

CITY OF HOLLYWOOD COST PARTICIPATION AGREEMENT
FOR UPGRADE OF UTILITY SYSTEM

THIS AGREEMENT, made and entered into this _____ day of _____, 2026 by and between Diplomat Landings Phase 1 Owner, LLC, a Florida Limited Liability Company, whose address is 2850 Tigertail Avenue, Suite 900, Miami, Florida 33133 (“Phase 1 Developer”), and Diplomat Landings Phase 2 Owner, LLC, a Florida Limited Liability Company, whose address is 2850 Tigertail Avenue, Suite 900, Miami, Florida 33133 (“Phase 2 Developer” and together with Phase 1 Developer hereinafter referred to as “Developer”), and the City of Hollywood, Florida, a municipal corporation organized and existing under the Laws of the State of Florida (hereinafter referred to as “City”) whose address is 2600 Hollywood Boulevard, Hollywood, FL 33019.

WITNESSETH:

WHEREAS, Phase 1 Developer owns certain real property in City (the “Phase 1 Property”) and Phase 2 Developer owns certain real property in City (the “Phase 2 Property”, and together with the Phase 1 Property, collectively, the “Developer Property”), which is more particularly described on the attached Exhibit “A”; and

WHEREAS, Phase 1 Developer has plans to construct on the Phase 1 Property a 350-unit residential building (“Phase 1 Development”) beginning in March 2026 and Phase 2 Developer has plans to construct on the Phase 2 Property an approximately 500-unit hotel building in the future (“Phase 2 Development”, and together with the Phase 1 Development, the “Development”); and

WHEREAS, City, through its Department of Public Utilities (“DPU”), has the authority under Florida State Statutes and the City Code of Ordinances to construct, acquire, operate, and expand the water processing and distribution and wastewater collection and disposal systems as required for public health and welfare (the “City’s Utilities System”); and

WHEREAS, DPU has determined that certain improvements to its sanitary sewer lift station designated E-03, (“Lift Station Improvements”) are needed to serve the Development and accommodate other planned redevelopment and growth in the future; and

WHEREAS, DPU is willing to implement such Lift Station Improvements so that the Development may have furnished to it and to its occupants an adequate wastewater disposal system, subject to all the terms and conditions of this agreement (“Participation Agreement”); and

WHEREAS, the Developer has agreed to lease a temporary bypass pump to be placed adjacent to Lift Station E-03 ("Bypass System"), if necessary, for a duration starting three months prior to their Temporary Certificate of Occupancy until the completion and operational status of the Lift Station Improvements, not to exceed six (6) months;

WHEREAS, City and the Developer recognize that water is a natural resource of limited supply and wastewater treatment and disposal is a necessity for public health and thus, the water supply and disposal of wastewater must be regulated and controlled and the subject only of a reasonable and beneficial use to assure an adequate supply of water and adequate wastewater treatment capacity for all members of the public served by City; and

WHEREAS, the Developer and City further recognize that the supply of water and wastewater disposal services by City to the Development is subject to regulation, prohibition, limitation and restriction by other local, state and federal governmental agencies, as well as City; and

WHEREAS, in order to facilitate the timely completion of the Lift Station Improvements, Developer and City wish to set forth the terms and conditions for Developer to participate in the cost of the construction of the Lift Station Improvements as more particularly described in the attached Exhibit B.

NOW, THEREFORE, in consideration of the mutual undertakings and agreements herein contained and assumed, and other good and valuable consideration, receipt of which is hereby acknowledged, Developer and City hereby covenant and agree as follows:

1. Effect of Recitals. The above recitals are incorporated into the body of this Participation Agreement and are adopted as findings of fact.

2. Term. The term of this Participation Agreement shall begin upon execution by both parties (the "Effective Date") and shall terminate upon completion of the Lift Station Improvements and payment of the Developer's Contribution as outlined in Section 3 herein.

3. Developer's Contribution. Phase 1 Developer shall, in accordance with the terms of this Participation Agreement, provide payment to the City of \$500,000.00 at such time that the payment of the fees for the building permits for the Phase 1 Development are due, and Phase 2 Developer shall, in accordance with the terms of this Participation Agreement, provide payment of an additional \$500,000.00 at such time that the payment of the fees for the building permits for the Phase 2 Development are due or within 26 months of the Effective Date of this Participation Agreement, whichever occurs first (collectively, the "Developer's Contribution"). In the event that the full Developer's Contribution is not received within 26 months of the Effective Date, the capacity allocation

for the Lift Station Improvements for Phase 2 Development will be forfeited to the City. Developer's Contribution constitutes the maximum amount payable to the City under this Participation Agreement toward the cost of the Lift Station Improvements. All duties, responsibilities and obligations to complete the Lift Station Improvements are to be undertaken and completed by the City without adjustment to the Developer's Contribution, subject to Section 10 of this Participation Agreement. Should City, in its sole discretion, make any changes to the design, plans and/or specifications that result in additional costs such additional costs shall be the sole responsibility of the City.

