

AGREEMENT

WHEREAS, residents of Broken Bow subdivision, First Addition, Second Phase, in Shelby County, Alabama have experienced problems with their septic systems which could lead to public health issues and property damage (the "Septic Problems"); and

WHEREAS, a solution for alleviating the Septic Problems involves installation of a Trunk Line (low pressure force main) that runs parallel with and within the utility drainage easement where the Trunk Line will convey sewage from one or more of the lots affected (the "Affected Lots") by the Septic Problems, to the sewage collection and treatment system (the "Sewage System") owned and operated by Southwest Water – Alabama, Inc. ("Southwest");

WHEREAS, the Affected Lots are Lots 1, 62, 63, and 67 according to the Map of Broken Bow, First Addition, Second Phase, as recorded in Map Book 8, page 139 in the Probate Office of Shelby County, Alabama; and

WHEREAS, one or more of the Affected Lots in said subdivision may elect to connect to the Sewage System as a result of installation of the Trunk Line; and

WHEREAS, the Trunk Line will run within the utility drainage easement along Lot 1 of said subdivision, which Lot does not have Septic Problems and is already connected to the Sewage System.

WHEREAS, the Trunk Line will run within the utility drainage easement along Lots 63 and 67 of said subdivision, which Lots do not have Septic Problems and are not connected to the Sewage System.

WHEREAS, the construction of the Trunk Line will not occur during the months of May or June 2006.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the parties hereto agree as follows:

1. All costs of the Trunk Line shall be borne and equally shared by the owners of any lots that elect to connect to the Sewage System at the time the Trunk Line is constructed. Notwithstanding the foregoing, if a 4" force main is installed to serve as the Trunk Line, as approved by Southwest and the Shelby County Highway Department rather than a 2" force main, then Southwest will pay reasonable incremental costs attributable to installing the larger diameter force main. All parties agree that the capital and operating and maintenance cost of equipment and discharge pipe ("Service Line") to convey sewage to the Trunk Line from a residence shall be borne by the individual lot owner.

2. All costs of operation and maintenance of the Trunk Line, once installed shall be borne and shared equally by the owners of any lots that are connected to the Trunk Line, unless ownership of the Trunk Line is transferred to Southwest.

3. Once construction of the Trunk Line is complete and constructed according to the plans and specifications approved by Southwest and the Shelby County Highway Department, Southwest agrees to accept ownership of the Trunk Line. Once ownership is transferred to Southwest, the cost to operate and maintain the Trunk Line shall become the responsibility of Southwest. All parties agree that ownership of and operation and maintenance responsibilities for the Service Lines shall remain with the individual lot owners. It is understood that Southwest's Trunk Line begins at the isolation valve installed in the easement at the discharge end of the Service Line. The lot owner's ownership and

repair responsibilities for the Service Line begin at the residence and end at the point where the Service Line enters the isolation valve in the utility easement.

4. By their signatures below and from this date forward, the owners of the Affected Lots shall hereby release and hold Southwest and Shelby County and their agents, employees, officers, directors safe and harmless from any and all damages that result from activities directly related to installation of the Trunk Line within the utility easement. It is understood that in the installation of the Trunk Line in the easement of Lot 1, the ground will be returned to the same general condition as before the installation of the Trunk Line. Further, the Owners of Lot 1 shall pay for the cost of installation of a riser to the manhole on said Lot, if required by Southwest for the proper installation and on-going maintenance of the Trunk Line.

5. By their signatures below and from this date forward, the owners of the Affected Lots and their successors and assigns who have a Service Line connected to the Trunk Line hereby release and hold all other owners of the Affected Lots and their successors who do not have a Service Line connected to the Trunk Line safe and harmless from any and all damages that directly result from a malfunction or failure of the Trunk Line, including, but not limited to, any backup or outflow of sewage from the Trunk Line, except where owners of the Affected Lots cause or contribute to a malfunction or failure of the Trunk Line by excavating, drilling, boring or construction activities within the utility easement on an Affected Lot, regardless of whether such excavation, drilling, boring or construction on the Affected Lot was performed by the owner or its contractor or agent. Reasonable, documented damages that result directly from a malfunction or failure of the Trunk Line, whether or not the Affected Lots are connected to the Trunk Line, shall be borne by the owner of the Trunk Line at the time of the malfunction or failure of the Trunk Line. All parties agree that damages that result from a malfunction or failure of a Service Line are to be borne solely by the owner of the Service Line that malfunctions or fails.

