$600 for reclaimed water, and \$2,300 for the Crossroads WPCP, or as provided for in the Revenue Ordinance at the time of the connection, whichever is greater. These connection fees will be paid by Merritt, or its approved assigns, to the City Treasurer as each customer connects to the sewage system and shall be in addition to the water and sewer tap-in fees. Water meters will not be installed until all fees, including the connection fees, are paid.

IT IS FURTHER AGREED that this agreement between the City, SEDA, and Merritt may not be transferred or assigned in whole or in part without prior approval of the City being endorsed thereon, and that any violation of this limitation shall terminate the City's obligation and forfeit the Merritt rights thereunder.

IT IS FURTHER AGREED that all provision of law now or thereafter in effect relating to water and sewer service by the City of Savannah shall be applicable to this agreement.

IT IS FURTHER AGREED that this agreement shall finally terminate five (5) years after date of execution, after which the City shall not be liable for any further obligation thereunder. On this

basis, this agreement shall expire \_\_\_\_\_, 20\_\_\_\_\_.

IN WITNESS WHEREOF, Merritt has executed these presents under seal, and the City has caused these presents to be executed by its proper officer its seal, affixed, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

THE MAYOR AND ALDERMEN  
OF THE CITY OF SAVANNAH

EXECUTED IN THE PRESENCE OF:

\_\_\_\_\_  
WITNESS

BY: \_\_\_\_\_  
CITY MANAGER

\_\_\_\_\_  
NOTARY PUBLIC  
Chatham County, Georgia

ATTEST: \_\_\_\_\_  
CLERK OF COUNCIL

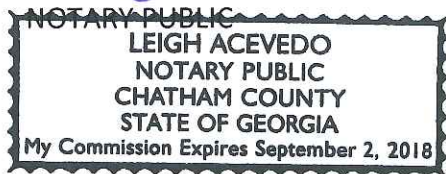
EXECUTED IN THE PRESENCE OF:

*Leia Bedic*  
\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
Savannah Economic  
Development Authority  
*Alston*  
BY: \_\_\_\_\_  
SEDA SIGNATURE

*Leigh Acevedo*  
\_\_\_\_\_

ATTEST: *Christina Duggan*  
\_\_\_\_\_

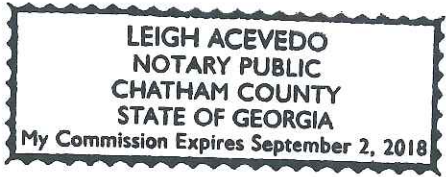


(SEAL, if Incorporated)

EXECUTED IN THE PRESENCE OF:

Luig Bedic  
WITNESS

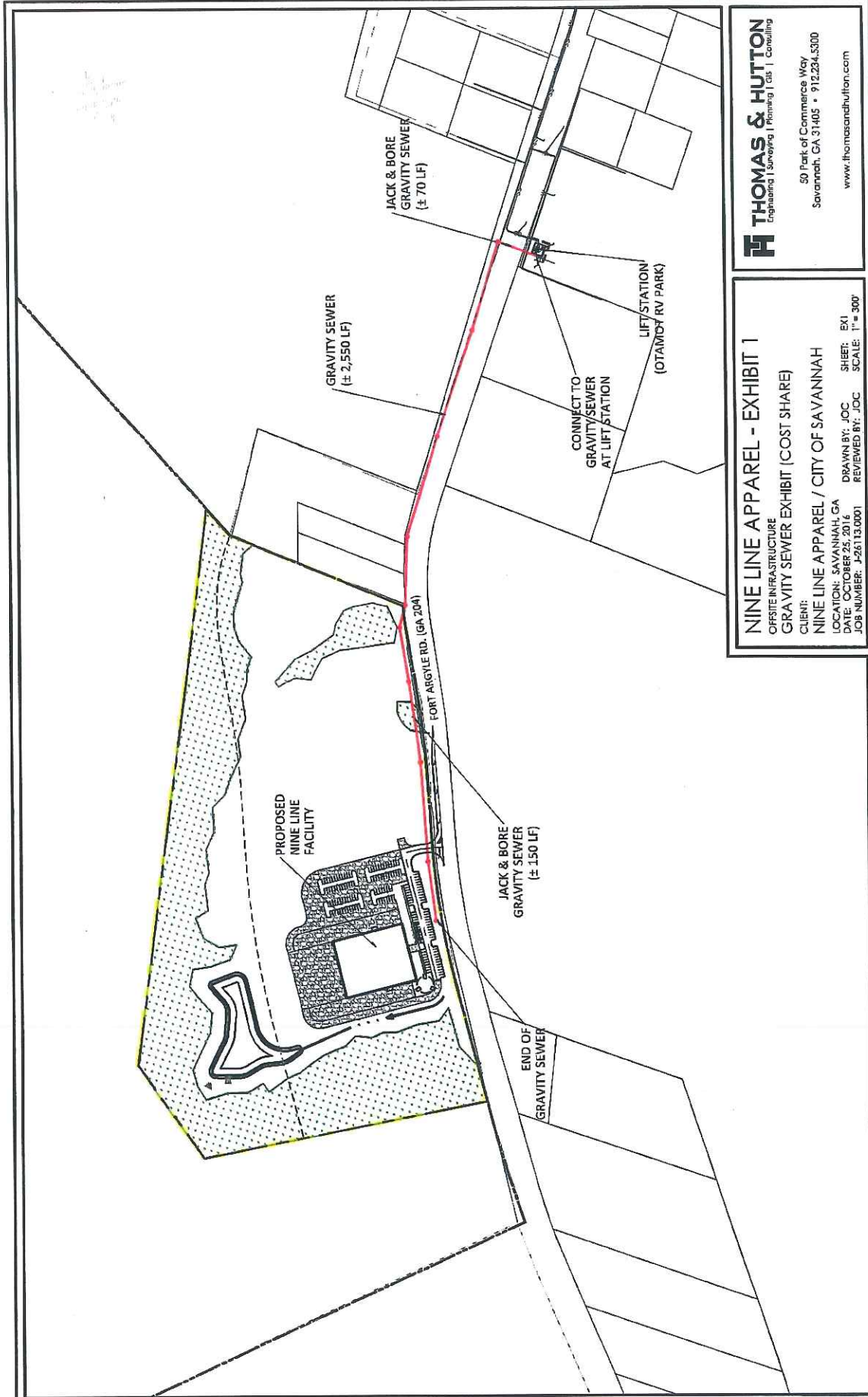
Leigh Acevedo  
NOTARY PUBLIC



\_\_\_\_\_  
Merritt Land Holdings, LLC

BY: [Signature]  
Merritt Land Holdings, LLC  
SIGNATURE

ATTEST: [Signature]  
(SEAL, if Incorporated)



**THOMAS & HUTTON**  
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 www.thomasandhutton.com

**NINE LINE APPAREL - EXHIBIT 1**  
 OFFSITE INFRASTRUCTURE  
 GRAVITY SEWER EXHIBIT (COST SHARE)  
 CLIENT: NINE LINE APPAREL / CITY OF SAVANNAH  
 LOCATION: SAVANNAH, GA  
 DATE: OCTOBER 25, 2016  
 JOB NUMBER: J-26113.0001

DRAWN BY: JOC  
 REVIEWED BY: JOC  
 SHEET: EX1  
 SCALE: 1" = 300'



DATE PREPARED: 8/20/16 REVISED: 10/20/16  
 BASIS FOR ESTIMATE  
 No design completed (Master Plan)  
 Preliminary design  
 Final design  
 Other

PROJECT: Nine Line - Offsite Water & Sewer Infrastructure Cost  
 LOCATION: Fort Argyle Road, Savannah, GA  
 ESTIMATOR: JOC



Thomas & Hulston Engineering Co.

**PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST**

Since the Engineer has no control over the cost of labor, materials, equipment, over the Contractor's methods of determining prices, or over competitive bidding or market conditions, the Opinion of Probable Construction Costs provided herein are made on the basis of the experience and qualifications. These opinions represent the best judgment as a design professional familiar with the construction industry. However, the Engineer cannot and does not guarantee that the proposed, bids, or the construction cost will not vary from the Opinion of Probable Construction Costs prepared by him.

