

of another without the express written consent of the other. PALM COAST may serve within its current and future City Limits; provided, however, it may not serve within COUNTY's service area as depicted on the Map, subject, however, to the provisions of Section 5.3 of this Agreement. PALM COAST and the COUNTY may enter into subsequent agreements in order to provide efficient and cost effective utility service to the public.

**5.2. Wholesale Water Supply and Extension of Water Line.**

PALM COAST agrees to make available to COUNTY water and/or wastewater service on a wholesale basis subject to but not in excess of wholesale rates charged by PALM COAST to any other entity. PALM COAST agrees to extend at its cost as depicted on the Map a water line and install one (1) 6-inch diameter meter.

**5.3. Agreements Regarding Annexation.**

PALM COAST agrees that it will not require annexation as a condition of providing retail water and wastewater service in those areas depicted on the Map that are currently in the PALM COAST's Chapter 180, *Florida Statutes* Service Area, south and/or east of the existing PALM COAST city limits, and lands east of the Intracoastal Waterway and the provisions of this Agreement shall prevail over PALM COAST's policy relating to mandatory annexation as part of the provision of utility services in those areas. PALM COAST is not restrained by this Agreement from lawfully annexing property in accordance with the controlling provisions of State law and providing utility services to annexed areas within its City Limit; provided, however, that if PALM COAST should, in the future, annex areas into its City Limits which are now located in the COUNTY's service area, the COUNTY agrees it will negotiate in good faith but shall not be compelled to sell or transfer

the utility service customers and facilities located within such annexed area to PALM COAST at a just, full and fair market value to be determined. Any such negotiated sale shall not compromise the integrity of the COUNTY's independent operating system or adversely affect COUNTY system hydraulics. Furthermore, no such sale or transfer shall violate the terms of any agreements to which the COUNTY may be a party or any bond covenants or restrictions which may now or hereafter exist with regard to either party.

**5.4. Miscellaneous Agreements.** COUNTY will provide, at no cost to PALM COAST, a master pump station site either by grant of utility easement or conveyance of fee simple interest in the COUNTY-owned property located next to Hammock Dunes Bridge, said site adequate in size for use as a master pump station, but which requirement shall not require the COUNTY to procure additional lands or otherwise violate any conditions under which COUNTY holds title to the land. COUNTY and PALM COAST shall cooperate with each other regarding any and all permitting for utility development or implementing other provisions of this Agreement, including, but not limited to, development orders, development permitting, right-of-way use and well activation.

**SECTION 6. AGREEMENTS OF ALL PARTIES.** All Parties to this Agreement agree as follows:

**6.1. Territorial Agreements.** Each Party agrees that it shall honor all other Parties' service area boundary lines as specified on the Map and shall not seek to offer or provide service in the other Parties' exclusive water, wastewater, and reclaimed water service areas as depicted on the Map. Notwithstanding anything to the contrary, the Parties agree that the Interlocal