

STATE OF ALABAMA)
SHELBY COUNTY)



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**NINTH AMENDMENT TO
THE VILLAGE AT HIGHLAND LAKES
SEWER SERVICE AGREEMENT**

THIS NINTH AMENDMENT TO THE VILLAGE AT HIGHLAND LAKES SEWER SERVICE AGREEMENT (the “**Amendment**”) is made and entered into as of the 29th day of June, 2022 by and between **SHELBY RIDGE UTILITY SYSTEMS LLC**, a Delaware limited liability company (the “**Company**”) as successor to Double Oak Water Reclamation, LLC and **THE VILLAGE AT HIGHLAND LAKES, INC.**, an Alabama corporation (the “**Subscriber**”).

RECITALS:

WHEREAS, on or about March 1, 2012, the Company’s predecessor, Double Oak Water Reclamation, LLC (“**DOWR**”) and Subscriber entered into a Sewer Service Agreement (the “**SSA**”) whereby Subscriber reserved an initial One Hundred Ninety Two Thousand Five Hundred (192,500) gallons per day (“**gpd**”) of sanitary sewage treatment capacity at the Company’s Plant in order to reserve sanitary sewage treatment capacity for the residential sectors of The Village at Highland Lakes in Shelby County, Alabama; and

WHEREAS, all capitalized terms not expressly defined herein shall have the meanings given to them in the SSA, as amended; and

WHEREAS, DOWR has assigned its rights under the SSA to the Company and on or about June 20, 2022, the Company and Subscriber amended Section 3.1 of the SSA to revise the Sewer Reservation Fee payment schedule; and

WHEREAS, the Company and Subscriber desire to enter into this Seventh Amendment, to again amend Section 3.1 of the SSA to revise the Sewer Reservation Fee payment schedule and related modifications.

NOW THEREFORE, in consideration of the premises and the mutual promises, covenants, and agreements of the parties set forth in the SSA and herein, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **REVISED SEWER RESERVATION FEE PAYMENT SCHEDULE.** The SSA is hereby amended by deleting Section 3.1 in its entirety and substituting the following Section 3.1 in lieu thereof:

3.1 Reservation of Sewage Treatment Capacity.

(a) Subscriber has reserved ONE HUNDRED NINETY-TWO THOUSAND FIVE HUNDRED (192,500) gallons per day of sewage treatment capacity(“gpd”) at the Plant. The treatment capacity for the Development shall be

calculated for each Lot based on the wastewater production volumes estimated in accordance with Exhibit E attached to this Agreement.

(b) In order to secure sewage treatment services for the improvements on a Lot, the owner of any lot ("Lot") in the Development (the "subscriber") shall apply with Company for sewage treatment services and shall satisfy the following conditions:

(i) The subscriber shall execute a Sanitary Sewer Service Agreement in substantially the form attached hereto as Exhibit J for residential use and Exhibit K for commercial use (collectively, the "Subscriber Sewer Service Agreements")

(ii) If not sooner paid, the subscriber shall pay a Sewer Reservation Fee with respect to the sewage treatment capacity subject to the Subscriber Service Agreement, which fee shall be calculated on the basis of the estimated use of the improvements on a Lot or other property at the rate set forth in the Subscriber Sewer Service Agreement (the "Sewer Reservation Fee"). The form of Commercial Subscriber Sewer Service Agreement attached hereto as Exhibit K provides an example as to the method for calculating the Sewer Reservation Fee based on current rates. The Sewer Reservation Fee shall be paid in full by the subscriber upon the execution of the Subscriber Sewer Service Agreement. The Sewer Reservation Fee is comprised of, and allocated between, the following components:

(1) Provider Services component. The Provider Services component comprises 70% of the Sewer Reservation Fee. This component is compensation for the services provided by Company, including necessary engineering, administrative, and field services. Engineering Services include, but are not limited to, plans review, coordination, and signoff; facility evaluation and sizing; site meetings; GIS integration; and related tasks. Administrative Services include, but are not limited to, property ownership research; development and coordination for execution of the Subscriber Sewer Service Agreement (herein defined); setup of property and customer account information; distribution and filing of account documents; and related tasks. Field Services include, but are not limited to, marking trunk line locations; site evaluation; site preparation; connection of subscriber's service line to the Company's trunk lines; backfill and site cleanup; testing and inspection; and related tasks.

(2) Plant Access component. The Plant Access portion comprises the remaining 30% of the Services and Plant Access Fee. This component is compensation for providing subscribers access to the Company's sewage treatment services, subject to the conditions of this Agreement and the Subscriber Sewer Service Agreement.



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(c) Promptly after the submission of an application for a building permit on the subscriber's Lot, the subscriber shall deliver to the Company an executed Subscriber Sewer Service Agreement and payment of the Sewer Reservation Fee along with subscriber's application to Company for a sewer connection. Upon receipt, Company shall issue a sewer authorization form for such connection. The amount of the subscriber's reserved treatment capacity in the Subscriber's Sewer Services Agreement ("Reserved Treatment Capacity") shall be limited to the Lot or other property designated in the Subscriber Sewer Service Agreement and shall remain in effect during the term of this Agreement without regard to whether or not the subscriber uses any portion of such Reserved Treatment Capacity. For the avoidance of doubt, subject to all other provisions of this Agreement, including those relating to the payment of Sewer Reservation Fees, neither Subscriber nor a subscriber shall be required to execute a Subscriber Sewer Service Agreement until the submission of an application for a building permit for the construction of improvements on property within the Initial Development and the determination of whether to execute a Subscriber Sewer Service Agreement for residential use in the form set forth on Exhibit A or for commercial use in the form set forth on Exhibit B shall be based upon the proposed use of the improvements to be constructed on the property.

(d) The Developer shall require by contract that the purchasers of Lots in the Development shall obtain sewage treatment services from the Company. The Subscriber Sewer Service Agreement shall be subject to the terms and conditions of this Agreement and to the rules and regulations of the Company concerning sewer service which are then in effect and as such rules and regulations may be amended from time to time. The terms of this Agreement shall constitute covenants appurtenant to the Property and running with the land, and the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Property subject to this Agreement. Subscriber shall provide subscribers a copy of this Agreement upon the request of the subscriber. This Agreement is the Master Sewer Service Agreement referenced in the Subscriber Sewer Service Agreement.

(e) The Company, within its reasonable discretion, may require a subscriber to install a grinder pump on subscriber's Lot under the terms of the Subscriber Sewer Service Agreement, which shall provide for the Company's installation of a grinder pump at the expense of the subscriber and for the subscriber to pay Company reasonable compensation to and repair the grinder pump.

3.1.1 The Commitment. On or before April 30, 2027 (the "Commitment Date"), a subscriber (as defined in Section 1.17 hereof) may pay at any time and from time to time the Sewer Reservation Fee for sewage treatment capacity on a Lot in the Development up to the maximum of 192,500 gpd of reserved sewer treatment capacity for the Development.

(a) Such payment shall be based upon the gpd Sewer Reservation Fee current at the time of such payment. On or before the Commitment Date, the Subscriber may deliver to the Company a written commitment (the "Commitment")

to pay the Sewer Reservation Fee for any portion of the remaining balance of sewage treatment capacity up to the maximum of 192,500 gpd of reserved sewer treatment capacity for the Development.

(b) The Commitment shall state the exact number of gpd of remaining sewage treatment capacity for which Subscriber shall pay the Sewer Reservation Fee in Annual Payments as defined below.

(c) The sewage treatment capacity for which the Sewer Reservation Fee has been paid prior to the Commitment, or will be paid pursuant to the Commitment, shall collectively hereinafter be referred to as the "Amended GPD".

(d) In the event the Amended GPD is less than the 192,500 gpd of sewage treatment capacity, (x) this Agreement shall be deemed amended to reserve the Amended GPD and (y) all terms and provisions hereof shall apply to the Amended GPD.

(e) In the event Subscriber fails to deliver the Commitment to the Company on or before the Commitment Date, Subscriber shall be obligated to pay the balance of the Sewer Reservation Fees for the 192,500 gpd reserved hereby in Annual Payments as defined below.

(f) Subscriber shall pay the Sewer Reservation Fee for the treatment capacity reserved in the Commitment in four (4) equal annual installments (the "Annual Payments").

(i) The amount of each Annual Payment shall be determined by multiplying (A) one-fourth of the Sewer Reservation Fee for sewage treatment capacity reserved pursuant to the Commitment for which the Sewer Reservation Fee remains unpaid by (B) the gpd Sewer Reservation Fee current at the time of each respective Annual Payment.

(ii) The first Annual Payment shall be due and payable on or before April 30, 2028, and each succeeding Annual Payment shall be due and payable on or before April 30, 2029, April 30, 2030, and April 30, 2031.

(iii) Subscriber shall receive a credit toward each Annual Payment for Sewer Reservation Fees paid to The Company by a subscriber who subscribes to the Company's sewage treatment services during the year preceding the due date of each Annual Payment.

(iv) The balance of each Annual Payment shall be due and payable by Subscriber to the Company on or before the due date of each Annual Payment. In the event such credits toward an Annual Payment exceed the amount due as the current Annual Payment, the excess shall be applied and credited toward the next succeeding Annual Payment.



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(v) The final Annual Payment shall be for the remaining gpd reserved under the Commitment for which the Sewer Reservation Fee has not been previously paid multiplied by the gpd Sewer Reservation Fee current at the time of such payment. Such final Annual Payment shall be due and payable by the Subscriber to the Company on or before April 30, 2031.

3.1.2 Complete Payment Prior to Connection: Unpaid portions of the Sewer Reservation Fee shall be paid by the subscriber to the Company prior to connection of a Service Line to a Trunk Line, if the volume of wastewater entering the Trunk Line (expressed as a percentage of the reserve sewage treatment capacity) exceeds the percentage equivalent of the Sewer Reservation Fee paid to date hereunder.

2. **FULL FORCE AND EFFECT:** Except as expressly amended hereby, all other terms and provisions of the SSA, as amended, shall remain in full force and effect.

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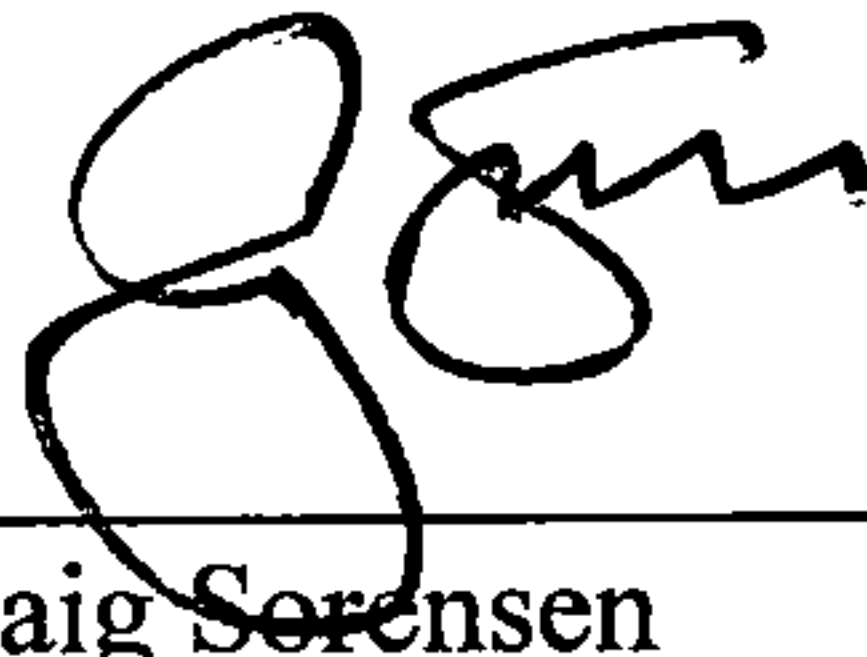


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IN WITNESS WHEREOF, the undersigned Company and Subscriber have caused this Amendment to be effective as of the day and year first above written.

THE COMPANY:

SHELBY RIDGE UTILITY SYSTEMS LLC,
A Delaware limited liability company

By: 

Craig Sorensen
Its President

SUBSCRIBER:

THE VILLAGE AT HIGHLAND LAKES, INC.,
an Alabama corporation

By: _____
Douglas D. Eddleman
Its President



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STATE OF South Carolina
COUNTY OF Richland

The foregoing instrument was acknowledged before me on 6/29/22 by
Craig Sorensen.

Martha Stone Tuttle

Notary Public

Print name: Martha Stone Tuttle

My commission expires: 10/2/2025

Martha Stone Tuttle
Notary Public, State Of South Carolina
My Commission Expires October 2, 2025



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IN WITNESS WHEREOF, the undersigned Company and Subscriber have caused this Amendment to be effective as of the day and year first above written.

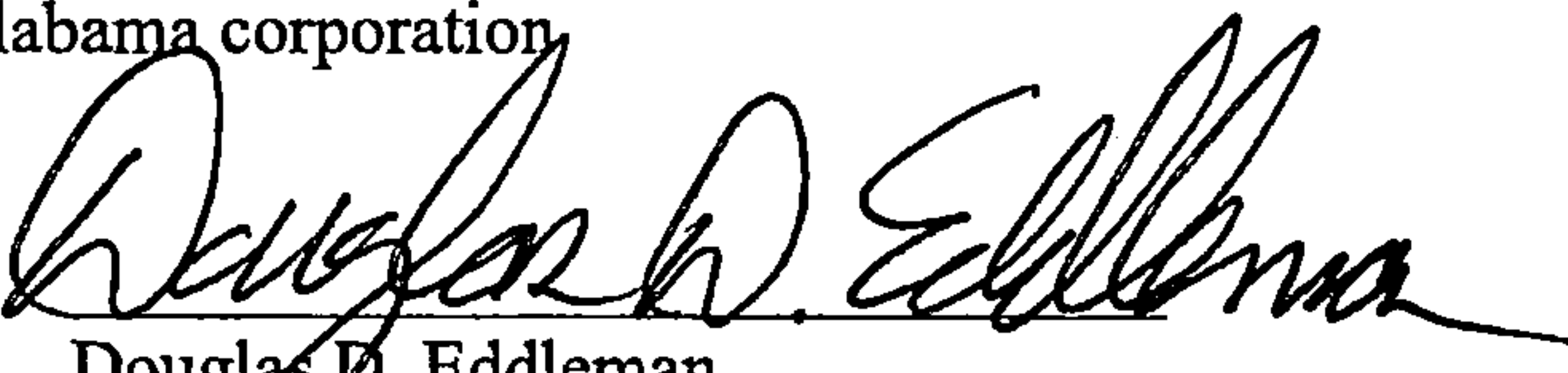
THE COMPANY:

SHELBY RIDGE UTILITY SYSTEMS LLC,
A Delaware limited liability company

By: _____
Craig Sorensen
Its President

SUBSCRIBER:

THE VILLAGE AT HIGHLAND LAKES, INC.,
an Alabama corporation

By: 
Douglas D. Eddleman
Its President



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STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Craig Sorensen, whose name as President of SHELBY RIDGE UTILITY SYSTEMS LLC, a Delaware limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said company on the day the same bears date.

