

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into as of this ____ day of December, 2024 (“Effective Date”) by and between **DAVID AND JEANNE PADDISON**, individual residents of the State of Georgia (“Developer”) and **THE MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH**, a municipal corporation existing under the laws of the State of Georgia (“City”). Developer and City are hereinafter collectively referred to as “Parties” and individually as “Party”.

WITNESSETH:

WHEREAS, Developer is the owner or tenant of certain property consisting of .4821 acres, more or less, and being more specifically described in Exhibit A attached hereto and incorporated herein by reference (“Property”);

WHEREAS, Developer desires to develop the Property (“Project”) as more particularly shown and described on the Concept Plan attached hereto as Exhibit B and incorporated herein by reference (“Concept Plan”); and

WHEREAS, development of the Property will be in the best interests of the citizens of the City and its residents.

NOW THEREFORE, for and in consideration of Ten Dollars (\$10.00), the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer, intending to be legally bound, agree as follows:

1. Project. The Property is located on the southeast corner of North Carolina Avenue and Louisiana Avenue. The parties acknowledge and agree that the Property is currently zoned R-A under the Chatham County Zoning Ordinance.
2. Water and Sewer. Developer desires certain commitments from the City with respect to connecting water and sanitary sewer laterals to the existing City water and sanitary sewer systems to serve the Project. The tie-in locations for water and sewer are shown and described on Exhibit C attached hereto.
 - (a) City does hereby approve Thomas & Hutton who shall serve as the Engineer hereunder, and who shall be responsible for the engineering design and inspection in connection with the installation of the water and sanitary sewer laterals.
 - (b) The Developer shall be responsible for the construction of all water and sanitary sewer laterals needed to serve the Property as more particularly shown and described on the attached Exhibit C. Improvements to be built by Developer to connect the property to the aforementioned City sewer and water connection points shall be built at Developer’s

sole cost and expense and in accordance with mutually approved plans. The Developer shall have responsibility to operate and maintain the water and sanitary sewer laterals that will be constructed by the Developer on the Property, and those portions of the sewer lateral from the connection point at the building to the City's manhole.

(c) 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 to the City of Savannah in addition to those fees as described in the most recent edition of the City of Savannah Revenue Ordinance. Developer shall 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, the Developer will provide to the City a revised recordable plat showing all utilities in public easements and/or rights-of-way. 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 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 until based on those fees in effect at the time of the water and/or sewer connection, or as provided in the Revenue Ordinance. <https://www.savannahga.gov/DocumentCenter/View/23429/2022-Revenue-Ordinance>

(d) IT IS FURTHER AGREED:

(i) that the Developer shall render the City harmless for any claims and damages due to the work associated with the tie-on to existing sanitary sewers;

(ii) that upon completion of the water and sanitary sewer laterals including water and sewage fees fully paid for by the Developer, 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 only those portions of the water system that are located within public easements or rights-of-way. This acceptance shall include all rights, title and interest that the Developer has in the water and sanitary sewer systems serving the said project and also easements and/or rights-of-way required for the purpose of maintenance thereof;

(iii) 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 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;

(iv) that the Developer 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

proposed development shall consist of approximately 2.9 equivalent residential units. In addition to the Developer paying the standard water and sewer tap-in fees for outside customers, the Developer shall pay the City for any additional connection fees as provided for in the Revenue Ordinance. For the proposed development, the cost per residential or equivalent residential unit (ERU) shall be \$2,250 for the President Street Treatment Plant. These additional connection fees will be paid by the Developer to the City Treasurer as each customer connects to the water and sewage system and shall be in addition to the aforementioned water and sewer tap-in fees. Water meters will not be installed until all fees, including the additional connection fees, are paid;

(vi) that the Developer shall pay water and sewer consumption fees in accordance with the City's outside customer rates as provided for in the Revenue Ordinance and as periodically revised by the City until as such time as the Developer annexes into the City limits at which time the City's inside customer rates would then apply;

(vii) that this agreement between the City and the Developer 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 Developer's rights thereunder;

(viii) 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; and

(ix) If Developer has not installed water and sewer as provided in this Agreement within sixty (60) months after date of execution, then this Agreement shall expire sixty (60) months after execution of this Agreement.

