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..TXT: PSC NO: 3 WATER LEAF: 16
COMPANY: OCEAN BAY PARK WATER CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 10/01/99 SUPERSEDING REVISION:
STAMPS:
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GENERAL INFORMATION

VIII. INSTALLATION OF MAINS, SERVICES, FACILITIES AND EXTENSIONS NOT COVERED IN SECTION VII.
(Continued) FORM OF CONSTRUCTION LOAN AGREEMENT

AGREEMENT between _____ hereinafter referred to as the "Applicant," and _____, hereinafter referred to as the "Company."

WHEREAS the Applicant has applied to the Company to extend its system to supply water service to premises constructed or intended to be constructed on the plot or tract of land as shown on the development map or plot plan attached hereto, and made a part hereto, and made a part hereof and marked "Exhibit A"; and

WHEREAS the Applicant will furnish all necessary easements without cost to the Company; and

WHEREAS the Applicant will deposit with the Company upon execution and delivery of this Agreement the sum of \$ _____ as a construction loan equal to the Company's estimate of the cost of the installation of the extension in excess of seventy-five (75) feet, said estimate to be attached hereto and marked "Exhibit B";

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

A.The Company will install said extension.

B.The Company will refund to the Applicant as soon thereafter as all costs have been ascertained, any excess of the deposit made by the Applicant over the actual cost of the extension together with interest at six percent (6%) per annum from the date of the deposit.

C.The balance of the deposit retained by the Company shall be refunded without interest as follows:

1.In its entirety when,

a. The average revenue for the third, fourth, and fifth years from all customers served by the extension equals twenty-five percent (25%) of such deposit, or

b. The number of customers served by the extension times seventy-five (75) feet (plus an allowance of twenty (20) feet per hydrant) equals or exceeds the total length of the extension.

2.In part, at the expiration of five (5) years from the date that water service is made available from said extension, by the equivalent of the amount determined by application to the said deposit of the greater of the two (2) ratios developed by computation of:

a. The ratio of seventy-five (75) feet times the number of customers (plus an allowance of twenty (20) feet per hydrant) to the entire length of the extension, or

b. The ratio of the average yearly revenues for the third, fourth and fifth years from all customers served by the extension to twenty-five percent (25%) of said deposit.

Issued By: David Ash, Secretary, 42 Memorial Plaza, Pleasantville, NY 10570-2931
(Name of Officer, Title, Address)