Given under my hand and official seal this _____ day of _____, 2022

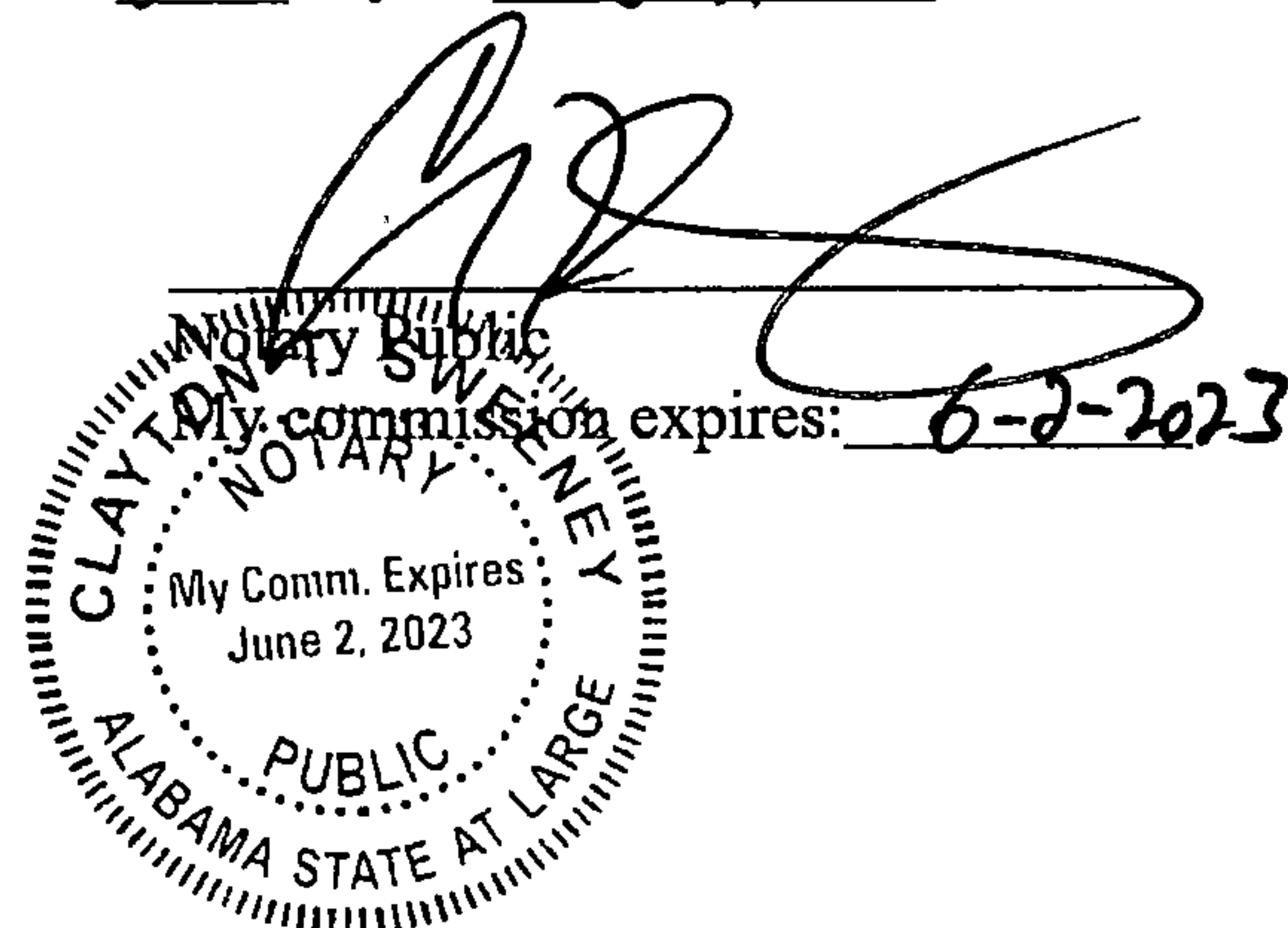
Notary Public

My commission expires: _____

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Douglas D. Eddleman, whose name as President of THE VILLAGE AT HIGHLAND LAKES, INC., an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal this 29th day of June, 2022.





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EXHIBIT J

STATE OF ALABAMA)
COUNTY)

Water Lock-Out Valve Required
Treatment Capacity Reservation Fee _____
Account # _____
Builder or Homeowner _____
System _____
Development _____
Sector, Phase / Lot /

**RESIDENTIAL
SANITARY SEWER SERVICE AGREEMENT**

THIS SANITARY SEWER SERVICE AGREEMENT is made and entered into as of the day of ,
by and between:

- (i) #N/A, a Delaware #N/A
(the “Company”), and
(ii)
 (“Subscriber”).

1. Subscriber’s Property

Subscriber is the legal owner of property identified as indicated below (“Subscriber’s Property”);

Service Address					Billing Address			
Subdivision					Name			
Lot		Sec/Ph			Street			
Address					City			
City		AL	ZIP		State		ZIP	
Notes					Notes			

Subscriber’s daytime phone number:	
Subscriber’s email address:	

This Agreement shall run with the title to Subscriber’s Property, be binding upon Subscriber, its successors and assigns forever, and on any other person or entity who owns Subscriber’s Property or any portion thereof or has an interest therein or who is in possession or any part thereof.



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2. **The Company's Plant**

The Company owns and operates a system for collection, conveyance, and treatment of sanitary sewage (the "Plant"), which serves areas including the development in which Subscriber's Property is located.

3. **Subscriber's Capacity**

The Company provides sanitary sewage treatment services to the development in which Subscriber's Property is situated. Subscriber hereby subscribes to #N/A gallons per day ("gpd") of sewage treatment capacity in the Plant ("Subscriber's Capacity") to serve Subscriber's Property. Subscriber's Capacity is limited to serve Subscriber's Property only.

Subscriber's Capacity may also be shown on some Company notices in terms of "Equivalent Dwelling Units", or "EDUs". One (1) EDU is defined as #N/A gpd of Reserved Treatment Capacity. Subscriber's Capacity is therefore equal to #N/A EDU(s).

Subscriber shall not discharge more from Subscriber's Property to the Plant within a single calendar day than an amount equal to Subscriber's Capacity. Discharges in excess of Subscriber's Capacity shall constitute a Default as defined hereafter.

4. **Master Sewer Service Agreement**

Subscriber's Property

☐ IS

☐ IS NOT

subject to a Master Sewer Service Agreement ("Master SSA") with the Company as entered into by the developer of Subscriber's Property.

If Subscriber's Property is subject to a Master SSA, then as successor in title to the original subscriber, the terms and provisions of the Master SSA are binding upon Subscriber with respect to Subscriber's Property. Hereafter, the term "Agreement" incorporates the Master SSA by reference. Subscriber hereby executes this Agreement in order to become a party to the Master SSA and is subject to all obligations thereunder as if Subscriber had executed the Master SSA. Subscriber ratifies the Master SSA as of the date hereof and agrees to be bound by all of the terms, provisions and conditions contained in the Master SSA applicable to Subscriber to the same effect as if it was an original party thereto. This Agreement is intended to supplement the terms and provisions of the Master SSA and should be interpreted consistently therewith.

If Subscriber's Property is not subject to a Master SSA, then this Agreement, supplemented by the Company's Rules and Regulations, constitute the entire agreement between the Company and Subscriber.

5. **Subscriber's Service Line**

Subscriber's sanitary sewer service line ("Subscriber's Service Line") extends from the point of connection to the Company's main sewer line ("Company's Main Line") to the building or dwelling situated within Subscriber's Property. Subscriber is solely responsible for construction, operation, maintenance, and ownership of Subscriber's Service Line, subject to the Company's Rules and Regulations. The Company assents to Subscriber's use, operation, maintenance, and ownership of Subscriber's Service Line, subject to the terms and conditions of this Agreement and the Company's Rules and Regulations.



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6. **Deposit**

The Company may, at its sole discretion, require Subscriber to pay a security deposit in an amount to be determined by the Company and paid to the Company upon Subscriber's execution hereof, in order to secure Subscriber's obligations hereunder. If required, the security deposit will be held by the Company, will not bear interest and will be returned to Subscriber upon assignment of Subscriber's Capacity, Subscriber's compliance with this Agreement, and Subscriber's full payment of all Sewer Charges due to the Company.

7. **Account Setup Fee**

☐ applicable only if checked

If applicable, the Company requires payment of an Account Setup Fee upon Subscriber's execution of this Agreement to establish Subscriber's account with the Company. The amount of the fee is N/A.

8. **Sewer Charges**

As applicable, the fees described below along with all utility taxes, associated fees, and other costs and expenses billed to Subscriber by the Company are collectively termed the "Sewer Charges".

Account statements and notices of Sewer Charges shall be sent by the Company to Subscriber from time to time. Payment by Subscriber of all Sewer Charges indicated thereon shall be due in accordance with the terms indicated in such statements and notices.

Subscriber shall timely pay all Sewer Charges or be subject to the Default provisions set forth herein. The Default and Disconnection provisions of this Agreement apply to all charges and/or fees described herein.

8.1. Treatment Capacity Reservation Fee

A one-time Treatment Capacity Reservation Fee, also known as a Reservation Fee, is due and payable prior to construction of any new or expanded residence or building on Subscriber's Property. The Reservation Fee preserves Subscriber's reservation of Subscriber's Capacity. This fee is calculated as Subscriber's Capacity multiplied by the Reservation Fee rate in effect at the time of payment.

8.2. Allocation of Reservation Fee.

Subscriber and Company agree that the Reservation Fee is comprised of, and allocated between, the following components:

8.2.1. Company Services component. The Company Services component comprises 70% of the Reservation Fee. This component is compensation for the services provided by the Company, including necessary engineering, administrative, and field services specified in Article II.

8.2.2. System Access component. The System Access portion comprises the remaining 30% of the Reservation Fee. This component is compensation for providing Subscriber access to the Company's System, subject to the conditions of this Agreement.

The Reservation Fee for Subscriber's Capacity is: (applicable as checked)

☐	N/A This fee is calculated as Subscriber's Capacity (#N/A gpd) multiplied by the Reservation Fee rate in effect at the time of payment (#N/A per gpd reserved). This fee is due and payable by Subscriber to the Company upon the execution hereof
☐	TRANSFERRED The Reservation Fee for Subscriber's Capacity was previously paid to the Company. No further payments for reservation of Subscriber's Capacity are currently due.

8.3. Grinder Pump Installation Fee

☐ applicable only if checked

If applicable, Subscriber's Property requires a private grinder pump system for sewer service. The grinder pump system is installed at Subscriber's expense and is privately owned by Subscriber as a component of Subscriber's Service Line. Subscriber's grinder pump system must comply with Company requirements.

To insure high quality and uniform service installations, only the Company may provide materials for and install such residential grinder pump systems. All grinder pump system components on the residential lot, including packaged grinder pump station, pump control and alarm panel, valves, and discharge piping to the point of connection inside the curb-side connection box, will be furnished, installed, tested, and started up by the Company. Installation of any such components by others is not allowed.

Subscriber shall follow administrative procedures as established by the Company to order and schedule such grinder pump system installation. A separate agreement for purchase of the grinder pump system may be required. At the time of the order, the Subscriber shall pay the Company the basic Grinder Pump Installation Fee, currently established as N/A. Additional fees may also be charged to the Subscriber following installation, if installation conditions exceed the criteria for basic installation as defined in the proposal. The Grinder Pump Installation Fee is due and payable upon Subscriber's application to the Company for such pump installation. The Company will not install such grinder pump system without prior payment in full by Subscriber. The Grinder Pump Installation Fee is subject to adjustment from time to time.

8.4. Base Charge

☐ applicable only if checked

Subscriber agrees to pay the Company a recurring flat Base Charge. The Base Charge is due regardless of the amount of water used by Subscriber or sewage discharged to the Trunk Line in the billing period. The Base Charge includes an allowance for the first #N/A gallons of metered water consumption by Subscriber.

The Base Charge Rate is currently established at #N/A per subscriber account, per billing cycle. Company billing for the Base Charge will begin with the first billing cycle following execution of this agreement. Payment of the Base Charge by Subscriber is due as noted in the Company's account statement and/or invoice. The Company may adjust the Base Charge Rate from time to

time.

8.5. Use Charge

☐ applicable only if checked

If applicable, Subscriber agrees to pay the Company a recurring Use Charge based on Subscriber's metered water consumption. The Use Charge is calculated by multiplying the Use Charge Rate, currently established at per 100 cubic feet ("CCF") of metered water, by metered water consumption (expressed in CCF) and by the Billing Percentage Factor. For conversion purposes, one (1) CCF is equal to 748 gallons. The Billing Percentage Factor is 100 percent unless specifically established otherwise herein. The Use Charge Rate may be adjusted from time to time.

Company billing for Use Charges will begin with the first billing cycle following execution of this agreement. Payment of Use Charges by Subscriber is due as noted in the Company's account statement and/or invoice. The Company may adjust the use Charge rate from time to time

8.6. Demand Charge

☐ applicable only if checked

Subscriber agrees to pay the Company a recurring flat Demand Charge proportional to Subscriber's Capacity, in terms of EDUs. The Demand Charge is due regardless of the amount of water used by Subscriber or sewage discharged to the Trunk Line in the billing period. The Demand Charge Rate is currently established at #N/A per EDU. The Demand Charge is calculated by multiplying the current Demand Charge Rate by Subscriber's Capacity in EDUs.

Company billing for Demand Charges will begin with the first billing cycle following execution of this agreement. Payment of Demand Charges by Subscriber is due as noted in the Company's account statement and/or invoice. The Company may adjust the Demand Charge rate from time to time

8.7. Grinder Pump Repair Plan Fee

☐ applicable only if checked

If applicable, Subscriber agrees to pay the Company a recurring flat rate Grinder Pump Repair Plan Fee. The Grinder Pump Repair Plan Fee covers all repairs and/or replacements to Grinder Pump System components at no additional cost to Subscriber or his assigns, unless such repairs are due to Subscriber's misuse or abuse of such components as determined by the Company. Only the Company or its agents shall be permitted to perform work under the Grinder Pump Repair Plan.

The Grinder Pump Repair Plan Fee is currently established at N/A per month. Regular billing of the Grinder Pump Repair Plan fee by the Company will begin with the first billing cycle following completion of installation by the Company of Subscriber's residential grinder pump system. Payment of the Grinder Pump Repair Plan fee by Subscriber is due as noted in the Company's account statement and/or invoice. The Grinder Pump Repair Plan fee may be adjusted from time to time.

8.8. Increase of Sewer Charges

The Company shall have the right at any time, and from time to time, to increase (as applicable)

the Treatment Capacity Reservation Fee, Grinder Pump Installation Fee, Demand Charge, Use Charge, Grinder Pump Repair Plan Fee, and Surcharges, provided that such increases are applied in a manner which is consistent with Company's Rules and Regulations and are uniformly applied to all similarly-situated subscribers.

Subscriber further agrees to pay such penalties, surcharges, late fees, interest, collection fees and expenses, attorney's fees, court costs and all other expenses incurred by the Company for Subscriber's noncompliance with or default under the terms and provisions of the Agreement, or which may hereafter be adopted and imposed by the Company.

9. **Assignment Of Subscriber's Capacity**

Subscriber may not assign Subscriber's Capacity to another party and shall remain fully liable therefor until such time as the intended successor or assignee of Subscriber's Capacity has executed a Sewer Service Agreement in substantially the same form and substance as this Agreement, as prepared by the Company, and until all Sewer Charges for Subscriber's Capacity have been paid in full. Subscriber shall not be entitled to a refund of any portion of the Sewer Charges previously paid to the Company.

10. **Water Lock-Out Valve**

If not previously installed within Subscriber's Property and if requested by the Company, Subscriber hereby agrees to install at its expense, or to allow the Company to install at Subscriber's expense, a lockable valve on Subscriber's water service line ("Water Lock-out Valve"), the Schematic for which is attached hereto as EXHIBIT A.

For purposes of the Water Lock-Out Valve installed within Subscriber's Property, Subscriber hereby grants to the Company a permanent and perpetual, non-exclusive easement, over, under, upon and through Subscriber's Property, for the purpose of allowing the Company to use, operate, repair, maintain and replace the Water Lock-out Valve on Subscriber's Property. Subscriber acknowledges and agrees that the intent and purpose of such Water Lock-out Valve is:

- (i) to allow the Company to discontinue sewer service to Subscriber in the event Subscriber fails or refuses to timely pay any Sewer Charges;
- (ii) to discontinue sewer service to Subscriber when the volume or content of any water, sewage or other effluent discharged into the Company's Main Line is not in compliance with this Agreement; and
- (iii) to allow the Company to discontinue sewer service to Subscriber in the event Subscriber breaches any of its other obligations or commitments under the terms of this Agreement or of the Company's Rules and Regulations.

