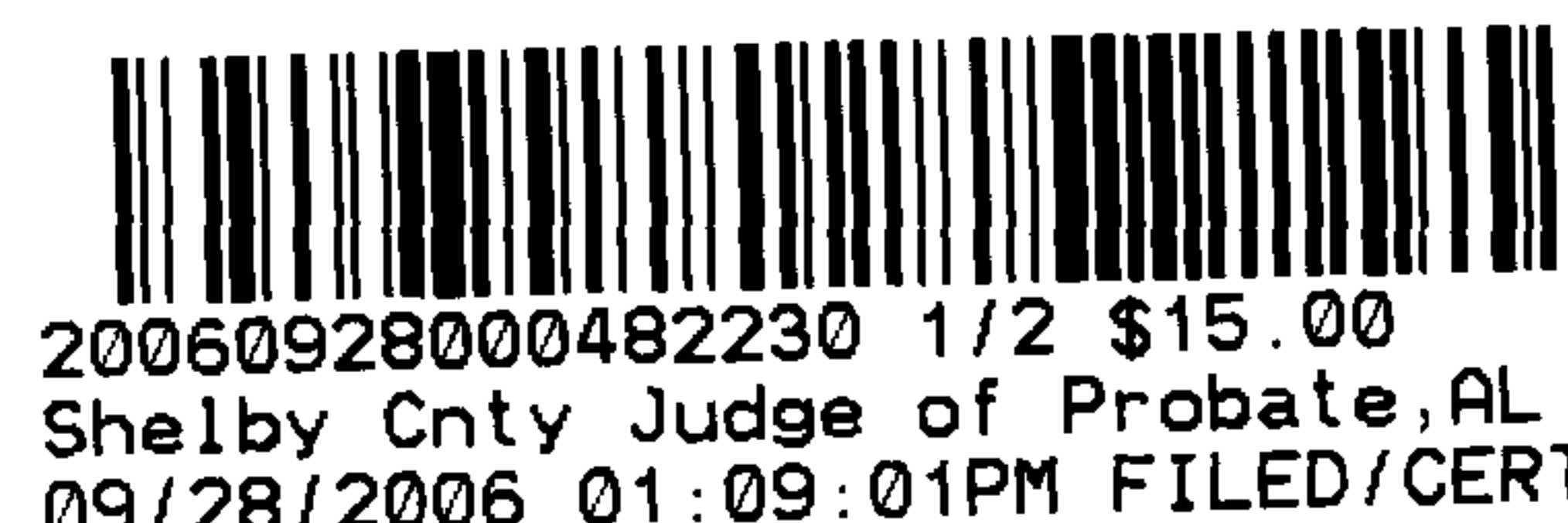


Send tax notice to:
Southwest Water Company
One Wilshire Building
Suite 2900
Los Angeles, California 90017
Attn: Maurice Gallarda

This instrument prepared by and
record and return to:
Russell L. Irby, III, Esq.
Johnston Barton Proctor & Powell LLP
2900 AmSouth/Harbert Plaza
1901 Sixth Avenue North
Birmingham, Alabama 35203-2618

5,000.00

STATE OF ALABAMA)
COUNTY OF SHELBY)



QUITCLAIM DEED

THIS QUITCLAIM DEED is made this 29th day of September, 2005, between **SHELBY COUNTY, ALABAMA**, a political subdivision of the State of Alabama ("Grantor"), and **SOUTHWEST WATER COMPANY**, a corporation organized under the laws of the State of Delaware ("Grantee"). References herein to "Grantor" and "Grantee" shall include the successors and assigns of Grantor and Grantee.

RECITALS

WHEREAS, Grantor has determined that, in its judgment, it would be in the best interest of Grantor and its residents for Grantor to sell, transfer, convey and assign to Grantee those rights of way and easements that are required for the effective operation of that certain sewage treatment plant and wastewater collection in North Shelby County, Alabama, owned and operated by the Grantor in North Shelby County, Alabama, (the "Sewer System") and described in that certain Asset Purchase Agreement between Grantor and Grantee of even date herewith.

WHEREAS, Grantor authorized the solicitation of the sale, transfer, conveyance and assignment of the Sewer System, in accordance with the provisions of Resolution No. 01-12-10-07, and Grantee was selected to purchase the Sewer System.

WHEREAS, Grantee desires to purchase all of the rights, title, interests and claims in or to the rights of way and easements used exclusively in connection with the activities and operations of the Grantor in conducting the business of operating the Sewer System and providing sewer services to the customers thereof (the "Enterprise"), and Grantor desires to sell all of its rights, title, interests and claims in or to the rights of way and easements used exclusively in connection with the Enterprise pursuant to this Quitclaim Deed.

NOW, THEREFORE, Grantor for and in consideration of the sum of Ten Dollars (\$10.00) to it in hand paid by Grantee, together with other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby remise, release, quitclaim and convey unto Grantee all of its right, title, interest and claim in or to the rights of way and easements used exclusively in connection with the Enterprise, to the extent such rights of way and easements are used exclusively in connection with the Enterprise, and situated in Shelby County, Alabama.

TO HAVE AND TO HOLD the rights of way and easements unto Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, Grantor has executed this Quitclaim Deed on the day and year first above written.

GRANTOR:

SHELBY COUNTY, ALABAMA


By: Larry S. Dilkard

Name: _____

Its: _____

STATE OF ALABAMA)

COUNTY OF Jefferson)


20060928000482230 2/2 \$15.00
Shelby Cnty Judge of Probate, AL
09/28/2006 01:09:01PM FILED/CERT

I, the undersigned, Notary Public in and for said County and State, hereby certify that Larry S. Dilkard, whose name as Chairman - Shelby County Commission of Shelby County, Alabama, a political subdivision of the State of Alabama, is signed to the foregoing Quitclaim Deed, and who is known to me, acknowledged to me on this day that, being informed of the contents of the Quitclaim Deed, ___ executed the same voluntarily for and as the act of said Shelby County, Alabama, on the day the same bears date.

Given under my hand this 29 day of September, 2005.

Notary Public [Signature]
My Commission Expires: _____

My Commission Expires 10-6-08