3. Annexation. The Developer and the City will work in good faith and use its best efforts to annex properties as described herein. The terms of this Agreement are contingent upon the Developer applying in good faith to annex its Property as soon as the property is legally eligible. IT IS EXPRESSLY UNDERSTOOD, ACKNOWLEDGED AND AGREED THAT THE SUCCESSFUL ANNEXATION OF THE PROPERTY SHALL NOT BE A CONDITION TO THE PERFORMANCE OF THE DUTIES AND OBLIGATIONS OF THE CITY AND DEVELOPER HEREUNDER WITH RESPECT TO THE SUBJECT PROPERTY. PROVIDED, HOWEVER ONCE THE PROPERTY HAS BEEN ANNEXED INTO THE CITY, DEVELOPER SHALL CONTINUE TO PAY THE PILOT PAYMENT PURSUANT TO SECTION 4 FOR THE CALENDAR YEAR IN WHICH ANNEXATION TOOK PLACE, AND COMMENCING JANUARY 1 OF THE FOLLOWING CALENDAR YEAR, THE TERMS AND PROVISIONS OF SECTION 4 HEREIN SHALL BE NULL AND VOID AND OF NO FURTHER FORCE AND EFFECT. IN THE EVENT THAT THE PROPOERTY DOES NOT BECOME LEGALLY ELIGIBLE FOR ANNEXATION INTO THE CITY, THIS AGREEMENT WILL REMAIN IN FULL FORCE AND AFFECT UNTIL SUCH ANNEXATION DOES OCCUR IN THE FUTURE.

4. PILOT Payment. Developer agrees that, commencing on the date that Developer ties-in to the City's water and sewer service ("Tie-In Date") and continuing until the termination of this Agreement (as provided for in Section 3), Developer shall, on an annual calendar year basis, make a payment in lieu of taxes to the City with respect to the applicable calendar year ("PILOT Payment"). The PILOT Payment shall be the fair market value of the real estate as determined by the Chatham County Board of Tax Assessors, multiplied by 40%, and further multiplied by the city millage rate then in effect for the given calendar year. The Parties acknowledge and agree that for purposes of determining the PILOT Payment, the aforementioned ad valorem real property taxes do not include ad valorem taxes on inventory or other personal property.

Developer reserves the right to appeal the Appraised Value of the Property. In the event any such appeal results in a change in the Appraised Value of the Property for a calendar year in which the PILOT Payment has been made prior to such change, it is the intention of the Parties that such PILOT Payment be reconciled and adjusted so that the adjusted PILOT Payment reflect the PILOT Payment that would have been paid based on the corrected appraised value of the Property resulting from such change. The adjustment shall be made by decreasing or increasing, as appropriate, the amount of the next PILOT Payment in an amount sufficient to fully account for such reconciliation; provided, however, that in the event no further PILOT Payments are due, such adjustment will be made as follows: (i) if the reconciliation results in a credit to Developer, City shall refund to Developer the amount of such adjustment, or (ii) if the reconciliation results in a credit to City, Developer shall pay to City the amount of such adjustment. The "Appraised Value of the Property" for a calendar year, as used in this Agreement, shall be the appraised fair market value of the Property for that calendar year, including all improvements situated thereon, as shown by the records of the Chatham County Board of Tax Assessors.

The annual PILOT Payment with respect to the Property will be made by Developer as follows: (i) in the year of the Tie-In Date, the PILOT Payment shall be paid to City no later January 31st of the next calendar year, but shall be adjusted to reconcile the number of days in the calendar year in which the Tie-In Date occurred; and (ii) for each subsequent calendar year during the term of this Agreement, the PILOT Payments shall be paid on January 31 of each calendar year for the prior calendar year. Any late payment shall be assessed customary interest and late charges as permitted by the City's Revenue Ordinance.

The PILOT Payment shall be made to the Office of Financial Services for the City of Savannah and shall reference this Development Agreement.

5. Impact Fee. Developer shall pay City the sum of \$4,975.43 ("Impact Fee") pursuant to and in full satisfaction of the Development Fee Impact Ordinance. The Impact Fee shall be paid to the City on or before the issuance of a certificate of occupancy from Chatham County or the City, as the case may be.

6. City Manager Approval. The approval of this Agreement by the City shall authorize the City Manager to execute amendments to this Agreement that are in furtherance of the terms and conditions contained herein.
7. Due Diligence. The Parties shall use reasonable diligence to perform the work described herein but shall not be liable to each other, or their successors or assigns, for damages, costs, attorneys' fees, reasonably and actually incurred (including costs or attorneys' fees on appeal) for breach of contract, or otherwise, for failure, suspension, diminution, or other variations of services occasioned by any caused Force Majeure or Unforeseen Conditions (as hereinafter defined).
8. Agency. Developer and the City, and their respective agents, contractors or subcontractors, shall perform all activities that are outlined in this Agreement as independent contractors and not as agents of each other.
9. Binding Nature of Agreement. This Agreement shall be binding upon, and shall inure to the benefit of the successors or assigns of the parties, and shall run with the Property and be binding upon and inure to the benefit of any person, firm or corporation that may become the successor in interest, directly or indirectly, to the Property, or any portion thereof.
10. Controlling Laws:
 - (a) This Agreement and provisions contained herein shall be construed, controlled, and interpreted according to the laws of the State of Georgia and all duly adopted ordinances, regulations, and policies of the City now in effect and those hereinafter adopted. Unless otherwise specified in this Agreement for particular issues, all the City ordinances, rules, regulations and policies are applicable.
 - (b) The location for settlement of any and all claims, controversies, or disputes, arising out of or relating to any part of this Agreement, or any breach hereof, shall be Chatham County, Georgia.
11. Definitions. As used herein: (a) "Force Majeure" shall mean any event that causes an increase in time and/or cost of construction of the Project, if and so long as such event is caused by natural disaster, fire, earthquake, floods, explosion, extraordinary adverse weather conditions, declared or undeclared war, pandemics declared by federal, state or city governments or authorized agencies, terrorism, riots, protests, mob violence, inability to procure or a general shortage of labor, equipment, facilities, energy, materials or supplies in the open market, failure of transportation, unforeseen physical conditions, strikes, lockouts, actions of labor unions, condemnation, court orders, laws, rules, regulations, orders of governmental or military authorities or any event of force majeure customarily found in construction contracts used in the building construction industry in