11. **Default Provisions**

In the event Subscriber should:

- (i) default in the payment of any Sewer Charges or any other fee, charge, cost or expense for which Subscriber is responsible hereunder;
- (ii) default in the volume or type of sewage allowed to be discharged from Subscriber's Service Line into the Company's Main Line; or
- (iii) fail to comply with any term or provision of or this Agreement or of the Company's Rules and Regulations, the Company, in the Company's sole discretion, may exercise any, all or any combination of the following remedies:

- (a) the Company may impose any or all of the following **fees and charges**: late charges, surcharges, interest, collection fees and expenses in addition to attorney's fees, court costs and all other expenses incurred by the Company for Subscriber's noncompliance with or default under the terms and provisions hereof; and/or
- (b) the Company may **disconnect Subscriber's Service Line** from the Company's Main Line for



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Subscriber's failure to pay any Sewer Charges or other sums due and payable to the Company, or if Subscriber violates any of the terms or provisions hereof; and/or

- (c) the Company may **shut off and lock the Water Lock-out Valve** on Subscriber's Property for Subscriber's failure to pay any Sewer Charges or other sums due and payable to the Company, or if Subscriber violates any of the terms or provisions hereof of; and/or
- (d) the Company shall be and hereby is authorized and entitled to execute any and all agreements, documents, and instruments for the **disconnection of domestic water service** serving Subscriber's Property. Subscriber, by connecting and using Subscriber's Service Line, shall be deemed to, and does hereby irrevocably appoint the Company as its respective agent and attorney-in-fact for the purpose of executing, signing, acknowledging, and swearing to any and all instruments, certificates, documents, and agreements relating to the disconnection of domestic water service to Subscriber's Property for and in the name of Subscriber and in Subscriber's name, place and stead. The power and authority granted herein is hereby declared to be irrevocable and a power coupled with an interest which shall survive Subscriber and be binding on Subscriber and Subscriber's heirs, executors, administrators, personal representatives, successors and assigns and anyone having any interest in Subscriber's Property, or any portion thereof; and/or
- (e) the Company may commence and maintain **a lawsuit against Subscriber** to enforce this Agreement and any such judgment rendered shall include all Sewer Charges payable to the Company along with all late charges, surcharges, interest, collection fees and expenses in addition to attorney's fees, court costs and all other expenses incurred by the Company; and/or
- (f) Subscriber, and its successors and assigns, grants and conveys to the Company an equitable and continuing lien upon Subscriber's Property, and upon any and all interests therein, which said lien shall run with the land and the title to Subscriber's Property and any portion thereof. The Company shall have the right to file such lien against Subscriber's Property in the Probate Office of Shelby County, Alabama in a form adopted and approved by the Company. Said lien shall secure the prompt payment of all Sewer Charges, late charges, surcharges, interest, collection fees and expenses in addition to attorney's fees, court costs and all other expenses incurred by the Company.

12. **Disconnection And Reconnection**

In the event of Default by Subscriber, pursuant to which Subscriber's Service Line is disconnected or the Water Lock-out Valve is shut off, all costs of disconnection and reconnection of the Service Line or shut off and turn on of the Water Lock-out Valve, and any applicable security deposits and account fees, are and shall be Subscriber's sole responsibility for payment. Additionally, monthly Sewer Charges, late charges, interest, collection fees and expenses, and attorney fees shall continue to accrue. Reconnection or Water Lock-out Valve turn-on may not occur until the following business day after Subscriber's sewer account balance has been paid in full and cleared. After disconnection of Subscriber's Service Line or shut off of the Water Lock-out Valve, any tampering with sewer equipment, facilities and appurtenances used to block the use of the sewer is a **criminal offense under Alabama Law with severe consequences**.

Costs to disconnect/reconnect the service line are estimated to be in excess of \$2,500. Individual circumstances regarding the location of Subscriber's Service Line connection may dictate higher costs than the estimated cost stated above. Costs to repair any disturbance in the public right of way (i.e., driveways, sidewalks, curbing, landscaping, etc.) shall be Subscriber's responsibility.

13. **Additional Terms and Provisions**

- 13.1. The Company affirms that Subscriber may, at Subscriber's expense, connect Subscriber's Service Line to the Company's Main Line and install, use, operate and

maintain Subscriber's Service Line, subject to and in accordance with the terms, provisions, and limitations hereof, and all other requirements and specifications of the Company.

- 13.2. Subject to Subscriber's primary responsibility to maintain and repair Subscriber's Service Line, Subscriber grants to the Company, and its successors and assigns, a permanent and perpetual easement over, under, upon and throughout Subscriber's Property for the purposes of: using, operating, repairing, and maintaining Subscriber's Service Line; disconnecting Subscriber's Service Line from the building or dwelling within Subscriber's Property or from the Company's Main Line; removing the Service Line and appurtenant facilities; shutting off and locking Subscriber's Water Lock-out Valve; metering sewage; and for ingress to and egress from Subscriber's Property and Subscriber's Service Line situated therein. The location and use of such easement shall be determined by the Company in its sole discretion.
- 13.3. Subscriber shall install, use, operate and maintain at Subscriber's expense, Subscriber's Service Line which shall begin at the Company's Main Line and extend to the building or dwelling within Subscriber's Property.
- 13.4. The Company shall have final authority and approval of location, method and type of Subscriber's Service Line to be connected to the Company's Main Line.
- 13.5. Subscriber agrees that no type or volume of sewage will be discharged into the Company's Main Line except as specifically identified by Subscriber herein.
- 13.6. The Treatment Capacity Reservation Fee established herein is based upon an estimated daily volume of sewage to be received into the Company's Main Lines from Subscriber's Service Line. The Company reserves the right, at the Company's option, to meter the actual volume of sewage discharged from Subscriber's Property, or acquire Subscriber's water consumption records from Subscriber's water utility, in order to measure the daily amount of sewage discharged from Subscriber's Property to the Plant. In the event the actual volume is greater than the volume establishes as Subscriber's Capacity, the Company may charge additional Treatment Capacity Reservation Fees and monthly Demand Charge, Use Charge, and related charges, based upon the actual volume measured.

14. Maintenance And Repair Of The Service Line And Related Equipment

Subscriber's Service Line extends from its connection to the Company's Main Line in the right-of-way to the building or dwelling situated within Subscriber's Property. Subscriber hereby assumes any and all obligations, liabilities and duties with regard to Subscriber's Service Line and agrees to comply with the terms and provisions hereof, and the requirements and specifications of the Company with respect to the maintenance and repair thereof. Subscriber's obligation to maintain and repair its Service Line includes the maintenance and repair of any and all equipment and appurtenances related to the operation and use of the Service Line including, but not limited to, the meter, Water Lock-out Valve, grinder pump, piping, wiring and any other equipment or appurtenances related thereto.

15. Release From Liability

Subscriber, for itself and its successors and assigns, hereby irrevocably waives, releases and acquits the Company and its Manager, SWWC Services, Inc., and their respective contractors, subcontractors, agents, employees, officers, directors, shareholders, partners, successors and assigns (the "Released Parties") from any and all claims, actions, causes of action, demands, rights, damages, costs, losses and any and all other expenses of any kind or nature whatsoever arising prior to or on the date hereof which

Subscriber ever had, now has or which Subscriber hereafter can, shall or may have against any of the Released Parties in any way arising out of or related to the disconnection or reconnection of Subscriber's Service Line, the shut off or turn on of the Water Lock-out Valve, or any other action taken or remedy exercised by any of the Released Parties.

16. Miscellaneous

16.1. BINDING EFFECT. This Agreement shall inure to the benefit of and be binding on and enforceable against the parties hereto and the successors and assigns of the parties.

16.2. GOVERNING LAW. This Agreement and the rights of the parties hereto shall be governed by, construed and interpreted in accordance with the laws of the State of Alabama. The parties agree that the state courts sitting in Shelby County, Alabama shall be the exclusive forum for litigation arising from this Agreement.

16.3. RIGHT TO RECORD. This Agreement may be recorded by the Company in the County Probate Office.

IN WITNESS WHEREOF, the Company and Subscriber have executed this Agreement as of the day and year first above written.

SUBSCRIBER:

Print Name:

Signature _____

COMPANY:

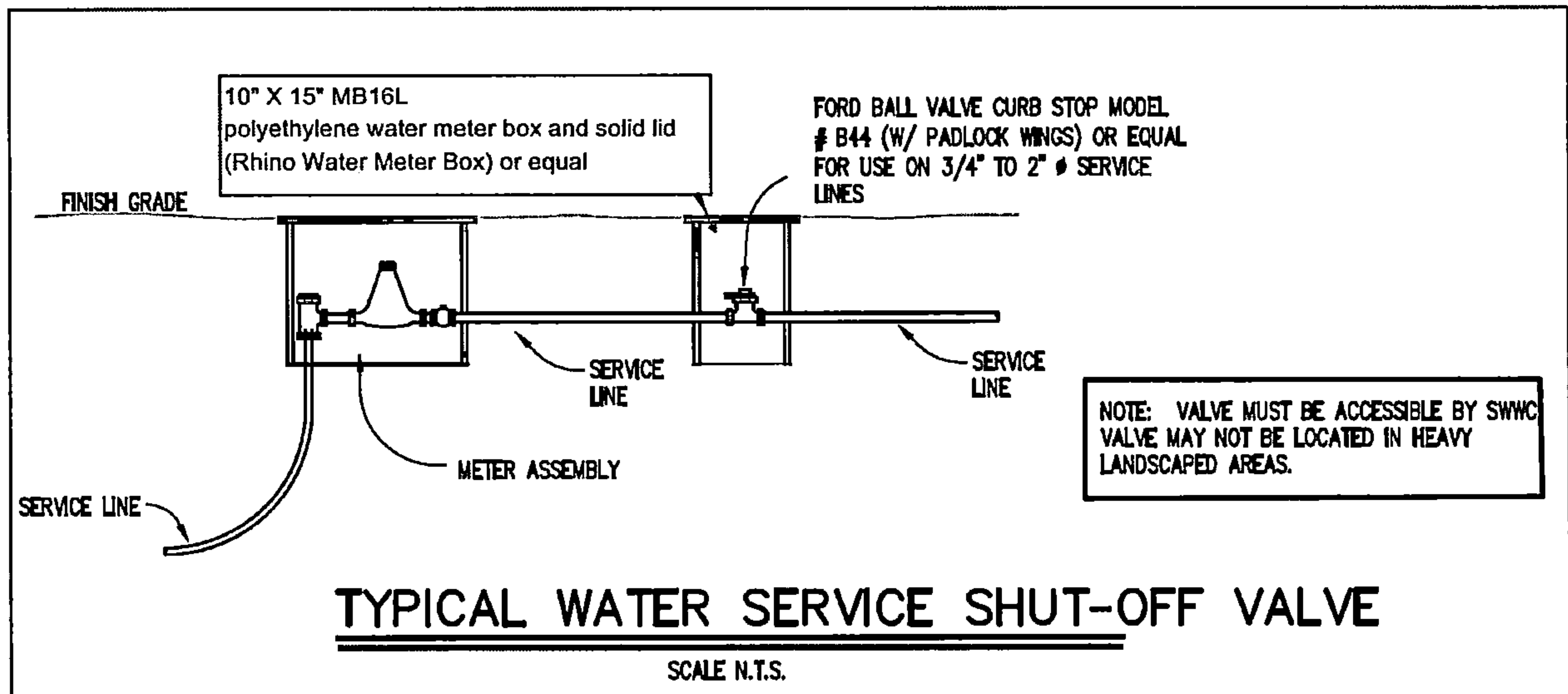
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EXHIBIT A

Water Lock-out Valve Schematic



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EXHIBIT K



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SEWER SERVICE AGREEMENT

BETWEEN

COMPANY

Company

AND

SUBSCRIBER

Subscriber

For

0 gpd of

Reserved Treatment Capacity

In The

Choose an item.

Wastewater Collection and Treatment System

Reserved Treatment Capacity

Serving

Property Address

City, AL

County County Parcel ID Parcel ID

Property

Date: _____

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STATE OF ALABAMA)
)
SHELBY COUNTY)

SEWER SERVICE AGREEMENT

This Agreement ("Agreement") is made and entered into as of _____ ("**Effective Date**")
by and between Company, corp corporation, or its successors and assigns (herein called the
"Company") and Subscriber (herein called "Subscriber").

RECITALS:

WHEREAS, the Company owns and operates the Choose an item. sewage collection and
treatment facility (the "Plant" as defined below); and

WHEREAS, the Plant has limited sewage treatment capacity; and

WHEREAS, Subscriber is developing certain real property in County County, Alabama,
and desires to enter into this Agreement with the Company to reserve a portion of the Plant's
remaining available sewage treatment capacity in order to assure the collection and treatment of
sewage from Subscriber's development; and

WHEREAS,

WHEREAS,

NOW, THEREFORE, in consideration of the premises and the mutual agreements and
covenants contained herein, the Company and Subscriber hereby agree as follows:

ARTICLE I - DEFINITIONS

Whenever the words and terms defined in this Article are used in this Agreement, they shall have the meanings assigned to them in this Article.

- 1.1 **Company's Real Property:** The real property on which the Plant is located, together with all easements for roadways, utility lines and Trunk Line(s), owned by the Company, and which are related to the collection of sewage and/or the operation of the Plant.
- 1.2 **Composite Sample:** A sample of Subscriber's effluent, taken from the Subscriber's Service Line, and based on a composite of two or more equal size samples taken either at regular intervals over a 24-hour period, or at uniform increments of gallonage or flow over a 24-hour period.
- 1.3 **Day:** Calendar day, unless specifically noted otherwise.
- 1.4 **Daily Metered Sewage:** Daily Metered Sewage shall be defined as the amount of Metered Sewage discharged from Subscriber's Line(s) into the Trunk Line(s) in a single Day, as determined from the best data available to the Company. Where the best data available consists of regular water meter readings from Subscriber's water service provider, then Daily Metered Sewage shall be calculated as the volume of water metered in the meter reading period (defined herein as Metered Sewage) divided by the number of Days in the meter reading period. Where the best data available consists of water meter readings from Subscriber's water service provider, or Meter readings, taken at intervals of one (1) Day or less, Daily Metered Sewage shall be taken as the total volume metered within a single Day.
- 1.5 **Development:** The real property described in Exhibit A of this Agreement, and improvements now or hereafter constructed thereon, owned by Subscriber, which is to be provided sewage treatment services from the Plant pursuant to the terms and provisions of this Agreement. This term may be used interchangeably with the capitalized term "Property" throughout this Agreement, and the two terms shall have the same meaning.
- 1.6 **EDU:** "Equivalent Dwelling Unit", defined herein as EDU gallons per day (gpd), the presumed average daily sewage flow for a single family residence (as set forth in Exhibit D);
- 1.7 **Effective Date:** The date set forth on the cover page of this Agreement.
- 1.8 **Excess Metered Sewage:** The amount of Daily Metered Sewage which exceeds Subscriber's total Reserved Treatment Capacity.
- 1.9 **Meter:** A measuring device which may be provided by the Company to measure the amount or other characteristics of sewage discharged from the Property or any part thereof into a Trunk Line.
- 1.10 **Metered Sewage:** If a Meter has been installed and is in service, "Metered Sewage" shall mean the volume of sewage, water or other effluent which is discharged from the Property, passes through Subscriber's Service Line, and is measured by the Meter. If a Meter has not



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been installed, or has been installed but is not in service, "Metered Sewage" shall mean Percent% ("Billing Percentage Factor") of the amount of water used by the Subscriber in a given period, as measured by the water meter(s) which serve(s) the Property, and this volume shall be the amount of sewage discharged from the Property into the Trunk Line. Subscriber's water consumption data may be obtained in the form of water meter readings provided by the water utility serving the Property, whether such data are collected manually or electronically.