6. Owners of the Affected Lots and their successors and assigns shall be permitted to connect to the Trunk Line upon completion of the following steps: (i) execution of a Southwest's standard Sanitary Sewer Service Agreement, (ii) payment of the one-time Impact Fee due at execution of the Sanitary Sewer Service Agreement, (iii) securing Southwest's approval of a drawing showing the proposed equipment and Service Line that meets Southwest's minimum standards and (iv) securing an inspection of the Service Line installation before backfilling that meets Southwest's minimum standards. Southwest reserves the right to adjust the Impact Fee consistent with uniform charges to all other new customers of single family residences.

7. Any owner of the Affected Lots that connects to the Trunk Line agrees to be bound by all of Southwest's rules, regulations and requirements, as set forth in the Sanitary Sewer Service Agreement which apply uniformly to all customers of the Sewage System.

8. All owners of the Affected Lots agree to notify all prospective purchasers of their lot of this Agreement and the obligations contained herein.

9. Owners of the Affected Lots agree to promptly notify Southwest of any observed malfunction or failure of the Trunk Line.

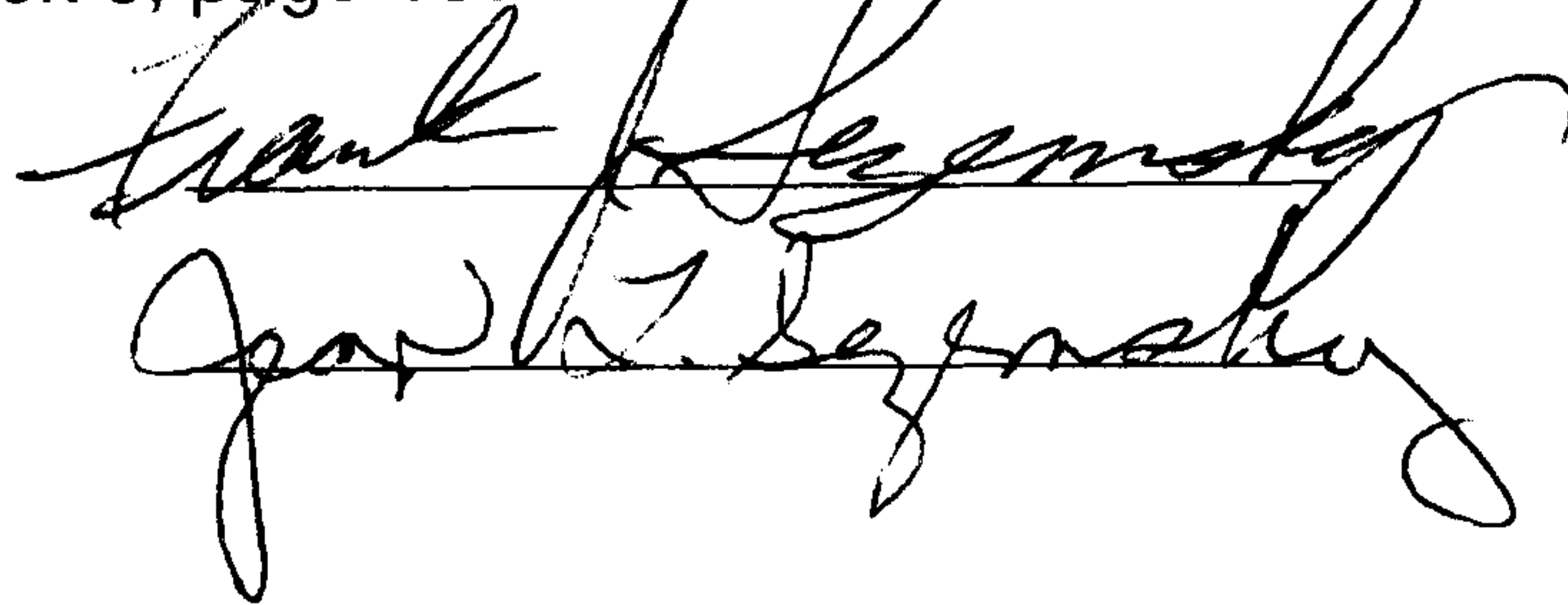
10. This agreement shall inure to the benefit of, be enforceable by and against and is binding upon each of the parties and their respective successors and assigns. Any reference in this agreement to a party includes such party's successors and assigns.