**Exhibit 2**

**Offsite Water & Sewer (City Requirements)**

**Offsite Water & Sewer (Original Scope)**

ITEM	DESCRIPTION	QUANTITY		TOTAL COST	COST		TOTAL COST	COST DIFFERENCE
		NUMBER OF UNITS	MEASURE		PER UNIT	UNIT MEASURE		
<b>Offsite Water 41 AC Site</b>								
	8" Water Main (incl. fittings)	3.00	lf	\$ 96,000.00	\$ 32.00	lf	\$ 102,400.00	
	Connect to Existing Main	1	ea	\$ 5,000.00	\$ 5,000.00		\$ 5,000.00	
	Directional Drill 8" Water Main	90	lf	\$ 150,000.00	\$ 1,500.00	lf	\$ 135,000.00	
	Fire Hydrant	8	ea	\$ 3,500.00	\$ 28,000.00		\$ 28,000.00	
				<b>SUBTOTAL \$</b>	<b>142,500.00</b>		<b>146,500.00</b>	
<b>Offsite Water 41 AC Site</b>								
	Grinder Station & Force Main to 41 AC Site	90	lf	\$ 425,000.00	\$ 4,722.22	lf	\$ 425,000.00	
	3" Force Main (incl. fittings)	2,800	lf	\$ 80,000.00	\$ 28.57	lf	\$ 77,200.00	
	Grinder Station	1	ea	\$ 65,000.00	\$ 65,000.00		\$ 65,000.00	
	Connect Force Main to Existing MH	1	ea	\$ 5,000.00	\$ 5,000.00		\$ 5,000.00	
				<b>SUBTOTAL \$</b>	<b>119,400.00</b>		<b>119,400.00</b>	
<b>CONSTRUCTION COST TOTAL</b>								
				<b>\$631,206.00</b>				
				<b>Round to</b>				
				<b>\$307,000.00</b>				
<b>CONSTRUCTION COST TOTAL</b>								
				<b>\$306,544.40</b>				
				<b>Round to</b>				
				<b>\$291,000.00</b>				
<b>Design &amp; Permitting for Offsite Water &amp; Sewer</b>								
				<b>\$49,000.00</b>				
<b>Geotechnical Investigation - Sewer (2 borings)</b>								
				<b>\$3,000.00</b>				
<b>Construction Contingency</b>								
				<b>\$79,550.00</b>				
				<b>Contingency (15%)</b>				
				<b>\$46,050.00</b>				
				<b>Total Project Cost</b>				
				<b>\$402,050.00</b>				
				<b>Total City Cost Share</b>				
				<b>\$ 245,000.00</b>				

Notes:  
 1. Excludes cost of easement & right of way.  
 2. Excludes easement & right of way plats.  
 3. Assumes unsuitable material encountered in the bottom 5 feet of sewer excavation. Terracon provided a proposal for two soil borings on the sewer route to evaluate.





May 31, 2017

Mr. Tyler Merritt  
Merritt Land Holding, LLC  
1732 East Presidents Street  
Savannah, Georgia 31410

Dear Mr. Tyler Merritt:

This letter shall act as the "separate mutual agreement" referenced in the Water and Sewer Agreement for the proposed Nine Line Apparel Facility located along Fort Argyle Road in Chatham County.

The funding of the offsite water and sewer infrastructure is made up of multiple sources including \$125,000 from the State of Georgia through the OneGeorgia Equity Grant, \$125,000 from the Savannah Economic Development Authority, up to \$245,000 from the City of Savannah (in accordance with the Water and Sewer Agreement), and \$200,000 from Merritt Land Holding, LLC. Merritt Land Holding LLC's portion of the funding will be used last when paying invoices for the completed work. All onsite water and sewer costs will be paid by Merritt Land Holding, LLC.

In the event that the offsite water and sewer construction costs exceed the total contributions, the Savannah Economic Development Authority and Merritt Land Holding, LLC agree to pay the overage costs in equal amounts. The City of Savannah will act in accordance with the Water and Sewer Agreement.

We are grateful for the opportunity to work on this project and look forward to the positive impact this expansion will have on the community.

Savannah Economic Development Authority

A handwritten signature in blue ink, appearing to read 'HTollison', written over a horizontal line.

Hugh "Trip" Tollison  
President and CEO

Merritt Land Holding, LLC

A handwritten signature in blue ink, appearing to read 'Tyler Merritt', written over a horizontal line.

Tyler Merritt  
CEO and Co-Founder