- 1.11 **Plant:** The Company's sewage treatment facility which serves or will serve the Property, including all appurtenances, additions and expansions thereto, and any additional sewage treatment facilities which the Company may hereafter acquire or construct, including all appurtenances, additions and expansions to such additional sewage treatment facilities.
- 1.12 **Plant Capacity:** The total number of gallons per day ("gpd") of sewage which may be treated by the Plant under all permits of the Company for the Plant issued by the Alabama Department of Environmental Management, whether such permits are now in effect or are hereafter issued, and any renewal or extension of any such permits.
- 1.13 **Property:** Same as "Development" defined above.
- 1.14 **Qualified Independent Laboratory:** A commercial laboratory licensed to perform the analytical tests in Exhibit B in accordance with standard methods and procedures and approved by the Alabama Department of Environmental Management as qualified.
- 1.15 **Reserved Treatment Capacity:** The maximum amount of sewage which Subscriber is permitted to discharge from the Property to the Trunk Line in a single Day in accordance with this Agreement. Reserved Treatment Capacity is typically measured in units of "gallons per day", abbreviated as "gpd". Discharge of sewage from the Property in amounts in excess of the Reserved Treatment Capacity is prohibited under this Agreement.
- 1.16 **Service Line:** A sewage collection line, owned by a subscriber, which transports sewage from the buildings, lots or parcels within the Property to a Trunk Line.
- 1.17 **Sewage:** Domestic wastewater which does not exceed the maximum Wastewater Standards set forth in Exhibit E. Sewage and wastewater terms may be used interchangeably herein.
- 1.18 **subscriber (not capitalized):** A person, firm or corporation executing an agreement with the Company for the purpose of obtaining sewage treatment services from the Company at the Plant, and its successors and assigns.
- 1.19 **Subscriber (capitalized):** Subscriber, its successors and assigns, who is executing this Agreement with the Company for the purpose of obtaining sewage treatment services for the Property from the Company at the Plant.
- 1.20 **Subscriber's Line(s):** Service Line(s), lift stations, force mains, and other facilities and equipment Owned by Subscriber or parties other than the Company, within or adjacent to the Property, up to the point of connection to the Company's Trunk Line, constructed for the purpose of conveying sewage from the Property into the Trunk Line(s).



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- 1.21 Surcharge:** An incremental Treatment Charge to a subscriber for discharge of sewage (i) in amounts in excess of the subscriber's Reserved Treatment Capacity, or (ii) of a composition which exceeds the maximum Wastewater Standards as set forth in Exhibit B.
- 1.22 Term of this Agreement:** The initial term shall be as set forth in Section 6.1 hereof.
- 1.23 Treatment Capacity Reservation Fee:** A charge payable by Subscriber to the Company upon execution of this Agreement, by which Reserved Treatment Capacity in the Plant is secured for benefit of the Property. The Treatment Capacity Reservation Fee is typically paid in one installment, but with the prior consent of the Company, may be paid in a series of regular installment payments. Subscriber may be required to pay additional Treatment Capacity Reservation Fee(s) if Company's determines that Subscriber's Metered Sewage exceeds Subscriber's Reserved Treatment Capacity.
- 1.24 Treatment Charge:** The Treatment Charge consists of any and all charges and fees payable by Subscriber to the Company hereunder including, but not limited to, the Demand Charge, Use Charge (if applicable), Surcharges and additional charges described hereinafter.
- 1.25 Trunk Line(s):** The sewage collection line or lines to which Service Line(s) connect and which transports the sewage from the Property to the Plant, including all appurtenances and additions thereto. Trunk Line(s) do not include any Service Line(s).
- 1.26 Water Lock-out Valve:** A lockable water valve conforming to Company specification, which is installed on the Subscriber's side of the water meter serving the Property. The purpose of this lockable Water Lock-out Valve is to shut off water to a lot or lot(s) within a development in the event of a default of the payment of any applicable fees due the Company by the Subscriber, or its successors and assigns, or any other default by the Subscriber, or its successors and assigns, of any of Subscriber's other obligations or commitments hereunder.



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ARTICLE II - SUBSCRIBER'S LINE(S)

- 2.1 Easement for Access to Lines.** Subscriber grants to Company, and its successors and assigns, a non-exclusive easement for as long as this Agreement remains in effect, over, under, upon and throughout so much of the Property as is reasonably necessary for: (i) inspecting the construction, installation, operation and maintenance of Subscriber's Line(s); (ii) subject to the Subscriber's primary responsibility to maintain and repair Subscriber's Line(s), repairing and maintaining Subscriber's Line(s); (iii) to use, operate, repair, maintain and replace Water Lock-out Valve(s) within the Property; (iv) for disconnecting Subscriber's Line(s) from the Trunk Line in the event of Subscriber's default; and (v) for metering sewage. The approximate location of such easement is shown on Exhibit A, subject to change based on as-built conditions as necessary to fulfill the purposes enumerated in this section.
- 2.2 Design and Construction of Subscriber's Line(s).**
- 2.2.1 Plans and Construction:** Subscriber shall design, engineer, construct, install, own, operate and maintain at its expense Subscriber's Line(s) up to the point of connection with the Company's Trunk Line. Said point of connection shall be designated by the Company, in its sole discretion. Subscriber has submitted engineering drawings to the Company, attached as Exhibit B, that shows proposed onsite and offsite sewer infrastructure to connect the Property to Company's Trunk Line, and such drawings have been reviewed and accepted by the Company. The Company's charges for the review and approval of these drawings is included in the Company Services component of the Treatment Capacity Reservation Fee. .
- 2.2.2 Installation of Subscriber's Water Lock-out Valve:** Subscriber shall install at its cost, or to allow Company to install at Subscriber's cost, lockable Water Lock-out Valve(s), as approved by the Company. As provided in Article V, the Company may use the Water Lock-out Valve(s) to discontinue sewer service to Subscriber (or any assignee or successor of Subscriber) under the terms and conditions specified in Article V.
- 2.2.3 Inspection of Construction:** The Company shall have the right to access and inspect the construction, installation, and/or operation of Subscriber's Line(s) at any and all reasonable times during construction and installation. Subscriber shall give the Company written notice of its intention to install a Service Line at least three (3) working days in advance of the commencement of such installation. Subscriber shall notify the Company at least seven (7) Days in advance of the time when it intends to connect Subscriber's Line(s) to the Company's Trunk Line. The Company's inspections of Subscriber's connection shall be performed at Subscriber's reasonable expense, which is included in the Company Services Component of the Treatment Reservation Fee.
- 2.2.4 Approval of Construction:** The Company's approval of the construction and/or installation of Subscriber's Line shall not be unreasonably delayed or withheld after conducting a properly noticed inspection pursuant to Section 2.2.3. The Company



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has the absolute right and privilege to refuse and prohibit the connection of Subscriber's Line(s) to the Company's Trunk Line if: (i) the Subscriber's Line(s) is/are not constructed in substantial conformance to the approved plans and specifications; (ii) the wastewater volumes of the Subscriber's Line(s) as actually constructed, and as estimated in accordance with Exhibit ____, necessary to serve the buildings and improvements on the Property exceed the amount of treatment capacity reserved in Article III; (iii) if it appears to the Company based on the as-built conditions that the content or characteristics of the wastewater are or will be toxic, destructive, incompatible or otherwise unacceptable to the Company's Plant and Trunk Line(s) in the reasonable opinion of the Company; and/or (iv) if Subscriber's Line(s), in the reasonable opinion of the Company, are installed in a manner which may present operational or maintenance problems for the Company. In the instance where the volume or wastewater exceeds the amount of capacity reserved in Article III hereof, the Parties may agree to recalculate the Treatment Capacity Reservation Fee.

2.3 Residential Developments With Low Pressure Sewer Systems. [Delete and Mark "Reserved" if not applicable]

2.3.1 Approval to Install Low Pressure Sewer System. Developer has proposed to the Company to install a Low Pressure Sewer System ("LPSS"), in which each home is provided with a privately owned sewage grinder pump that conveys sewage to small diameter, low pressure force mains. Developer has submitted, and Company has approved, plans and specifications for an LPSS, including the design, installation, operation and maintenance of residential grinder pump systems. The approved plans and specifications are attached as Exhibit B-1.

2.3.2 Installation of Residential Grinder Pump Systems. To ensure high quality and uniform service installations, only the Company may provide materials for and install such residential grinder pump systems. All grinder pump system components on the residential lot, including packaged grinder pump station, pump control and alarm panel, valves, and discharge piping to the point of connection inside the curb-side connection box, will be furnished, installed, tested, and started up by the Company. Installation of any such components by others is not allowed. The Company reserves the right to refuse connection of the Subscriber's Line(s) to the Company's Trunk Line, among other remedies, if grinder pump systems or components are installed by others. Subscriber shall follow administrative procedures as established by the Company to order and schedule such grinder pump system installation. At the time of the order, Subscriber shall pay the Company the Grinder Pump Installation Fee as established by the Company.

ARTICLE III - RESERVATION FEES

3.1 Treatment Capacity Reservation Fee.

3.1.1 Volume of Reserved Capacity. Subscriber hereby subscribes to CapNew gpd of Reserved Treatment Capacity in the Plant, for the Property, as calculated in Exhibit C. Subscriber warrants and represents that to the extent such Reserved Treatment Capacity is based on the wastewater production volumes estimated in Exhibit D, such estimates are not inconsistent with the proposed improvements on the Property.

3.1.2 Reservation Fee. In order to secure the Reserved Treatment Capacity of CapNew gpd, Subscriber agrees to pay to the Company a Treatment Capacity Reservation Fee of ResRate for each gpd of treatment capacity reserved. The Treatment Capacity Reservation Fee payable hereunder is Zero And 00/100 dollars (\$ 0.00) (CapNew gpd X ResRate per gpd = \$ 0.00.)

3.1.3 Payment of Reservation Fee. The Treatment Capacity Reservation Fee for the amount reserved hereby shall be paid in full by Subscriber upon the execution hereof by Subscriber, unless (a) Company and Subscriber otherwise agree in advance, or (b) Subscriber is required to secure additional Reserved Treatment Capacity and pay an additional Treatment Capacity Reservation Fee due to Subscriber's Daily Metered Sewage exceeding the Daily Metered Sewage Limit. Should Subscriber need to secure additional Reserved Treatment Capacity in the future, Subscriber acknowledges and agrees that the manner in which the Treatment Capacity Reservation Fee is calculated, and the fee rate will be the manner and rate in effect at that time.

3.1.4 Allocation of Reservation Fee. Subscriber and Company agree that the Treatment Capacity Reservation Fee is comprised of, and allocated between, the following components:

3.1.4.1 Company Services component. The Company Services component comprises 70% of the Reservation Fee. This component is compensation for the services provided by the Company, including necessary engineering, administrative, and field services specified in Article II.

3.1.4.2 System Access component. The System Access portion comprises the remaining 30% of the Reservation Fee. This component is compensation for providing Subscriber access to the Company's System, subject to the conditions of this Agreement.

3.2 Conditions on Reservation: Subscriber's Reserved Treatment Capacity shall (a) be restricted to serve only the Property as submitted to and approved by the Company; (b) continue for the Term of this Agreement; and (c) remain in effect at all times during the Term of this Agreement without regard to whether or not Subscriber uses any portion of such Reserved Treatment Capacity.



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ARTICLE IV - OPERATION

- 4.1 Treatment of Sewage by the Company:** Subject to the Default provisions of this Agreement, the Company agrees to treat all sewage conveyed from the Property by Subscriber's Line, to a maximum Daily Metered Sewage amount equal to the Reserved Treatment Capacity of 0 gpd as measured and calculated from the best available data (e.g., manual water meter readings, automatic water meter readings, Meter data).
- 4.2 Company's Representation on Treatment Compliance:** The Company represents and warrants that it has and will maintain all permits necessary to operate the Plant and Trunk Line(s) in substantial compliance with all applicable local, state and federal laws, rules and regulations, including, but not limited to, a discharge permit from the Alabama Department of Environmental Management.
- 4.3 Subscriber to Have Sewage Treated:** Subscriber agrees to have all sewage conveyed from the Property to the Trunk Line, to a maximum Daily Metered Sewage amount equal to the Reserved Treatment Capacity of 0 gpd, treated by the Plant. If Subscriber should have any sewage from the Property (except sewage in excess of the Reserved Treatment Capacity) treated by any means other than the Plant, it is specifically understood and agreed that Subscriber shall continue to be responsible for payment of all Treatment Charges for the remainder of the Term of this Agreement. It is agreed that any sewage which is discharged into the Company's Trunk Line by Subscriber shall thereafter be the property of the Company.
- 4.4 Subscriber to Comply With Company's Rules:**
- 4.4.1 Compliance and Amendment.** The Company has adopted the rules and regulations relating to the services provided in this Agreement. The Company may further amend such rules and regulations, and Subscriber agrees to be bound by any such future amendments as a condition to the continued reservation of sewage capacity by Company for Subscriber, and the continued provision of sewage treatment services to Subscriber by Company.
- 4.4.2 Notice of Non-Compliant Discharge.** Subscriber shall be responsible for promptly notifying the Company of any discharge (anticipated, suspected or known to have occurred by Subscriber) to a Trunk Line which is or could be potentially explosive or otherwise in excess of the Domestic Wastewater Standards set forth in Exhibit E and Exhibit I, attached hereto.
- 4.5 Post-Installation Inspection and Metering.** The Company shall have the right, at reasonable times of day, to inspect the lots, parcels, buildings or improvements within the Property and Subscriber's Line(s) for the purpose of determining the amount and content of the wastewater being discharged into a Service Line or Trunk Line.
- 4.5.1 Metering.** The Company shall have the right, but shall not be obligated, to install a Meter to measure any and all volumes and/or characteristics of the effluent from a building or improvement within the Property into a Service Line or Trunk Line at any time, and from time to time, on a temporary, long-term or permanent basis, at

Subscriber's expense. Subscriber shall not have the right to require the Company to install a Meter. As an alternative to installing a Meter, the Company reserves the right, and Subscriber affirms Company's right, to acquire Subscriber's water consumption information and use such information as measure of Subscriber's Metered Sewage.

4.5.2 Sampling. The Company reserves the right to enter the Property and collect a sample or samples of Subscriber's discharged wastewater, and to conduct analyses of such sample or samples in a qualified laboratory of the Company's choosing. If it is determined in such analyses that Subscriber's wastewater discharged to the Trunk Line has exceeded the maximum Wastewater Standards, then the Company shall notify Subscriber within seven (7) Days of the date of such determination.

4.6 Grinder Pump Repair Plan. If Subscriber is installing a LPSS pursuant to Section 2.3, all Grinder Pump System components are enrolled in a Grinder Pump Repair Plan. Participation in the Plan by subscribers on residential grinder pumps is mandatory, not optional. The Grinder Pump Repair Plan covers all repairs to and/or replacements of Grinder Pump System components (unless such repairs are due to user abuse of such components). Only the Company or its agents shall be permitted to perform work under the Grinder Pump Repair Plan.

4.7 Treatment Charge(s): Subscriber agrees to pay the Company a recurring Treatment Charge consisting of (i) a flat Demand Charge based on Subscriber's Reserved Treatment Capacity; (ii) if applicable, a Use Charge proportional to metered water consumption; (iii) if applicable, a flat Grinder Pump Repair Plan Fee; and (iv) any applicable Surcharges, and any other additional charges, as such charges are described subsequently. Account statements and notices shall be sent to Subscriber by the Company from time to time and payment of all charges assessed thereon shall be due in accordance with the terms indicated in such statements and notices.

4.7.1 Demand Charge: Subscriber agrees to pay the Company a recurring flat Demand Charge. The Demand Charge is due regardless of the amount of water used by Subscriber or sewage discharged to the Trunk Line in the billing period. The Demand Charge Rate is expressed in cost per "EDU", where 1 EDU is defined as EDU gpd of Reserved Treatment Capacity. The Demand Charge Rate is currently established at DemRate per EDU of Reserved Treatment Capacity, and is adjusted from time to time. The Demand Charge is calculated by multiplying the current Demand Charge Rate by the number of EDUs of treatment capacity reserved. Billing for Demand Charges will begin with the first billing cycle following the Effective Date. The manner in which the Demand Charge is calculated is shown in Exhibit . Further discussion and examples of calculation of the Treatment Charge.