4. Contractor Selection, Administration and Permits. City shall procure all contractors performing work in connection with the construction and installation of the Lift Station Improvements in compliance with the applicable provisions of the City's Procurement Code and shall be solely responsible for securing all applicable permits or governmental approvals needed for the Lift Station Improvements. City shall be responsible for administering all aspects of the construction contract for the construction of the Lift Station Improvements, including, but not limited to, review and processing of invoices and other contract documents, review and resolution of technical issues (whether foreseen or unforeseen) that arise during construction, and facilitating project close-out upon completion of construction.

5. Hold Harmless Provision. In special consideration of the work herein described, the sufficiency of which is hereby acknowledged, Developer shall hold harmless the City and its officers, employees, agents, and contractors against any claim, action, loss, damage, injury, liability, cost and expense of whatsoever kind or nature arising out of or incidental to this Participation Agreement, whether or not such injury or damage is due to or caused by the negligence of City or otherwise, excluding only the sole gross negligence of City.

6. Developer's Right to Connect. Provided that Developer has complied with the terms of this Participation Agreement, and subject to Section 8 below, upon completion of installation of the Lift Station Improvements and provided such Lift Station Improvements are operational in compliance with the requirements of all public, governmental or other agencies having supervision, regulation, direction or control of such water and wastewater utility systems, City shall allow Developer or its successors in-title to connect to the City's Utilities System. Notwithstanding the foregoing, if the Lift Station Improvements are not operational or compliant by the Completion Date, Developer shall have the right to coordinate with the City to install a "Bypass System" as set forth in Section 8.

7. Force Majeure. Neither party shall be liable or responsible to the other party as a result of injury to property or person, or failure to comply with the terms hereof, proximately caused by Force Majeure. The term "Force Majeure" as employed herein

shall be acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, blockades, riots, acts of Armed Forces, epidemics, delays by carriers, inability to obtain materials or right-of-way on reasonable terms, acts of public authorities, acts of vandals or other third parties, or any other causes whether or not of the same kind as enumerated herein which are beyond the control of the party claiming force majeure and qualify under Florida's impossibility of performance principles.

8. Completion of Improvements and Approval by Governmental Agencies. City will use its best efforts to complete the Lift Station Improvements under this Participation Agreement within 26 months of the Effective Date of this Participation Agreement (the "Completion Date"). Developer acknowledges such completion is contingent upon City obtaining all necessary approvals for the Lift Station Improvements from all applicable governmental agencies required for Lift Station Improvements to be placed into service. Developer hereby assumes all risk of loss that may result from the denial or withdrawal of the approval of any concerned governmental agency, or caused by an act of any governmental agency which affects the ability of City to provide wastewater service to Developer not within the sole control of City and which, by exercise of due diligence, City is unable to overcome, except to the extent such denial or withdrawal is caused by the gross negligence or willful misconduct of the City. Notwithstanding the foregoing, the City acknowledges that Phase 1 Developer will need to connect to the City's Utilities System no later than three (3) months ahead of its Temporary Certificate of Occupancy (TCO) which is estimated to be on or around the Completion Date. In the event that the completion of the Lift Station Improvements are not completed and operational by the Completion Date, and Phase I Developer is on schedule to receive its TCO, then City will coordinate with Phase I Developer to implement a temporary Bypass System next to lift station E-03 at the sole cost of the Phase 1 Developer for a period not to exceed six (6) months.

9. No Prohibition of Further Extension. This Agreement shall not prohibit or prevent City from extending City's Utilities System in or to areas not referred to herein to serve other developers or consumers; provided, however, such extension of utility service shall not cause the Utilities Improvements provided for under this Participation Agreement to become overloaded and shall not adversely affect the reservation of capacity for the Developer's Phase 1 or Phase Developments.

10. Modification of Development Plans. Should the Developer modify its development plans for Developer's Property which would increase total daily water usage or wastewater flows by ten (10) percent of more or require greater fire flows, additional water facilities, or additional wastewater facilities than the water and wastewater demands designed and approved under the engineering plans and specifications which are the subject of this Participation Agreement, then Developer may be required, at the City's reasonable discretion, to enter into a new agreement with City providing for the

construction of such additional water or wastewater facilities meeting all City's and other governmental agencies requirements and may be required to pay additional contributions and fees as may be necessary to accommodate such additional water and wastewater demands.