11. This agreement shall be recorded in the Office of Probate, Shelby County Alabama.

DONE AND AGREED to this 15TH day of MARCH, 2006.

AFFECTED LOTS:

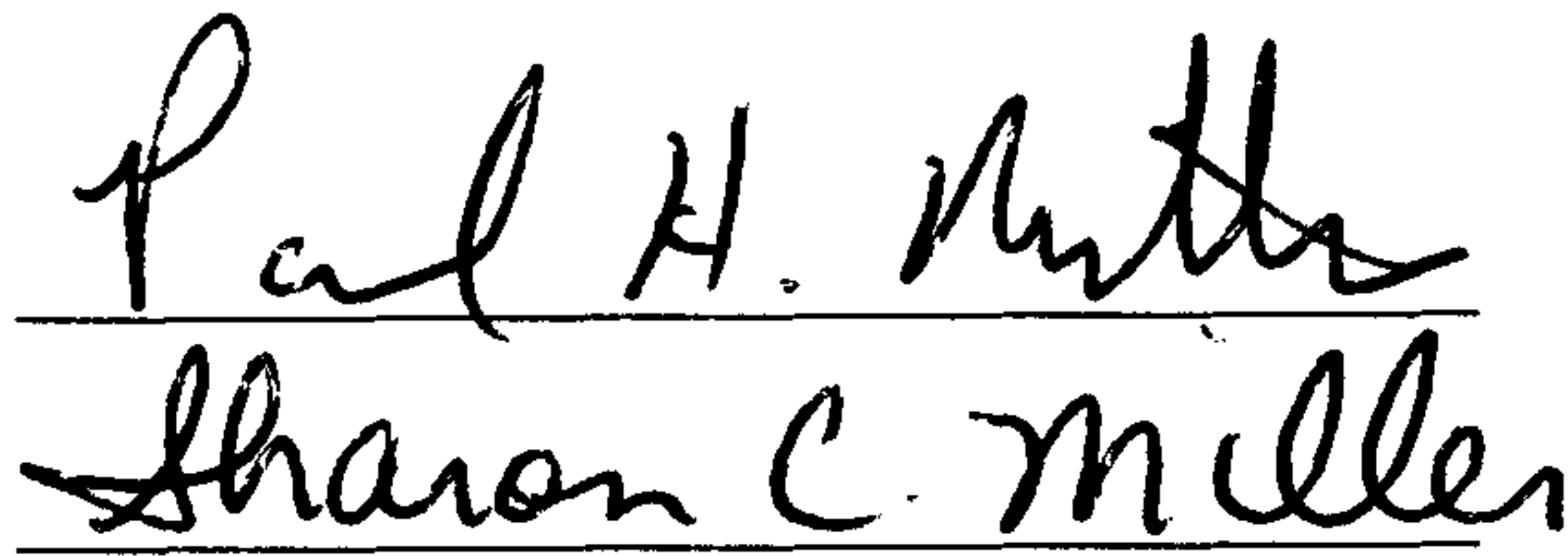
Lot 1, according to the Map of Broken Bow, First Addition, Second Phase, as recorded in Map Book 8, page 139 in the Probate Office of Shelby County, Alabama