4.7.2 Use Charge (☐ applicable if checked): If applicable, Subscriber agrees to pay the Company a recurring Use Charge based on Subscriber's metered water consumption. The recurring Use Charge is calculated by multiplying the Use Charge Rate, currently established at UseRate per 100 cubic feet ("CCF") of metered water and adjusted from time to time, by metered water consumption

(expressed in CCF) and by the Billing Percentage Factor. One (1) CCF is equal to 748 gallons.

- 4.7.3 Grinder Pump Repair Plan Fee** (☐ applicable if checked): If Subscriber is installing a LPSS pursuant to Section 2.3, Subscriber agrees to pay the Company a recurring flat rate Grinder Pump Repair Plan Fee, for any property equipped with a residential grinder pump. Such subscribers will be assessed a flat fee for the Plan, which will be appear as a charge on billing statements or invoices. The Plan fee is a Treatment Charge and is subject to all provisions of the sections regarding Treatment Charge, Default, and related matters. Regular billing of the Grinder Pump Repair Plan fee will begin with the first billing cycle following completion of installation and startup by the Company of Subscriber's residential grinder pump system. The Grinder Pump Repair Plan Fee is subject to adjustment from time to time.
- 4.7.4 Surcharges:** If the Company determines that Subscriber is in default pursuant to Article V, any surcharges imposed pursuant to Article V will be added to the Treatment Charges, and shall be due and payable as any other charge due.
- 4.7.5 Increase of Treatment Charge:** The Company shall have the right at any time, and from time to time, to increase the Demand Charge, Use Charge, and Surcharges as such charges are further described in Exhibits F and G, hereto, so long as such increases are applied in a manner which is consistent with Company's rules and regulations and are uniformly applied to all similarly situated subscribers.

ARTICLE V - DEFAULT

- 5.1 Default in Payment.** Default in Payment shall mean Subscriber's failure to make full payment of certain charges from the Company by the due dates indicated in the Company documents notifying Subscriber of such charges (e.g., Sewer Service Agreement, billing statement, or notices by the Company).
- 5.1.1 Default in Payment of the Treatment Capacity Reservation Fee:** In the event that the Company determines that Subscriber has defaulted in the timely payment of the Treatment Capacity Reservation Fee, the Company shall provide written notice to Subscriber of the default. Subscriber shall be allowed a period of no more than ten (10) Days from the date of the notice to make such payment without further enforcement action by the Company.
- 5.1.2 Default in Payment of the Treatment Charges:** In the event that the Company determines that Subscriber has defaulted in the timely payment of all Treatment Charges, including any Surcharges and other charges assessed in accordance with this Article, the Company shall provide written notice to Subscriber of the default. Subscriber shall be allowed a period of no more than ten (10) Days to make such payment without further enforcement action by the Company.
- 5.2 Remedies for Default In Payment.** In addition to any other remedy available at law, should a Subscriber default in payment, and fail to cure within the time specified, Company may implement any one or combination of the following remedies:
- 5.2.1 Lock-Out Water Service.** If Subscriber does not make full payment of the amount due within the 10-day cure period, the Company shall have the right, without further notice, to shut off and lock Customer's Water Lock-out Valve.
- 5.2.2 Disconnect Subscriber's Line.** If Subscriber does not make full payment of the amount due within the 60 days of the Company's notice of default, the Company shall have the right, without further notice, to disconnect Subscriber's Line(s) from the Company's Trunk Line and discontinue any sewage treatment services, if such connection has been made.
- 5.2.3 Demand and Treatment Charges While Service is Suspended:** The Company shall suspend accrual of additional Demand Charges and Use Charges (if applicable) to Subscriber during any period in which the Company has shut off and locked Subscriber's Water Lock-out Valve or disconnected Subscriber's Line from the Trunk Line; however, Costs of Collection, including interest charges, shall continue to accrue and be added to Subscriber's account balance.
- 5.2.4 Termination of Agreement.** If Subscriber remains in Default in Payment for a period of 90 days or more from the date of the Company's notice of default, then the Company shall have the right to declare that Subscriber has abandoned this Agreement and the Company may terminate the Agreement. If the Company elects to terminate the Agreement, the Company shall provide written notice of such termination to Subscriber as specified in Section 6.2 of this Agreement. All charges

previously paid by Subscriber to the Company shall be considered the property of the Company and will not be refunded to Subscriber. All treatment capacity reserved for the Property may be deemed by the Company to have been forfeited by Subscriber, and the Subscriber or subsequent subscribers must acquire new reserved treatment capacity from the Company for the Property at the cost rate in effect at that time to be allowed to discharge sewage from the Property to the Trunk Line(s).

5.2.5 Lien Property for Unpaid Charges: If Subscriber fails to pay as otherwise required by this Agreement, in addition to any other remedy available to Company, Company may impose a lien on the Property as further specified in Section 5.10 of this Agreement.

5.3 Default in Volume of Sewage Being Treated. If at any time during the Term of the Agreement the Company determines that Subscriber's Daily Metered Sewage has exceeded the total Reserved Treatment Capacity, the Company may provide initial written notice to Subscriber of such exceedance. Subscriber shall be allowed a period of no more than thirty (30) Days from the date of the initial notice to take corrective actions necessary to reduce the amount of sewage discharged to less than the total Reserved Treatment Capacity, and to provide written response to the Company describing the corrective actions taken. The Company reserves the right to continue to measure Subscriber's Daily Metered Sewage subsequent to Company's initial notice to Subscriber

5.4 Remedies for Volumetric Default. If Subscriber's Daily Metered Sewage has exceeded the total Reserved Treatment Capacity, the Company may elect to implement any and/or all of the following remedies:

5.4.1 Surcharges on Excess Metered Sewage. The Company reserves the right to assess a Surcharge to Subscriber on the amount of Daily Metered Sewage which exceeds Subscriber's total Reserved Treatment Capacity, herein called the Excess Metered Sewage, if Daily Metered Sewage continues to exceed the total Reserved Treatment Capacity ten (10) days after the date of the initial written notice of such exceedance. The Surcharge shall be calculated as the sum of the Demand Charge and the Use Charge (if applicable) on all Excess Metered Sewage discharged during the corresponding billing period, as measured by the best data available to the Company, multiplied by a specified Surcharge Factor. The Surcharge Factor for the first billing period in which the Surcharge is applied shall be ten (10), and the Surcharge Factor for each successive billing period shall be increased by a successive increment of ten (10). The total Treatment Charge on Subscriber's Excess Metered Sewage shall therefore be composed of: (i) regular Demand Charge on the Excess Metered Sewage, proportional thereto; (ii) regular Use Charge (if applicable) on the Excess Metered Sewage; and (iii) Surcharges on the Excess Metered Sewage, calculated as the sum of Demand Charges and Use Charges (if applicable) on Excess Metered Sewage, which is then multiplied by the applicable Surcharge Factor. Subscriber agrees that any Surcharge collected by the Company from any other subscriber due to other subscriber's default in the volume of sewage



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being treated shall belong to the Company and shall not be refunded or otherwise credited in any manner to Subscriber's account.

- 5.4.2 Purchase Additional Reserved Treatment Capacity.** If Subscriber's Daily Metered Sewage exceeds the total Reserved Treatment Capacity on one or more Days within a period of sixty (60) days after the date of the initial written notice of such exceedance, then the Company may send written notice to Subscriber of the continued exceedance of the total Reserved Treatment Capacity. Such notice shall advise that Subscriber must resolve the exceedance by securing additional Reserved Treatment Capacity in the Plant in an amount equal to or greater than the amount of the exceedance. If Subscriber does not secure such additional Reserved Treatment Capacity within thirty (30) Days of the date of such notice from the Company, then the Company reserves the right to pursue other available remedies for exceeding the Reserved Treatment Capacity.
- 5.4.3 Lock-Out Water Service.** If Subscriber does not reduce the volume of sewage to consistently remain below the total Reserved Treatment Capacity, and/or timely secure additional Reserved Treatment Capacity, within ninety (90) days of the initial written notice of such exceedance, the Company shall have the right, with 10-day's notice, to shut off and lock Customer's Water Lock-out Valve.
- 5.4.4 Termination of Agreement and Pursuit of Other Remedies.** If Subscriber's Daily Metered Sewage continues to exceeds the total Reserved Treatment Capacity on one or more Days from the date of the Company's initial written notice of such exceedance, and the customer has not cured such default within 120 days of the Company's initial written notice of such exceedance, then the Company shall have the right to terminate the Agreement, and/or pursue any other remedy available under this Agreement for exceeding the Reserved Treatment Capacity. If the Company elects to terminate the Agreement, the Company shall provide written notice of such termination to Subscriber as specific in Section 6.2 of this Agreement. All charges previously paid by Subscriber to the Company shall be considered the property of the Company and will not be refunded to Subscriber. All treatment capacity reserved for the Property may be deemed by the Company to have been forfeited by Subscriber, and the Subscriber or subsequent subscribers must acquire new reserved treatment capacity from the Company for the Property at the cost rate in effect at that time to be allowed to discharge sewage from the Property to the Trunk Line(s).\
- 5.4.5 Protection of the Plant.** Notwithstanding any other remedy available under this Section 5.4, the Company shall have the absolute right, without prior notice, to shut off Subscriber's Water Lock-out Valve or disconnect Subscriber's Line(s) from the Trunk Line and to discontinue any sewage treatment service to Subscriber when, in the sole, reasonable opinion of the Company and based on the volume of Subscriber's wastewater, such action is necessary to prevent damage or further damage to the Plant's biological processes or to Plant equipment by Subscriber's effluent. The Company shall make a good faith effort to notify Subscriber by telephone prior to any such disconnection or discontinuance of service, or, if such

effort is not successful, then the Company shall notify Subscriber as promptly as possible following any such disconnection or discontinuance. Service shall be restored to Subscriber at such time as it satisfies the Company that Subscriber can comply with the Reserved Treatment Capacity limitation of the Plant and this Agreement.

5.5 Default in Composition of Sewage. Subscriber agrees that any substance caused or permitted by Subscriber to enter into a Trunk Line shall be composed of sewage only, and no such sewage shall exceed the maximum Wastewater Standards as to content or concentration set forth in Exhibits B and I.

5.6 Remedies for Default in Composition of Sewage. If it is determined that Subscriber has exceeded the maximum Wastewater Standards the Company may implement one or more of the following remedies, after providing notice to Subscriber that Subscriber's effluent exceeds the Wastewater Standards, including a copy of all Qualified Independent Laboratory results supporting the Company's determination of such exceedance.

5.6.1 Surcharge on Excess BOD5. If the average daily BOD5 of Subscriber's discharged wastewater, as determined by a Composite Sample, exceeds 300 mg/l, then a Surcharge shall be applied, and shall be calculated at a cost rate of \$0.70 per pound of BOD5 in excess of 2.5 pounds per 1,000 gallons discharged by Subscriber. This Surcharge shall commence ten (10) days after the date of Company's Notice of Default, and shall continue for a period of next full billing cycle following the Company's determination of such exceedance, or until such time as new analyses of Subscriber's wastewater, based on a Composite Sample conducted on behalf of Subscriber at Subscriber's expense by a Qualified Independent Laboratory, indicate reduction of BOD5 discharges to at or below 300 mg/l, whichever first occurs; or if additional such analyses reveal a new average level, the Surcharge shall be adjusted in accordance with the concentrations determined in such new analyses, which Surcharge shall apply in lieu of any previous Surcharge under this Section. The Surcharge cost rate charged may be increased by the Company from time to time, without notice to Subscriber.

5.6.2 Surcharge on Excess TSS. If the average daily Total Suspended Solids (TSS) of Subscriber's discharged wastewater, as determined by a Composite Sample, exceeds 300 mg/l, then a Surcharge shall be applied, and shall be calculated at a cost rate of \$0.30 per pound of TSS in excess of 2.5 pounds per 1,000 gallons discharged by Subscriber. This Surcharge shall commence ten (10) days after the date of Company's Notice of Default, and shall continue for a period of next full billing cycle following the Company's determination of such exceedance, or until such time as new analyses of Subscriber's wastewater, based on a Composite Sample conducted on behalf of Subscriber at Subscriber's expense by a Qualified Independent Laboratory, indicate reduction of TSS discharges to at or below 300 mg/l, whichever first occurs; or if additional such analyses reveal a new average level, the Surcharge shall be adjusted in accordance with the concentrations determined in such new analyses, which Surcharge shall apply in lieu of any



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previous Surcharge under this Section. The Surcharge cost rate charged may be increased by the Company from time to time, without notice to Subscriber.

- 5.6.3 Lock-Out Water Service.** If Subscriber continues to exceed the Wastewater Standards on any Day within ninety (90) days of the initial written Notice of Default for such exceedance, the Company shall have the right, with ten (10) days' notice, to shut off and lock Customer's Water Lock-out Valve.
- 5.6.4 Termination of Agreement.** If Subscriber fails to timely cure all defaults in the composition of the sewage 120 days from the date of the Company's written notice to Subscriber of such default, then the Company shall have the right to terminate the Agreement. If the Company elects to terminate the Agreement, the Company shall provide written notice of such termination to Subscriber. All charges previously paid by Subscriber to the Company shall be considered the property of the Company and will not be refunded to Subscriber. All treatment capacity reserved for the Property may be deemed by the Company to have been forfeited by Subscriber, and the Subscriber or subsequent subscribers must acquire new reserved treatment capacity from the Company for the Property at the cost rate in effect at that time to be allowed to discharge sewage from the Property to the Trunk Line(s).
- 5.6.5 Protection of the Plant.** Notwithstanding any imposition of additional Treatment Charges under this Section, the Company shall have the absolute right, without prior notice, to shut off Subscriber's Water Lock-out Valve or disconnect Subscriber's Line(s) from the Trunk Line and to discontinue any sewage treatment service to Subscriber when, in the sole, reasonable opinion of the Company and based on a sample of Subscriber's wastewater, such action is necessary to prevent damage or further damage to the Plant's biological processes or to Plant equipment by Subscriber's effluent which exceeds the maximum Wastewater Standards set forth in Exhibit B. The Company shall make a good faith effort to notify Subscriber by telephone prior to any such disconnection or discontinuance of service, or, if such effort is not successful, then the Company shall notify Subscriber as promptly as possible following any such disconnection or discontinuance. Service shall be restored to Subscriber at such time as it satisfies the Company that Subscriber can comply with the Wastewater Standards.



- 5.7 Tampering with Water Lock-out Valve or Other Sewer Shut-off Device:** In the event Subscriber (or any assignee or successor of Subscriber) or any agent, representative, employee, contractor, customer, guest or invitee of Subscriber tampers with, damages or destroys any Water Lock-out Valve or other sewer shut-off device installed by the Company or its agents on or off of the Property, Subscriber (or Subscriber's assignee or successor) shall pay to Company the cost of repairing or replacing such Water Lock-out Valve or other sewer shut-off device, including all direct and indirect labor and administrative costs incurred by Company, plus a fine of \$100.00 per incident of tampering, damage or destruction. Company may exercise all rights available to it under this Agreement, and otherwise available at law and in equity, to enforce and collect such costs, charges and fines.
- 5.8 Re-establishment of Subscriber's Sewer Service.** If Company suspends Subscriber's service through the use of the Water Lock-out Valve or disconnecting Subscriber's line, the following terms and conditions apply to re-establishing service upon cure of such default:
- 5.8.1 Amounts Due At Re-establishment of Service.** The Company shall unlock and open Subscriber's Water Lock-out Valve or reconnect Subscriber's Service Line(s) and resume sewage treatment service only upon Subscriber's cure of all defaults, including but not limited to payment to the Company of: (a) all delinquent Treatment Capacity Reservation Fees and Treatment Charges; (b) all Treatment Charges which are currently due but not yet delinquent; (c) all Costs of Collection assessed by the Company; (d) a deposit in the amount equal to the sum of Subscriber's Treatment Charge for the three (3) most recent billing periods.
- 5.8.2 Use of Deposit For Future Defaults.** The Company may deduct from such deposit any Treatment Charge or any other sums owed by Subscriber to the Company upon their becoming delinquent henceforth, provided that neither the deposit nor the Company's application thereof to the payment of the Treatment Charge then due shall excuse Subscriber from paying all Treatment Charges or other sums when they become due, nor prevent the Company from determining that Subscriber is in default should Subscriber fail to pay such Treatment Charges or other sums when due. If the Company applies all or any part of the deposit to the payment of Treatment Charges, Subscriber must pay the same amount to the Company within ten (10) Days of such application by the Company, such that the deposit amount held by the Company shall be the same as it was before such application, or the Company shall have right then the Company shall have the right, without further notice, to shut off and lock Customer's Water Lock-out Valve, if existing, or to disconnect Subscriber's Line(s) from the Company's Trunk Line and discontinue any sewage treatment services.

