

Letter of Credit Calculations –

Subdivision:

Developer:

Phase:

Date of Calculation:

Pheasant Run

E Henry (527786 Ontario Limited)

N/A

January 5, 2005

A. Letter of Credit Criteria for Primary and Secondary Servicing Calculations **

i) Primary Servicing Cost - (excluding engg, contgcy & GST)

Watermains & services		\$81,110.00	\$81,100.00
Storm sewers, services & major drainage swales		\$189,544.00	\$189,500.00
Storm water management: pond & outlet structures		\$31,450.00	\$31,500.00
Sanitary sewers & services		\$86,034.00	\$86,000.00
Storm & sanitary sewer TV inspections (prelim acceptance)	0	\$2,500.00	\$2,500.00
Roadways (excluding surface asphalt)		\$189,518.00	\$189,500.00
Total for PRIMARY security purposes		\$580,156.00	\$580,100.00

ii) Secondary Servicing Cost - (excluding engg, contgcy & GST)

driveway ramps @ \$750 ea	43	\$32,250.00	\$32,300.00
Storm & sanitary sewer TV inspections (final acceptance)	0	\$2,500.00	\$2,500.00
Adjustment of water valves and curb boxes @ 250	43	\$10,750.00	\$10,800.00
Surface asphalt		\$14,880.00	\$14,900.00
Concrete sidewalks		\$20,588.00	\$20,600.00
Grading & sodding boulevards		\$16,650.00	\$16,700.00
Fencing and landscaping		\$0.00	\$0.00
Blvd trees @ \$250 each	45	\$11,250.00	\$11,300.00
Street lighting @ \$1500/light (spaced approx 45 - 50 meters apart)	7	\$10,500.00	\$10,500.00
Total for SECONDARY security purposes		\$119,368.00	\$119,600.00

iii) Total Subdivision Servicing Cost (Net)

** (Note: All servicing costs are based on Engineer's estimates)		\$699,524.00	\$699,700.00
5% Contingency		\$34,985.00	\$35,000.00
10% Engineering		\$69,970.00	\$70,000.00
Subtotal		\$104,955.00	\$105,000.00
Total servicing, engg & Contingency		\$804,479.00	\$804,000.00
7% GST		\$56,313.53	\$56,000.00

iv) Total Servicing cost per Engineer's Estimate (Inclusive of engg, ctgcy & GST)

\$860,792.53 \$860,000.00

B. L C calc for Primary Servicing

Primary servicing cost	\$580,156.00	
15% Engineering and Contingency	\$87,023.40	
Subtotal primary servicing, engg, & ctgcys	\$667,179.40	
7% GST	\$46,702.56	
Total primary servicing cost used for security calc purpose	\$713,881.96	
Primary LC required (10%)	\$71,388.20	\$71,000.00

C. L C for Secondary Servicing

Secondary servicing cost	\$119,368.00	
15% Engineering and Contingency	\$17,905.20	
Subtotal secondary servicing, engg, & ctgcys	\$137,273.20	
7% GST	\$9,609.12	
Total secondary servicing for security calc purpose	\$146,882.32	
Secondary LC required (120%)	\$176,258.79	\$176,000.00

D. Total Security required

\$247,000.00

E. Engineering Cash Deposits

Number of working days for primary servicing	30		
1. Town Administrative fee: based on entire plan			
4% Of 1st \$100,000		\$4,000.00	
3.5% of in excess of \$100,000 to \$400,000		\$10,500.00	
3% Of excess of \$400,000		\$13,823.78	
Total admin & review fee required		\$28,323.78	\$28,000.00
2. Street signs (x @ \$300 ea).	4	\$1,200.00	\$1,200.00
3. Front ending recovery for sewer outlet by Town	0		\$40,898
4. Storm Sewer oversizing recovery			\$27,823
5. Park dedication fee (5% of \$325000)	325000		\$16,250.00

Total LC

\$247,000.00

Total Cash

\$114,170

FINANCIAL OBLIGATIONS AND COST OF CONSTRUCTION

PRIMARY SERVICES

Watermain and Services	\$81,100.00
Storm sewers, services and drainage swales	189,500.00
Stormwater Management: pond & outlet structures	31,500.00
Sanitary sewers and services	86,000.00
Storm and sanitary sewer TV inspections (preliminary)	2,500.00
Roadways (excluding surface asphalt)	<u>189,500.00</u>
Total for Primary security purposes	\$580,100.00

SECONDARY SERVICES

Driveway ramps 43 @ \$750 each	\$32,300.00
Storm & sanitary sewer TV inspections (final acceptance)	2,500.00
Adjustment of water valves and curb boxes	10,800.00
Surface asphalt	14,900.00
Concrete sidewalks	20,600.00
Grading and sodding boulevards	16,700.00
Boulevard trees 45 @ \$250 each	11,300.00
Street lighting	<u>10,500.00</u>
Total for Secondary security purposes	\$119,600.00

Sub-Total Subdivision Servicing Cost	\$699,700.00
Contingencies (5%)	35,000.00
Engineering (10%)	<u>70,000.00</u>
Sub-Total servicing, engineering & contingency	\$804,000.00
7% GST	<u>56,000.00</u>

TOTAL - CONSTRUCTION OF SERVICES	\$860,000.00	
10% PRIMARY AND 120% SECONDARY SERVICES	\$247,000.00	(1)
TOWN ADMINISTRATION FEE	\$28,000.00	(2)
STREET SIGNS (4 @ \$300 EACH)	\$1,200.00	(3)
FRONT ENDING RECOVERY FOR SEWER OUTLET BY TOWN	\$40,898.00	(4)
STORM SEWER OVERSIZING RECOVERY	\$27,823.00	(5)
CASH IN LIEU OF PARKLAND (Calculated @ 5% of \$325,000)	\$16,250.00	(6)

SUMMARY

A. <u>LETTER OF CREDIT REQUIRED</u> (1)	\$247,000.00
B. <u>CASH PAYMENT REQUIRED</u>	
Total of (2) + (3) + (4) + (5) + (6)	\$114,170.00

FRUITBELT DEVELOPMENT

RR1, 1701 Thorold Townline Road, Niagara Falls, ON L2E 6S5 Telephone: 905-371-3717 Facsimile: 905-371-1744

January 12, 2005

Town of Pelham
P.O. Box 400
20 Pelham Town Square
Fonthill, Ontario
L0S 1E0

Attention: Jamie Hodge, Director of Engineering

Dear Sir:

Re: File #26T19-03004
Pheasant Run (Willson Crossing) Subdivision
Line Avenue, Town of Pelham

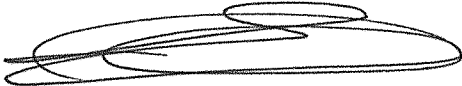
Enclosed here with are three Pre-Servicing Agreements now duly executed under seal of 800460 Ontario Limited for signature by the Town of Pelham. Once the Mayor and Clerk of the Town have signed the Agreement, we would appreciate receipt of a copy for our records.

As discussed with you, a Letter of Credit in the amount of \$247,000 and a cash draft in the amount of \$114,170 will be delivered to your office the first of next week.

Trusting you find this to be in order, I remain,

Yours truly,

FRUITBELT DEVELOPMENT



Eric L. Henry
President

encl.