11. Notice of Connection to Wastewater System. Developer shall give City written notice that Developer is ready to connect to City's Utilities System no less than thirty (30) days prior to said connection for inspection and coordination.

12. Connection of Buildings. Developer shall, at its sole cost and expense, connect the private property water pipes and the private property wastewater pipes of each building constructed on Developer's Property to the meters and wastewater laterals of City's Utilities System as reflected in the approved plans and specifications for the Phase 1 and Phase 2 Developments.

13. Application for Service. Developer, its successors, or the occupant(s) of the Developer's Property, shall make application to DPU for the opening of an account(s) for service. At the time of making said application for service, the applicant shall pay all service applicable charges as set forth in City Utilities Rates and Fees Schedule.

14. Public Records. Developer shall comply with the applicable provisions of Chapter 119, Florida Statutes. Specifically, Developer shall:

- (a) Keep and maintain public records required by the City to perform under this Agreement.
- (b) Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Developer does not transfer the records to the City.
- (d) Upon completion of this Participation Agreement, transfer, at no cost, to the public agency all public records in possession of the Developer or keep and maintain public records required by the public agency to perform the service. If the Developer transfers all public records to the City upon completion of the Agreement, the Developer shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Developer keeps and maintains public records upon completion of the Agreement, the contractor shall meet all applicable requirements for retaining public records. All records stored

electronically must be provided to the public agency, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

IF THE DEVELOPER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE DEVELOPER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CITY'S CUSTODIAN OF PUBLIC RECORDS AT (954) 921-3211. PCERNY@HOLLYWOODFL.ORG, 2600 HOLLYWOOD BOULEVARD, FLORIDA 33020.

15. Miscellaneous.

(a) This Agreement supersedes all previous agreements or representations either verbal or written heretofore in effect between Developer and City and made with respect to the matters contained herein, and when duly executed constitutes the complete Agreement between Developer and City. Any amendment to this Agreement shall be in writing and executed by the fully authorized representatives of Developer and City.

(b) City and Developer are independent entities in the performance of all activities under this Agreement. Nothing in this Agreement shall be construed to create an employment, agency, or partnership relationship between Developer and City.

(c) No third-party beneficiary status or interest is conveyed to any third party by this Agreement.

(d) City shall maintain records sufficient to document the final cost of the Utilities Improvements to be performed under this Agreement. City agrees to have knowledgeable personnel available to answer questions within 48 hours of notice of such questions related to the progress of the Utilities Improvements and the status of securing of governmental approvals for the Utilities Improvements throughout the construction period.

(e) This Agreement was made and executed in Hollywood, Florida, and shall be interpreted and construed according to the Laws of the State of Florida. At all times, Developer shall comply with all applicable federal, state, and local laws and regulations and failure to do so is deemed a material breach of this Participation Agreement. The venue for any action arising from this Participation Agreement shall be in Broward County, Florida.

(f) If any legal action or other proceeding is brought for the enforcement of this Participation Agreement, compliance, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Participation Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, court costs and all expenses (including taxes) even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to appeals), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled, provided, however, that this clause pertains only to the parties to this Participation Agreement.

(g) Should any provision of the Agreement be determined by the courts to be illegal or in conflict with any law of the State of Florida, the validity of the remaining provisions will not be impaired.

(h) The headings used in the paragraphs of this Participation Agreement are solely for the convenience of the parties and the parties agree that they shall be disregarded in the construction of this Agreement.

(i) This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto. It is understood that Developer may assign its rights hereunder to successor/owners of the Developer's parcels of real property included in the Developer's Property without the consent of the City, provided Developer provides City with written notice of such assignment.

[Space Left Intentionally Blank. Signature Pages to Follow.]

IN WITNESS WHEREOF, the City and Developer have made and executed this Participation Agreement and have hereunto set its hand the day and year written below.

CITY

ATTEST:

CITY OF HOLLYWOOD, a municipal corporation of the State of Florida

Patricia A. Cerny, MMC, City Clerk

Georgy R. Keller, Jr. CPPT Date
City Manager

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

Damaris Henlon
City Attorney

DEVELOPER

Diplomat Landings Phase 1 Developer,
LLC, a Florida limited liability company

Witness

Name:
Title:

Name:
Title:

Diplomat Landings Phase 2 Developer,
LLC, a Florida limited liability company

Witness

Name:
Title:

Name:
Title:

STATE OF FLORIDA)
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this ___
day of _____, 2026, _____,
_____. They are personally known to me or have
produced _____ as identification.

Notary Public

Name: _____

Commission Number: _____

Commission expires: _____

Exhibit A

Developer's Property Legal Description (Attached)

Phase 1:

Phase 2:

Exhibit B

To be provided upon completion of design