FRANK SEZEMSKY

JEAN SEZEMSKY

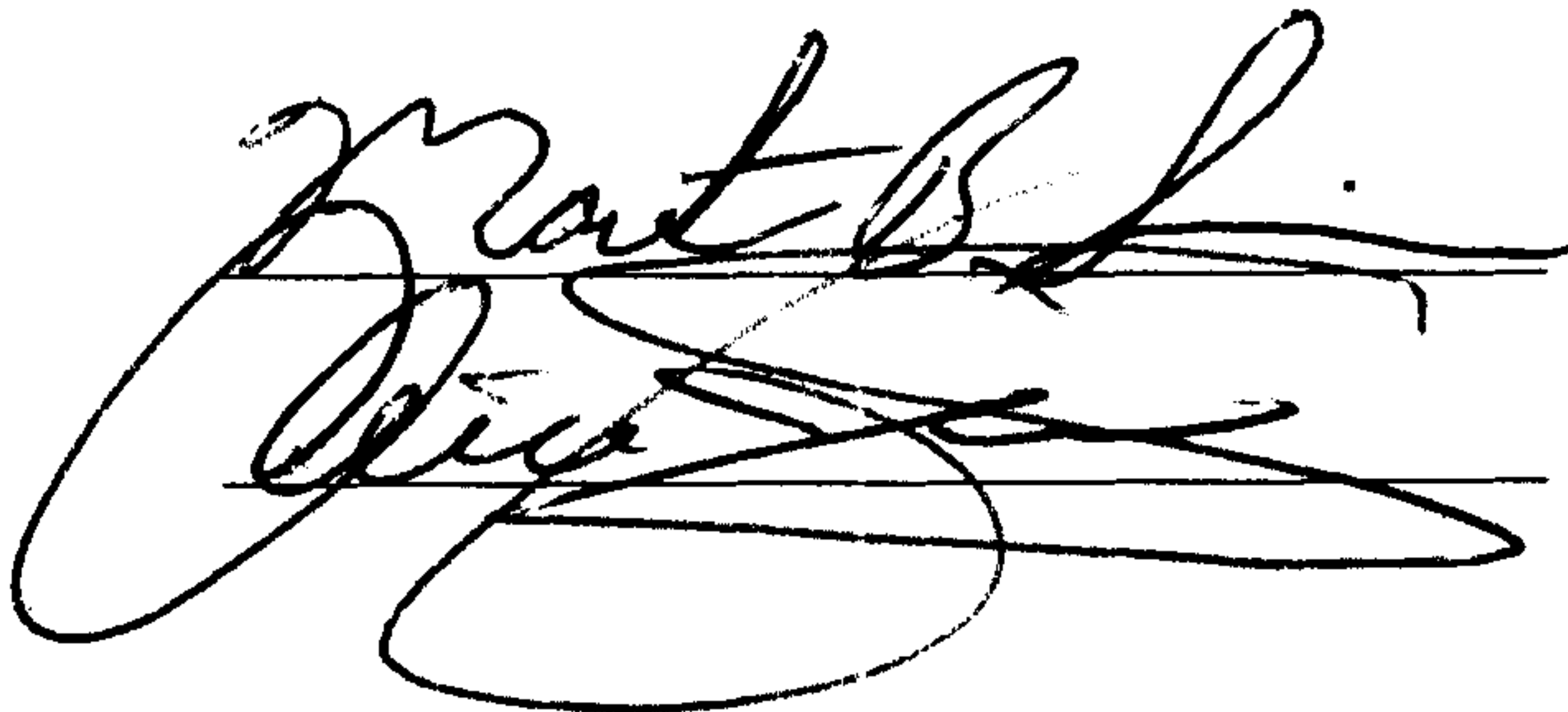
Lot 62, according to the Map of Broken Bow, First Addition, Second Phase, as recorded in Map Book 8, page 139 in the Probate Office of Shelby County, Alabama