5.9 Costs of Remedy and Collection. In the event of Subscriber's default, the Company reserves all rights to charge Subscriber for all costs incurred by the Company to address such default, including but not limited to collection of past due payments. Costs of remedy and collection may include, but are not limited to, costs as described below. Subscriber hereby agrees to pay all such costs charged by the Company:

5.9.1 Water Lock-out Costs: The Company may charge Subscriber for all direct and indirect costs associated with locking and unlocking Subscriber's Water Lock-Out valve, if applicable.

5.9.2 Disconnection Costs: The Company may charge Subscriber for all direct and indirect costs associated with disconnection and reconnection of Subscriber's Line(s), and for reconnection of Subscriber's Line(s).

5.9.3 Plant Restoration Costs. If Subscriber's, or Subscriber's agent's, employee's or subcontractor's failure to comply with the Wastewater Standards set forth in Exhibit B or Exhibit I results in damage to the Plant's biological processes or to Plant equipment, then Subscriber agrees to promptly pay the Company for all costs of reinstating the biological processes and/or repairing the Plant equipment, and further agrees to indemnify, hold harmless and defend the Company from the payment of any sum or sums of money to any person or governmental body, and against any other consequential damages to the Company, resulting from damage to the Plant's biological processes and/or Plant equipment by Subscriber's wastewater which exceeds the Wastewater Standards on Exhibit B or Exhibit I, including, but not limited to, fines or penalties imposed on the Company by any court or governmental agency, and suits or claims from other subscribers or third parties in connection with the interruption of sewage treatment or injuries or death to persons or damage to property caused by such failure to comply with the Wastewater Standards.

5.9.4 Attorneys' Fees: The Company may charge Subscriber for reasonable attorneys' fees incurred by the Company in the collection of any sums owed to the Company by Subscriber.

5.9.5 Interest: Beginning thirty (30) Days after the date of Subscriber's Default in Payment, the Company may begin to charge Subscriber interest on the unpaid balance owed the Company, including all assessed Costs of Collection, at an interest rate of up to the maximum allowed by law.

5.10 Lien To Secure Amounts Due.: In addition to or as an alternative to any other rights or remedies of the Company herein, Subscriber by execution of this Agreement is hereby deemed to covenant and agree to pay to the Company any and all Treatment Capacity Reservation Fees, Treatment Charges, Surcharges and additional charges and fees in accordance with the provisions of this Agreement (collectively the "Treatment Fees and Charges"). All such Treatment Fees and Charges, together with late charges and interest as provided below, and all court costs and attorneys' fees incurred by the Company to enforce or collect such Treatment Fees and Charges shall be an equitable charge and a continuing lien upon the Property, which lien may be enforced in the manner provided below. Subscriber shall be personally liable for the payment of all Treatment Fees and Charges coming due while Subscriber is the owner of the Property and Subscriber's grantee shall take title to such Property, or any portion thereof, subject to the equitable charge and continuing lien therefor which shall run with the land and title to the Property and any portion thereof. All Treatment Fees and Charges, together with late charges and interest at the Applicable Rate, as specified below, court costs and attorneys' fees incurred with respect thereto by the Company shall also be a personal obligation of the person who was the Subscriber of the Property at the time such Treatment Fees and Charges and other costs and charges were incurred.

5.10.1 In the event any Treatment Fee or Charge or any portion thereof is not paid when due, the same shall be subject to a late charge in an amount determined from time to time and uniformly applied by the Company. In the event any Treatment Fee or Charge or any portion thereof is not paid within thirty (30) Days after the due date of the same, then the unpaid portion of the Treatment Fee or Charge shall accrue simple interest at the lesser of eighteen percent (18%) per annum or the highest rate which may be charged to said Subscriber by law (the "Applicable Rate") from and after the thirtieth (30th) Day from the due date until the same is paid in full. In the event the Company employs an attorney or otherwise takes any legal action in attempting to collect any amounts due from Subscriber, Subscriber agrees to pay all attorneys' fees, court costs and all other expenses paid or incurred by the Company. The lien and equitable charge upon the Property for Treatment Fees and Charges shall also include all late charges, interest at the Applicable Rate and all attorneys' fees, court costs and all other expenses paid or incurred by the Company in attempting to collect any unpaid Treatment Fees and Charges.

5.10.2 In the event any Treatment Fee or Charges are not paid by Subscriber when the same come due, then, in addition to all other rights and remedies provided at law or in equity, the Company may undertake any or all of the following remedies:

5.10.3 The Company may commence and maintain a suit at law against Subscriber to enforce such charges and obligations for Treatment Fees and Charges and any such judgment rendered in any such action shall include the late charge and interest at the Applicable Rate, as specified above, together with attorneys' fees, court costs and all other expenses paid and incurred by the Company in collecting such unpaid Treatment Fees and Charges; and/or

5.10.4 The Company may enforce the lien created above in the manner hereinafter provided. It is agreed and understood that the Company shall have the right to record a notice of such lien in the Probate Office of County County, Alabama, in a form adopted and approved by the Company as set forth below.

5.10.5 There is hereby created a continuing lien on the Property, with power of sale, which secures the payment to the Company of any and all Treatment Fees and Charges owed by Subscriber, all late charges and interest at the Applicable Rate, all attorneys' fees, court costs and all other expenses paid or incurred by the Company in collecting any Treatment Fees and Charges. If any portion of the Treatment Fees or Charges remains unpaid for more than sixty (60) Days, then the Company may, but shall not be obligated to, make written demand on such defaulting Subscriber, which demand shall state the date and amount of delinquency. Each default shall constitute a separate basis for a demand and claim of lien, but any number of defaults may be included in a single demand. If such delinquency is not paid in full within ten (10) Days after the giving of such demand or, even without giving demand, the Company may file a claim of lien and perfect its lien against the Property, which claim shall contain the following information and be recorded in the Probate Office of County County, Alabama:

- 5.10.5.1 The name of the delinquent Subscriber;
- 5.10.5.2 The legal description of the Property, or any portion thereof;
- 5.10.5.3 The total amount claimed to be due including late charges, interest at the Applicable Rate, collection costs and attorneys' fees incurred to date and a statement, if applicable, that such charges and costs shall continue to accrue and be charged until full payment has been received; and
- 5.10.5.4 A statement that the claim of lien is made by the Company pursuant to this Agreement and is claimed against the Property in an amount equal to that stated therein.

5.10.6 The lien provided for herein shall be in favor of the Company and may be foreclosed in the same manner as a foreclosure of a mortgage on real property under the laws of the State of Alabama, as the same may be modified or amended from time to time. The Company shall have the right and power to bid at any such foreclosure sale and to purchase, acquire, hold, lease, mortgage, convey and sell the Property. Subscriber, by execution hereof, shall be deemed to (1) grant to and vest in the Company and/or its respective agents, the right and power to exercise the power of sale granted herein and foreclose the lien created herein, (2) grant to and vest in the Company and/or their respective agents, as the case may be, the right and power to bring all actions against such Subscriber personally for the collection of all amounts due from such Subscriber, (3) expressly waives any objection to the enforcement and foreclosure of the lien created herein and (4) expressly waives the

defense of the statute of limitations which may be applicable to the commencement of any such suit or action for foreclosure. Notwithstanding anything provided herein to the contrary, the lien provided for herein is and shall be subordinate only to the lien of any mortgage given by Subscriber to an institutional mortgagee providing financing for the Property. In the event such institutional mortgagee exercises its foreclosure rights provided in its mortgage and acquires title to or sells to a third party its interest in the Property, then such institutional mortgagee or its purchaser or transferee at such foreclosure sale shall be liable for all unpaid Treatment Fees or Charges and other charges levied, assessed or incurred with respect to the Property as of the date of such foreclosure sale. The foregoing shall not relieve Subscriber from the personal obligation to pay all Treatment Fees and Charges and any other charges levied, assessed or incurred by the Company and the Company shall have the right to pursue all rights and remedies against a defaulting Subscriber notwithstanding the foreclosure of a mortgage by an institutional mortgagee on the Property.

- 5.11 Other Rights and Remedies.** The Company further reserves all rights and remedies available in the case of Subscriber's Default, whether at law or in equity, including, but not limited to, actions for damages, specific performance or the enforcement of a lien and other remedies as described herein. All rights and remedies of the Company and Subscriber in this Agreement shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder, or now or hereafter existing at law or in equity or by statute.



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ARTICLE V - GENERAL

- 6.1 **Term:** This Agreement shall be for a term of term years from the Effective Date and as long thereafter as any portion of the Property initially covered by this Agreement or added to this Agreement by amendment hereto shall have any use for the Reserved Treatment Capacity or the sewage treatment services provided for under this Agreement.
- 6.2 **Notices:** All notices permitted or required under this Agreement shall be served personally, by regular United States (US) mail, or by a courier service of the company's choosing, to the following addresses until such time as either party may notify the other in writing of a change in its address:

Company:

Company
728 Volare Drive
Birmingham, Alabama 35244
Attention: Craig Sorensen, President
Telephone: (205) 987-8352

Subscriber:

Subscriber

Subscriber Name

Mailing Address

Mailing Address

City, ST ZIP

City, ST Zip

Attention:

Telephone:

A notice shall be deemed complete upon delivery if delivered by hand, or five (5) business days after mailing if mailed by US mail postage prepaid.

- 6.3 **Headings:** The headings of the sections and paragraphs of this Agreement are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.
- 6.4 **No Waiver.**
- 6.4.1 No delay or omission of the Company or Subscriber to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Agreement, or by law, statute, in equity, to the Company or Subscriber may be exercised from time to time and as often as may be deemed expedient by the Company or Subscriber. No waiver of any default hereunder shall extend to or shall affect any subsequent or any other

then-existing default or shall impair any rights, powers or remedies consequent thereon.

6.4.2 In addition to any other agreements and covenants herein, it is specifically understood that any continuing defaults by Subscriber under Section 4.4 shall not be construed so as to permit or give Subscriber any right whatsoever to continue such defaults. With respect thereto, it is specifically understood and agreed that the imposition and collection of Surcharges and additional charges under Section 4.4 shall not constitute a waiver or acquiescence by the Company of any defaults by Subscriber hereunder. Similarly, any continuing defaults by the Company pursuant to this Agreement shall not constitute a course of performance which has been accepted by the parties hereto, or indicative of their intent. In addition to any other agreements and covenants herein, it is specifically understood that any continuing defaults by Subscriber under Section 4.4 shall not be construed so as to permit or give Subscriber any right whatsoever to continue such defaults. With respect thereto, it is specifically understood and agreed that the imposition and collection of Surcharges and additional charges under Section 4.4 shall not constitute a waiver or acquiescence by the Company of any defaults by Subscriber hereunder. Similarly, any continuing defaults by the Company pursuant to this Agreement shall not constitute a course of performance which has been accepted by the parties hereto, or indicative of their intent.

6.5 **Applicable Law; Binding Effect:** The terms and provisions of this Agreement shall be construed in accordance with the laws of the State of Alabama and shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns.

6.6 **Amendment:** This Agreement may not be amended except by written instrument executed by both the Company and Subscriber; provided, however, that the Company may independently amend or modify this Agreement to incorporate changes in fees, definitions, terms and policies made by the Company. Without limiting the generality of the foregoing, Company may amend its operating rules and regulations, including changes to its Treatment Capacity Reservation Fees and its Treatment Charges, without the consent of Subscriber. Notwithstanding, Subscriber agrees to accept, be bound by and comply with all such changes and amendments as a condition to the continued reservation of sewage treatment capacity by Company for Subscriber, and the continued provision of sewage treatment services to Subscriber by Company.

6.7 **Entire Agreement:** This instrument and the Exhibits hereto constitute the entire agreement between the parties and merge in this Agreement all statements, representations, and covenants heretofore made, and any other agreements not incorporated herein are void and of no force and effect.

6.8 **Severability:** Any provision of this instrument which may be unenforceable or invalid under any applicable law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof.



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- 6.9 **Miscellaneous:** Whenever the words "Section", "Paragraph" or "Exhibit," whether or not capitalized, are used in this instrument, they shall refer to the designated section or paragraph of this instrument or the designated exhibit attached to this instrument.
- 6.10 **Attorneys' Fees:** The non-prevailing party hereto shall be responsible for the payment of all costs and expenses, including reasonable attorney fees, incurred by the prevailing party in enforcing any provision of this Agreement.

Remaining page left blank intentionally.

IN WITNESS WHEREOF, the undersigned Company and Subscriber have caused this instrument to be executed effective on the day and year first above written.

COMPANY: Company, corp corporation

By: _____

Name: Craig Sorensen

Title: President Date: _____

SUBSCRIBER: Subscriber

By: _____

Name: _____

Title: _____ Date: _____



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EXHIBIT A



LEGAL DESCRIPTION AND/OR MAP OF DEVELOPMENT

Shelby County Parcel ID



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EXHIBIT B

**SEWER MAP / DRAWING SHOWING LAYOUT OF SANITARY SEWER LINES ON
PROPERTY**



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EXHIBIT C
RESERVED CAPACITY CALCULATION WORKSHEET



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EXHIBIT D

STANDARD WASTEWATER FACTORS



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This exhibit is to be used as a basis for calculating wastewater volumes to determine treatment capacity as a basis for establishing the Treatment Capacity Reservation Fee.

<i>Type of Establishment</i>	<i>Sewage Flow Gallons/Person/Day (Unless Otherwise Noted)</i>
Residential	
Hotels, motels and rooming houses, without laundries, per room	50
, with laundries, per room	60
Private dwellings (gallons per day)	
Apartments and Multi-Family Units	
(per one-bedroom unit)	150
(per two-bedroom unit)	225
(per three-bedroom unit)	EDU
Single-Family Residence (per residence)	EDU
Commercial	
Bus Service areas not including food, per toilet	50
Country clubs not including food (per member)	30
Day workers at offices	20
Drive-In theaters (not including food-per space per day)	10
Factories and plants (exclusive of industrial wastes) per shift	20
Factories and plants (with showers) per shift	30
Laundries, self-service (gallons per washer)	400
Movie Theaters (per auditorium seat – not including food)	5
Office buildings, per square foot of office space	0.1
Restaurants – FAST FOOD (toilet and kitchen wastes per seat)	35
Restaurants (toilet and kitchen wastes per seat) (not 24 hour service)	50
Restaurants (toilet and kitchen wastes per seat) (24 hour service)	75
Restaurants (banquet rooms per seat)	15
Service stations, per toilet	400
Shopping Malls gpd/gross leasable space	
(per Sq. Ft. total gross leasable space)	0.1
Stores (per public toilet)	400
Taverns (little food service), per seat	50
Work or construction camps	50



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<i>Type of Establishment</i>	<i>Sewage Flow</i> Gallons/Person/Day (Unless Otherwise Noted)
Institutional	
Professional medical related offices (doctors, dentists, etc.) (per professional)	500
Churches (per auditorium seat - not including food)	5
Hospitals (per bed space)	250
Institutions other than hospitals (per bed space)	125
Schools, boarding	75
Schools	15
Schools (with cafeterias)	20
Schools (with cafeteria, gym and showers)	25
Recreational	
Camps, day (no meals served)	10
Camps, resort	125
Camps, (night and day) with limited plumbing	50
Camps, (tourist) trailer or campground with individual sewer hookups (per space)	100
Camps, (tourist) trailer or campground (per space)	50
Fairground and parks, picnic - with bathhouses, showers, and flush toilets	15
Fairground and parks, picnic (toilet wastes only)	5
Swimming pools and bathhouses	10

THE ABOVE FIGURES SHALL APPLY NOTWITHSTANDING ANY USE BY SUBSCRIBER OF "LOW FLOW" FIXTURES.

