EXHIBIT 2

MEMORANDUM OF UNDERSTANDING

This agreement is entered into between the City of Hallandale Beach ("Hallandale Beach") and the City of West Park ("West Park") on 7·10·____, 2010, regarding location and operation of water supply wells within West Park to provide drinking water to the City of Hallandale Beach.

The Cities of West Park and Hallandale Beach are neighboring cities that share common goals of providing for the health, safety and welfare of their citizens. Hallandale Beach has historically provided drinking water for its citizens by constructing and operating water supply wells and treatment facilities within its own city boundaries. This existing capital investment will be at risk in the future due to the encroachment of salt water from the ocean into their water supply wellfield.

The Cities have expressed a desire to work cooperatively to address the water issues faced by Hallandale Beach. A 'Memorandum of Understanding' dated September 4, 2009, was approved by both Cities which allowed Hallandale Beach to construct an exploratory test well at Mary Saunders Park to determine the water quality and aquifer characteristics at that location. This test well was successfully constructed in November 2009, and results are favorable for the construction and operation of potable water supply wells.

In addition to this favorable determination, Hallandale Beach has retained expert consultants who have performed groundwater modeling of the regional groundwater system and have concluded that the withdrawal of groundwater at this location to serve all

the needs of Hallandale Beach is beneficial to the regional system. This finding has been verbally presented to the South Florida Water Management District (SFWMD), which is studying these results. All of the available information has been conveyed to West Park. Hallandale Beach has also retained the services of a water supply consulting firm to begin the process of designing the new water supply wellfields within West Park. The consultant's preliminary recommendation for six water supply well locations is shown on Attachment 'A' to this Agreement.

In consideration of these recitals, the parties agree to the following Memorandum of Understanding:

1. Hallandale Beach will authorize its consultant to proceed with additional investigation, including supplemental groundwater modeling, and if necessary, will authorize its contractor to construct, subject to prior written approval from the City of West Park, additional test wells necessary to gather documentation, for the purpose of locating its water supply wellfield similar to that shown on Exhibit 'A'.
2. Hallandale Beach will authorize its consultants to submit information and applications to the SFWMD to obtain the necessary approvals and permits for locating its wellfield as agreed to by the parties and similar to that shown on Exhibit 'A'.
3. Hallandale Beach will, in accordance with the attached schedule, see Exhibit 'B', authorize the preparation of the requisite Basis of Design Report and wellfield contract documents.
4. Hallandale Beach will provide West Park with copies of test results, modeling results, application, permits, reports, contract documents, and other documents relevant to this

project. Hallandale Beach will meet with West Park on a routine basis to be agreed upon by both parties to review project progress.

5. Hallandale Beach will authorize its consultant to initiate preliminary design of the Raw Water Pipeline to convey raw water from the wellfield to Hallandale Beaches Water Treatment Plant. The parties to this Memorandum of Understanding shall jointly prepare a contract documents to include, but not be limited to: terms outlining franchise rights and obligations, terms and conditions related to raw water production and leasing of land issues.

6. The parties agree that the outcome of research and testing is intended to result in the location and operation of a wellfield within West Park and raw water pipeline to provide potable water for treatment at the Hallandale Beach Water Treatment Plant. Contingent upon the City of West Park making a determination that the project is within its financial interest, West Park consents to the construction and installation of well fields within West Park by the City of Hallandale Beach.

THIS SPACE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound, have executed this Agreement to be effective upon the execution of all Parties and as provided in this Settlement Agreement.

CITY OF HALLANDALE BEACH

BY: _____
CITY MANAGER

ATTEST:

_____

City Clerk

Approved as to form and Legal Sufficiency,
City Attorney's Office:

BY: _____
City Attorney

OK by Risk Manager
AL 6/30/10

CITY OF WEST PARK

BY: _____

Eric H. Jones, Jr., Mayor

ATTEST:

_____

Esther Coulson, City Clerk

Approved as to form and Legal Sufficiency,
City Attorney's Office:

BY: _____

Burnadette Norris-Weeks, City Attorney