PAUL H. MILLER

SHARON C. MILLER

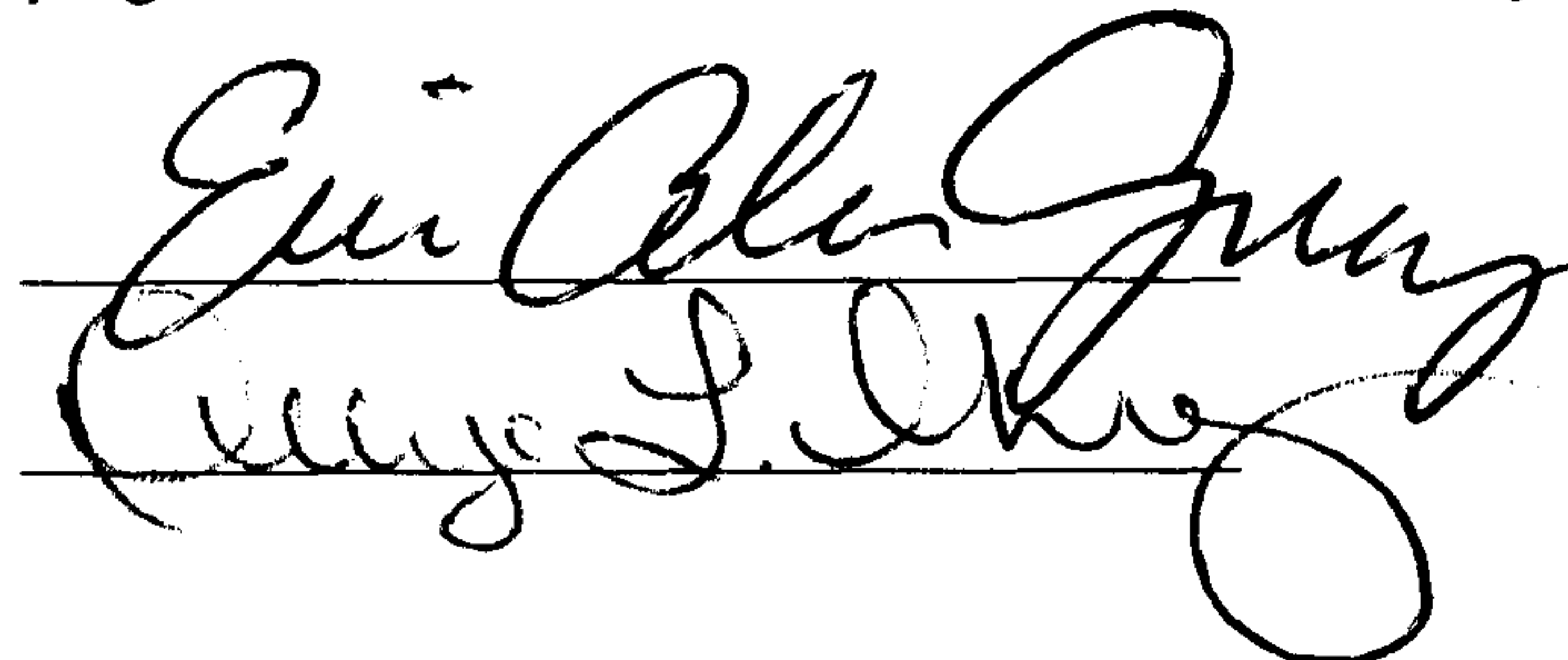
Lot 63, according to the Map of Broken Bow, First Addition, Second Phase, as recorded in Map Book 8, page 139 in the Probate Office of Shelby County, Alabama



MARTIN B. SIMS

ALICE SIMS

Lot 67, according to the Map of Broken Bow, First Addition, Second Phase, as recorded in Map Book 8, page 139 in the Probate Office of Shelby County, Alabama



ERIC ALLEN GRAY

DEEYA L. GRAY

SOUTHWEST WATER – ALABAMA, INC., an Alabama corporation or Novus Utilities, Inc., Manager of the System, and acting on behalf of Southwest Water-Alabama, Inc.

By: 

EDWARD R. BECKER

Its: President