AT THE DISCRETION OF THE ENGINEER, SEWAGE VOLUMES FOR CHAIN RESTAURANTS MAY BE DETERMINED BY WATER CONSUMPTION PER SEAT AT RESTAURANTS THAT ARE COMPARABLE IN SIZE, DESIGN AND CUSTOMERS.

THE ENGINEER MAY DETERMINE SEWAGE VOLUME FROM OTHER DEVELOPMENT NOT INCLUDED ON THE ABOVE LISTING

Note 1: Engineer shall, in his/her sole engineering judgment/discretion, apply a reasonable adjustment to the sewage volumes listed on Exhibit E to determine total reserved capacity for developments with non-Company owned onsite gravity sewer infrastructure to account for extraneous flows due to system leaks, groundwater infiltration, rainwater inflow and irregular connections to the onsite sewer infrastructure.



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EXHIBIT E

DOMESTIC WASTEWATER STANDARDS

CONSTITUENT	MAXIMUM CONCENTRATION (mg/l)
Solids, total	1,200
" , Dissolved, total	850
" , Fixed	525
" , Volatile	325
" , Suspended, total	350
" , Fixed	75
" , Volatile	275
Settleable solids, (ml/l)	20
Biochemical Oxygen Demand, 5-Day (BOD5), 0°C	300
Total Organic Carbon (TOC)	300
Chemical Oxygen Demand (COD)	1,000
Nitrogen, (Total as N)	85
" , Organic	35
" , Free Ammonia	50
" , Nitrates and Nitrites	0
Phosphorous , (Total as P)	20
" , Organic	5
" , Inorganic	15
Chlorides	100
Alkalinity (as CaCO ₃)	200
Fats, Oils, and Grease	100
pH (Standard Units)	(6.0 minimum, 9.0 maximum)
Essentially free (excepting trace amounts) of heavy metals, radioactive materials, toxins, explosives, petroleum products and/or chemicals, their derivatives, and specifically below the levels generally recognized to be toxic to the biological processing of domestic wastewater, or which may create explosive atmospheres or damage or otherwise materially shorten the operating life of the Plant.	



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EXHIBIT F

EXAMPLE FLOW SURCHARGE COMPUTATION (SECTION 4.3.3 OF SERVICE AGREEMENT)

For purposes of illustration, assume that XYZ Corporation has secured Reserved Treatment Capacity in the amount of 10,000 gpd, which is therefore established as XYZ's Daily Metered Sewage Limit. For a period of time after connection to the Trunk Line, XYZ's Daily Metered Sewage did not exceed the Daily Metered Sewage Limit of 10,000 gpd. At a later time, the Company determined that XYZ's Metered Sewage was actually 345,000 gallons over a 30-day billing cycle, which equals Daily Metered Sewage for the period of 11,500 gpd. This exceeds the Daily Metered Sewage Limit of 10,000 gpd by 1,500 gpd.

The Company provided notice to XYZ and accepted XYZ's written response within thirty days. However, XYZ's Daily Metered Sewage for the next billing period following the response remained at 11,500 gpd. Therefore Surcharges will be added to the subsequent Sewer Charges. Surcharges for the first sewer service billing cycle will be calculated based on Excess Metered Sewage of 1,500 gpd as follows:

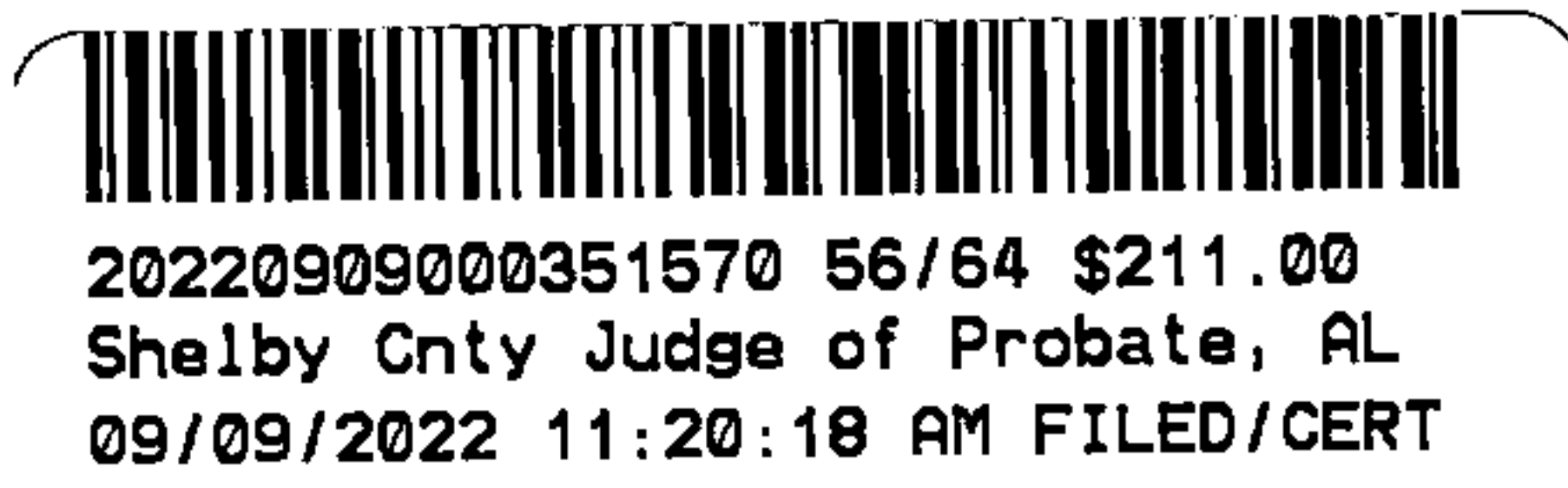
1. Regular Demand Charge on Excess Metered Sewage
Excess Metered Sewage = 1,500 gpd
EDU = EDU gpd
Demand Charge Rate = DemRate per EDU
1,500 gpd / EDU gpd/EDU X DemRate per EDU =!Zero Divide
2. Regular Use Charge on Excess Metered Sewage (if applicable)
Excess Metered Sewage = 1,500 gpd
Use Charge Rate = UseRate per CCF
1 CCF = 748 gallons
Month = 30 days (for this example)
1,500 gpd X 30days X 1 CCF/748 gal X UseRate /CCF = 0.0
3. Regular Treatment Charges on Excess Metered Sewage
Treatment Charges = Demand Charge + Use Charge
Treatment Charges = !Zero Divide + 0.0 = 0.0
4. Surcharge on Excess Metered Sewage:
Surcharge Factor for First Month = 10
0.0 X 10 = \$ 0.00

If XYZ's daily Metered Sewage continued at a rate of 11,500 gpd (1,500 gpd in excess of 10,000 gpd) over the second consecutive billing period, then the following month's Surcharge would be computed as follows:

- 1. Regular Treatment Charges on Excess Metered Sewage
 Treatment Charges calculated as shown above: 0.0

- 4. Surcharge on Excess Metered Sewage:
 Surcharge Factor for Second Month = 20
 0.0 X 20 = \$ 0.00

The Surcharge Factor would continue to increase by additional increments of 10 for each successive month in which XYY Corporation continued to discharge sewage in quantities exceeding its Excess Metered Sewage Limit.





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EXHIBIT G

GREASE INTERCEPTOR REQUIREMENTS

A grease interceptor is required for any food service establishment ("FSE") which prepares, cooks, treats, processes, or otherwise handles food, food products or by-products for sale or distribution on a wholesale, retail or other commercial or institutional basis. These requirements for grease interceptor(s) apply, but shall not be limited to restaurants, diners, cafes, delicatessens, grocery outlets, fast food establishments, schools, hospitals, nursing homes, and other establishments with either eat-in or carryout food service facilities.

In the event that more than one of the above type FSEs is located or may be located on the property or in one of the premises of the development and may discharge wastewater into a common sewer service line before connecting to the Company's Trunk Lines, additional grease interceptors may be required. The number, location and size of grease interceptors are subject to the review and approval of the Engineer. All grease interceptors shall be furnished and installed by the Subscriber, at the Subscriber's expense, and in Subscriber's Line(s) on Subscriber's side of the Metering Manhole (either existing or future, if required by the Company).

The following minimum requirements shall apply to grease interceptors:

- 1) Grease interceptors shall be installed on the kitchen and food preparation area waste line(s).
- 2) Grease interceptors shall be designed in accordance with current engineering or industry standards or criteria published by the U.S. Environmental Protection Agency, Alabama Department of Environmental Management, the Alabama Department of Public Health, or local authorities.
- 3) Grease interceptors shall be located at an accessible location outside the building where they may be conveniently inspected, pumped and maintained.
- 4) Grease interceptors shall be sized, designed and constructed according to the following minimum requirements. Builder/Subscriber may request from the Company a variance from specific requirements in special situations. The Company is not obligated to grant any variance when such variance would not be protective of the Company's Trunk Lines and Plant.
 - a) The grease interceptor shall be of sufficient volumetric capacity so as to provide for no less than a one day's (24 hours) hydraulic detention time for grease-laden waste from the kitchen or food preparation area, at the static liquid level. The minimum effective liquid capacity for each grease interceptor at the static liquid level shall in no case be less than 1,000 gallons.
 - b) Grease interceptors shall be reinforced precast concrete tanks, rectangular in shape. Tanks shall include removable precast concrete covers. Covers shall be cast with openings to accommodate cast iron manhole covers with minimum inside diameter of 24 inches, located at all maintenance access points. All precast concrete tanks and covers and manhole covers shall be rated for traffic loads.
 - c) All openings and joints in the tank structure shall be sealed at installation to prevent infiltration of groundwater into the tank.
 - d) Each grease interceptor shall include an inlet cleanout tee to distribute incoming liquid waste, discharging below the static liquid level.
 - e) Each grease interceptor shall include an outlet cleanout tee, with the discharge leg extending to 50 percent of the static liquid level depth.
 - f) The invert of the outlet shall be at least three inches below the invert of the inlet.

- g) Each grease interceptor shall include an integral baffle wall. The baffle wall shall extend the full width of the grease interceptor, and a minimum of 12 inches above the static liquid level. The baffle wall shall be located at a point $\frac{2}{3}$ of the internal length of the grease interceptor from the inlet end. The baffle wall shall include two (2) holes for baffle tee assemblies. Baffle tees shall be oriented vertically, with the branch extending through the baffle wall, and all ends open. The lower end of each tee shall extend to 30 percent of the static liquid level depth. Each such assembly shall be positioned vertically at a height such that the invert of the outlet branch is at the static liquid level. The two assemblies shall be positioned horizontally such that they may be accessed through a single manhole cover installed above.
 - h) Grease interceptors must be installed level and plumb.
 - i) The grease interceptor outlet pipe shall be connected to the sanitary sewer service line of the establishment.
- 5) Subscriber shall remove accumulated grease and sediment from the grease interceptor to ensure proper operation of the interceptor and to prevent the release or discharge of any accumulated waste to the Company's Trunk Lines or Plant.
- a) Removal and disposal of grease interceptor waste shall be the responsibility of the Subscriber.
 - b) Subscriber shall contract only with a qualified and properly licensed grease hauler, in accordance with State and local laws, to remove and properly dispose of grease interceptor waste. Absolutely no grease may be disposed of in the Company's sanitary sewer system.
 - c) Subscriber shall clean the grease interceptor at interval of no less than once every sixty (60) calendar days. Subscriber shall maintain at the FSE location a log of cleaning dates and hauler manifests.
- 6) It is the Subscriber's sole responsibility to regularly inspect and clean, and to maintain in good working order, all grease interceptors which may be connected to the Subscriber's Line(s) in accordance with these requirements. The Subscriber may independently have individual tenants of Subscriber's development but any inspection and/or cleaning of their grease interceptor(s) shall be performed in accordance with the requirements set forth herein.
- 7) The Company will have the right at any time to inspect any grease interceptor connected to its Trunk Lines and Plant. Should the Company find any grease interceptor to be in need of cleaning or maintenance, the Company will duly notify Subscriber and Subscriber shall have said grease interceptor properly cleaned or maintained within seven (7) calendar days of notice by the Company.

Grease interceptor standard detail is shown on following page.



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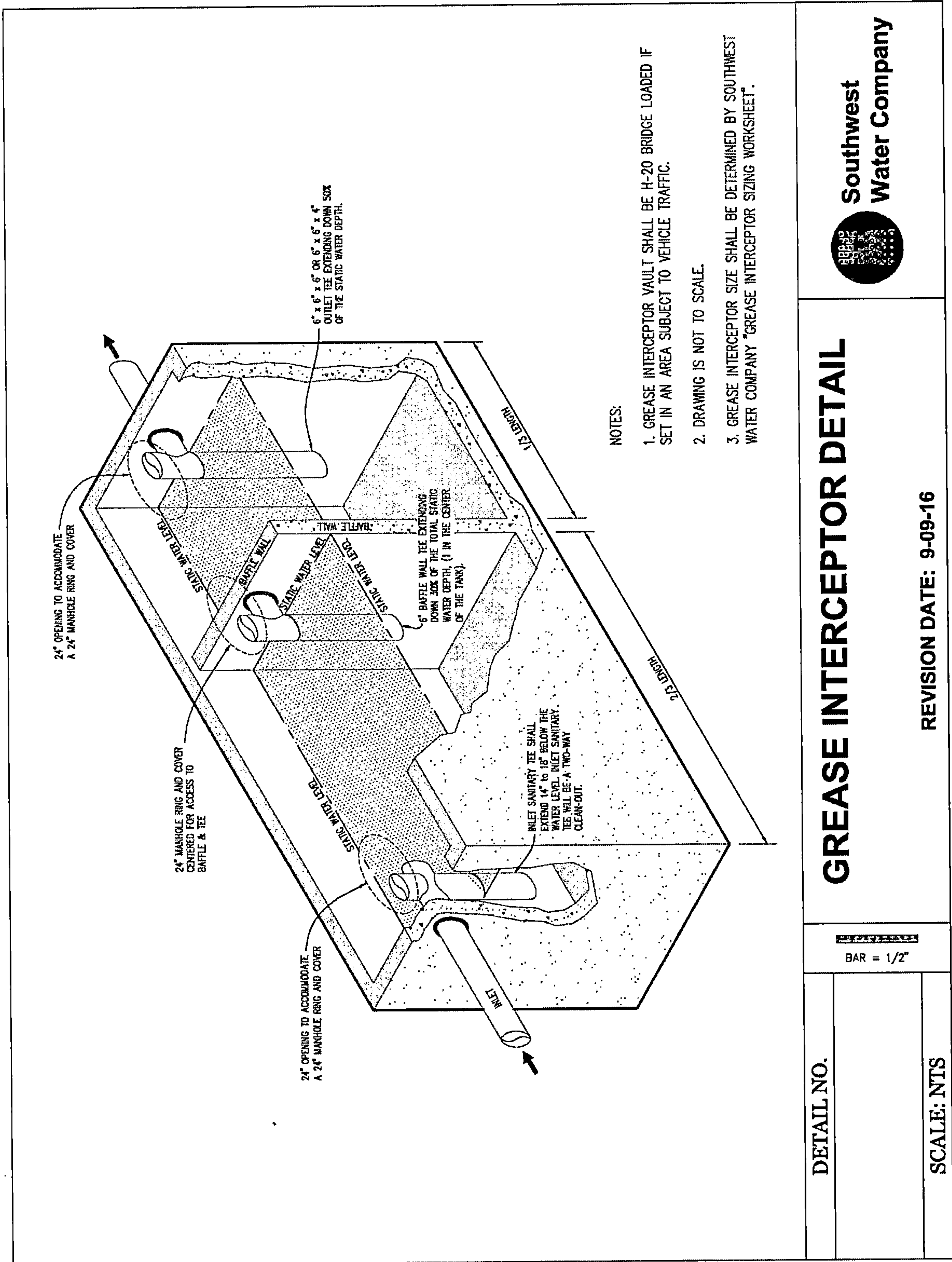


EXHIBIT H

PETROLEUM PRODUCT, TOXIC AND OTHER UNACCEPTABLE WASTE REQUIREMENTS

These requirements for removal of petroleum products, toxic or unacceptable wastes or their constituents (collectively "Unacceptable Wastes") and the method or procedure for preventing entry of these Unacceptable Wastes may apply to, but are not limited to, automotive or equipment service facilities, photographic processing facilities, laboratories and other similar types of establishments that generate or may generate such Unacceptable Wastes.