the vicinity of the Project and actually contained in Developer's contract with its general contractor, so long as such cause is not within the control of the Party undertaking same; and (b) "Unforeseen Conditions" shall mean those conditions encountered at the site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the contract documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the contract documents.

12. Miscellaneous:

- (a) Entire Agreement. There are no other agreements or understandings, either oral or written, between the parties affecting this Agreement or the subject matter covered by this Agreement, except as otherwise specifically provided for or referred to herein. This Agreement cancels and supersedes all previous agreements between the parties relating to the subject matter covered by this Agreement. No change or addition to, or deletion of, any portion of this Agreement shall be valid or binding upon the parties hereto unless the same is approved in writing by the parties.
- (b) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns, and successors in title.
- (c) Waiver; Time. No waiver or breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provisions of this Agreement or any succeeding breach of the same provision. No delay in acting with regard to any breach of any provision of the Agreement shall be construed as a waiver of such breach. Time is of the essence in the performance of the terms and provisions of this Agreement.
- (d) Captions and References; Interpretation. The captions and paragraph headings in this Agreement are for ease of reference only and are not intended to limit, describe, supplement or be part of this Agreement. Any reference in this Agreement to "Section" or "Exhibit" shall refer to the corresponding Section or Exhibit of this Agreement, unless otherwise expressly indicated. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Whenever the word "including" is used, it shall have the same meaning as "including but not limited to" and "including without limitation." Any reference in this Agreement to "herein" or "hereof" shall refer to this Agreement as a whole rather than being limited to the particular section or subsection in which such term is used.

- (e) Severability. In the event that any court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, such provision shall be deemed an independent provision and such determination shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect and which shall be construed as to be valid and enforceable under applicable law.
- (f) Letter of Assurance. Upon request of Developer or its lender for the Project, the City hereby agrees to furnish a letter to Developer or said lender stating that (i) this Agreement is in full force and effect (or, if not, the reason that this Agreement is no longer in full force and effect), (ii) there are no defaults under this Agreement (or, if not, the nature of the default(s)), and (iii) all amounts due and payable hereunder have been paid in full (or, if not, the outstanding balances due and payable hereunder). The City shall use its best efforts to furnish said letter within ten (10) days after request therefore.
- (g) Notices. Any notice required or allowed to be delivered hereunder shall be in writing and be deemed to be delivered when (i) hand delivered to the person hereinafter designated, (ii) upon receipt as evidenced by delivery receipt if sent by a national overnight delivery service, (iii) sent by electronic mail or facsimile to the addresses or numbers below if a confirmed receipt, which includes the date and time of delivery, is provided, or (iv) upon receipt of such notice when deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to a Party at the address set forth opposite the Party's name below, or at such other address as the applicable Party shall have specified, from time to time, by written notice to the other Party delivered in accordance with:

If to City: City of Savannah
 Attention: City Manager
 City Hall
 2 East Bay Street
 Savannah, GA 31401
 Email: Jay.Melder@savannahga.gov
 Facsimile: (912) 238-0872

with a copy to: City Attorney
 Office of the City Attorney
 2 East Bay Street, 3rd Floor
 Savannah, GA 31401
 Email: Blovett@savannahga.gov

If to Developer: David and Jeanne Paddison
1529 Walthour Road
Savannah, GA 31410

with a copy to: Hunter Maclean
Attention: Harold B. Yellin, Esq.
200 East Saint Julian Street
Savannah, GA 31412
HYellin@HunterMaclean.com
Facsimile: (912) 236-4936

(h) Exhibits. The following exhibits are attached hereto and incorporated by this reference herein:

Exhibit A: Legal Description
Exhibit B: Concept Plan
Exhibit C: Water and Sewer Plan

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

Jeanne Paddison

David Paddison

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH, a Georgia municipal corporation

By: _____

Name: _____

Title: City Manager