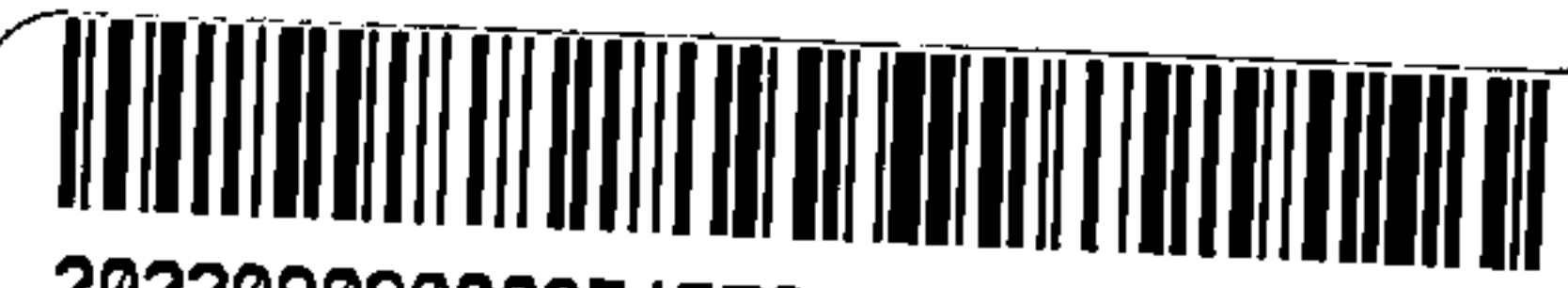
A system or device or systems or devices capable of removing essentially all (excepting trace amounts) of petroleum products and their derivatives or other unacceptable wastewater characteristic(s) that may cause damage to one or more of the Company's system components or be hazardous to Company employees or general public and that originate from Subscriber's Lines, development or premises shall be furnished and installed by Subscriber at Subscriber's sole expense. The above removal system(s) or device(s) must be installed in Subscriber's sanitary sewer service line(s) between the point of discharge of Unacceptable Wastes and the point of connection to Subscriber's Line. The Unacceptable Waste removal system(s) or device(s) and the quantity and location of such system(s) or device(s) shall be subject to the approval of the Company's Engineer prior to installation of system(s) or device(s).

All Unacceptable Waste removed by the Subscriber is to be disposed of by Subscriber at Subscriber's sole expense at a site that meets with the approval of the Alabama Department of Environmental Management (ADEM), State Health Department of any other regulatory agency with jurisdiction. The Unacceptable Waste is not to be disposed of in the Company's sewerage collection system.

The Company shall have the right to inspect the Unacceptable Waste removal system(s) or device(s) and if such system(s) or device(s) are found to be in need of cleaning and/or repair, or otherwise defective, Subscriber shall promptly clean, repair or replace such systems or devices to meet the Company's minimum standards. It shall be the sole responsibility of the Subscriber to keep Unacceptable Wastes from entering the Company's sewerage collection system regardless of Company's inspection frequency or notification of deficiencies.

Heavy metals, toxins and other similar wastes are not to be allowed to enter or discharge into the Company's sewerage collection system; these wastes are to be disposed of in a manner and at a site that meets with the approval of the Alabama Department of Environmental Management (ADEM), State Department of Public Health or any other regulatory agency with jurisdiction. Under no circumstances shall these wastes be disposed of in the Company's sewerage collection system. Subscriber's method or procedure for preventing disposal of heavy metals, toxins and other similar wastes into the Company's sewerage collection system shall be subject to the review and approval of the Company's Engineer. The Company shall have the right to inspect Subscriber's method or procedure and premise at any time.

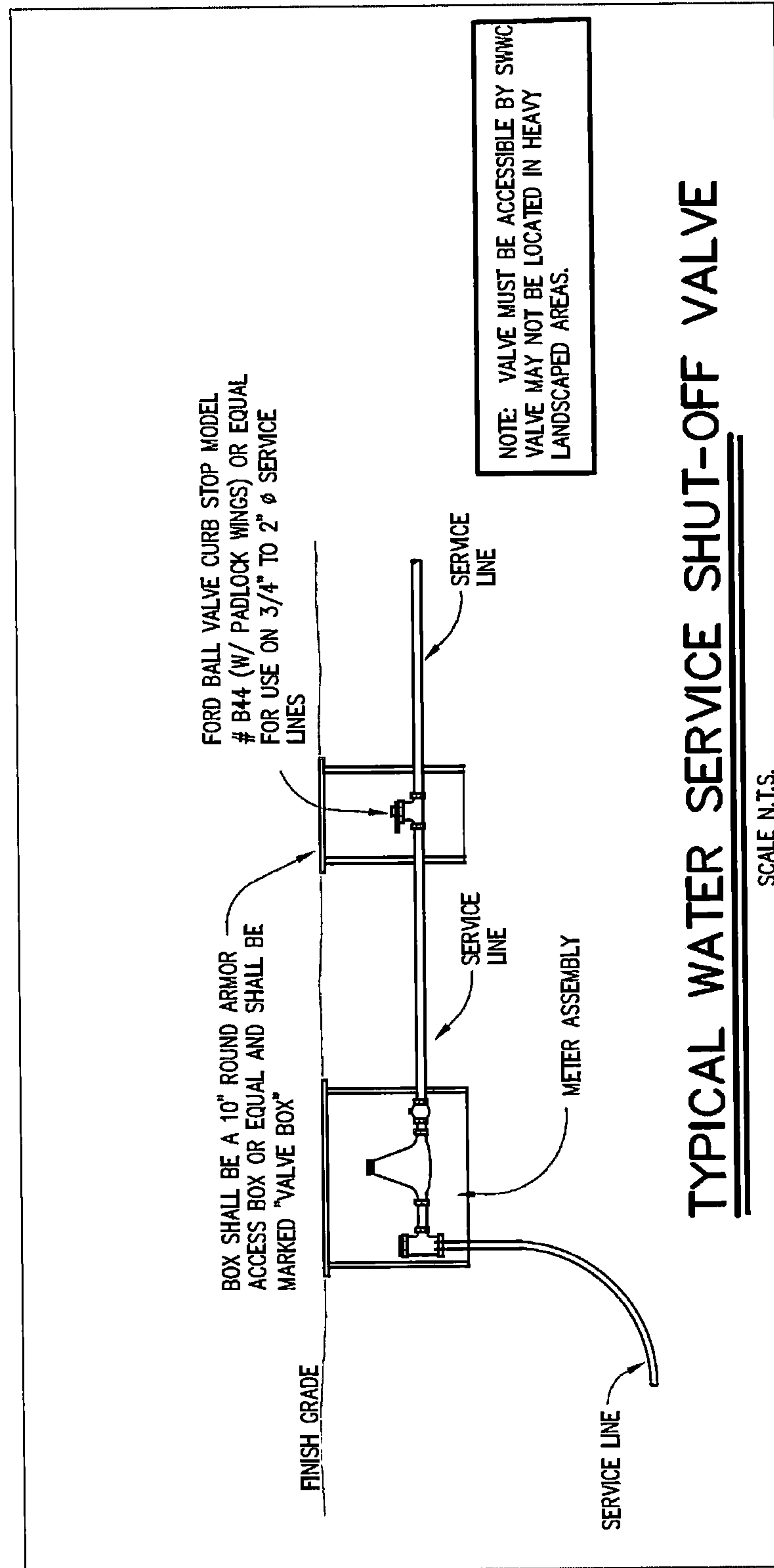
In the event the Subscriber fails to comply with the provisions of this Exhibit I and knowingly or unknowingly allows Unacceptable Wastes to enter the Company's sewerage collection system and the wastewater (i) causes damage to the Company's sewerage collection system, (ii) interferes with the treatment of wastewater that results in non-compliance with the Company's permit to discharge and any civil penalties or third-party litigation related thereto, and/or (iii) results in property damage or, (iv) causes physical injury, the Subscriber shall be solely responsible for damages, including attorney fees, related thereto, as set forth in Section 4.



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EXHIBIT I

SECONDARY WATER LOCK-OUT VALVE



Company
**PROCEDURES AND GUIDELINES FOR SANITARY
SEWER SERVICE LINES**

WHEREAS, the proper design, construction and installation of sanitary sewer service lines is necessary to prevent ground water seepage from using up the capacity of the Sanitary Sewer Treatment System; and

WHEREAS, it is in the best interests of Company (the "Company") and the continued development of the area to be served by said Treatment Plant that the following Procedures and Guidelines be followed and enforced.

THEREFORE, the following shall be known as the Procedures and Guidelines for Sanitary Sewer Service Lines."

I. GENERAL

These Procedures and Guidelines are for the benefit of the Company, the area to be served by the Treatment Plant, and the subscribers. The Procedures and Guidelines shall be enforced by the Company's Engineer, or other designated representative.

II. PROCEDURE FOR APPROVAL OF SANITARY SEWER SERVICE LINES

- A. The builder/Subscriber shall submit plans and specifications to the Company's Engineer or other designated representative ("Engineer") for review and approval prior to the installation of sanitary sewer service lines.
 - 1. The Engineer shall indicate on such review the locations for connections of builder's/Subscriber's sanitary sewer service lines to the Company's sanitary sewer pipes.
 - 2. The Engineer shall make available a copy of these "Procedures and Guidelines for Sanitary Sewer Service Lines" to each builder/Subscriber.
 - 3. All sewer lines, including force mains, gravity sewers and service lines are subject to pressure testing in accordance with procedures specified by the Company.
- B. The builder/Subscriber shall notify the Engineer at least two (2) working days prior to conducting any approval tests on the sanitary sewer service lines.
 - 1. The builder/Subscriber shall have on the jobsite all necessary materials and supplies to conduct the complete tests.
 - 2. The builder/Subscriber shall have installed completely all cleanouts, tees, plugs, temporary riser pipes and other necessary equipment and shall have made the necessary tap to the Company's sewer pipe as indicated in Section III hereof. The builder/Subscriber shall provide the necessary water required to fill the test riser pipe(s).

III. MATERIALS AND PROCEDURAL GUIDELINES FOR CONSTRUCTION AND TESTING OF SANITARY SERVICE LINES

"Sanitary Sewer Service Line" ("service line") means the pipeline connecting the sanitary waste line of the individual residential and/or commercial establishment to the Company's sanitary sewer system. The sanitary waste line (or lines) from the individual residential or commercial establishment usually terminates at a point 5'-0" outside of the building line. The sanitary sewer service line is then installed from that point to connection with the Company's sanitary sewer system, located in street or alley, or in easement or right-of-way owned by the Company.

Sanitary sewer service lines shall be rigid pipes manufactured from ductile iron or PVC, as approved by the Company.

CONSTRUCTION OF SANITARY SEWER SERVICE LINES

In order to conduct inspection and testing of sanitary sewer service lines, the builder/Subscriber shall notify the Engineer at least two (2) business days prior to the installation of sanitary sewer service lines.

Service lines shall be laid on smoothly and evenly graded trench bottoms. It is essential that the trench bottoms be well-tamped and evenly graded to provide uniform bearing for the barrel of the pipe so as to fully develop the supporting strength of the pipe.

Service lines shall not be laid on rock. Where rock is encountered, a 4" cushion of approved material shall be provided for bedding the conduit. The cushion shall be comprised of stone screenings or fine dry earth; and the cushion shall be firmly tamped to provide a hard, uniform bearing surface.

The grades on which service lines are laid shall not be less than those specified herein below.

<i>Service Lateral Pipe Size</i>	<i>Minimum Grade Slope of Conduit Toward Company's Sewer</i>
4"	1.00%
6"	1.00%
8"	0.50%

Backfill for pipe line trenches shall be placed in four-inch (4") layers from bottom of trench to a level 12" above top of pipe. Backfill throughout this section of trench depth shall be hand placed and thoroughly compacted by means of pneumatic tampers or other approved method. Material used for backfilling shall be fine dry earth or clay, sand, or stone screenings. Each layer shall be carried up to same level on both sides of pipe so as to avoid unbalanced loading; and each layer shall be equally tamped on both sides of pipe to thoroughly compacted state before the next layer is added. Broken rock mixed in with the backfill material between levels 12" above crown of pipe shall not exceed 4" in any dimension, except that rock shall not be placed within 18" of ground surface. As deemed necessary, the Engineer shall be permitted to inspect the installation of sanitary sewer service lines both before and after backfill.

For the purpose of testing the service line, the builder/Subscriber shall install in the line a tee/cleanout assembly, to be located at or near the point where the sanitary sewer service line intersects the property line. The tee/cleanout assembly shall be installed with the tee branch extending vertically upward

from the run of the sanitary sewer service line. At a point 5'-0" outside the building line, the builder/Subscriber shall install a separate cleanout assembly.

The Engineer or his designated representative is to oversee and inspect the installation of all service lines. Where service tees were not installed on the existing sanitary sewer pipe, a suitably sized and powered tapping machine shall be used to cut an appropriately sized hole into the wall of the existing sanitary sewer pipe. An all-stainless steel sewer saddle (Cascade Waterworks model CSWRT or approved equal) shall be properly installed to connect the service line to the sanitary sewer pipe. Appropriate watertight fittings or adapters shall be used to connect the service line to the branch of the installed sewer saddle. The builder/Subscriber shall notify the Company at least two (2) business days prior to making the tap connection so that the Company may, at its option, have a representative on site to witness and approve the connection. All costs of the sanitary sewer tap connection, including labor, equipment, parts and materials shall be borne by the builder/Subscriber.

In some cases, the Subscriber's service line may be a pressurized force main from a pump station located near the residential or commercial establishment. In such cases, the service line shall not be connected to the Company's gravity sanitary sewer pipe, but shall connect to a selected sanitary sewer manhole or a separate pressurized force main of the Company. The Engineer will review design drawings and specifications of the proposed pressurized sanitary sewer service line, as prepared and submitted by the builder/Subscriber, and approve those systems that meet the standards of the Company.

Should the builder/Subscriber be permitted by the Company to connect directly to a Company manhole that has no stub-out provided for service line connections, the builder/Subscriber shall utilize a coring machine to cut a neat hole through the wall of the manhole. Positively no sledgehammer, pick, hammer, or shock instrument shall be used to create an opening in the wall of the Company manhole. No opening shall be made greater than two (2) feet above the invert pipe of the manhole without Engineer's approval. The service line pipe shall not project past the interior face of manhole barrel. The socket end of a length of sewer pipe shall not be installed at inlet of manhole. The annular opening between the outside face of the pipe and the opening in the manhole shall be filled and smoothed with a non-shrinking grout to ensure a watertight joint to and prevent groundwater infiltration.

These guidelines are intended to be and should be considered by the builder/Subscriber as minimum requirements for materials and construction of sanitary sewer service lines. No restriction shall be imposed upon the builder/Subscriber as to constructing a sanitary sewer service line using superior materials and construction techniques, subject to approval of the Engineer. THE ULTIMATE RESPONSIBILITY, HOWEVER, FOR CONSTRUCTION OF WORKING AND CONFORMING SANITARY SEWER SERVICE LINES RESTS WITH THE BUILDER/SUBSCRIBER.
