

**MEMORANDUM OF WASTEWATER TAP
RESERVATION AND SERVICE AGREEMENT
AND GRANT OF EASEMENTS**

THIS MEMORANDUM OF WASTEWATER TAP RESERVATION AND SERVICE AGREEMENT AND GRANT OF EASEMENTS (the "Memorandum and Grant") made as of the 20 day of June, 2025 (the "Effective Date"), by and between ENVIRO-SYSTEMS, LLC, an Alabama limited liability company ("Operator"), and BILL LUNSFORD CONSTRUCTION AND DEVELOPMENT, an Alabama limited liability company ("Developer").

Subdivision: **Stonehenge**

WITNESSETH:

THAT WHEREAS, Developer intends to develop and improve that certain real property located in Shelby County, Alabama, being more particularly described in Exhibit A attached hereto and made a part hereof (the "Developer Property"); and

WHEREAS, Operator intends to construct and operate a wastewater treatment plant and related facilities (the "Treatment Plant") on certain real property located in Shelby County, Alabama in the vicinity of the Developer Property; and

WHEREAS, Operator and Developer have entered into that certain Wastewater Tap Reservation and Service Agreement dated June 20th 2025 (the "Agreement"); and

NOW, THEREFORE, IN CONSIDERATION of the premises, the mutual covenants contained in the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, which are more particularly set forth in the Agreement, Operator and Developer do hereby covenant, promise, and agree as follows:

1. Reservation of Treatment Capacity; Exclusive Provider of Wastewater Treatment Services.
Subject to the terms and conditions of the Agreement, Operator has agreed to treat all domestic wastewater generated from single-family residences to be developed on up to 163 lots (collectively, the "Lots") on the Developer Property (the "Development"), provided that such wastewater meets the requirements of the Agreement (the "Wastewater"), and Developer has agreed to have all such Wastewater from the Lots treated exclusively by Operator.

2. Construction and Transfer of Collection System.

a. For each phase of the Development, Developer shall design and, upon Operator's review and prior written approval, acquire and construct a low pressure sewer collection system, for transfer to Operator in accordance with the terms and conditions of the Agreement, with grinder pumps and low pressure lines, to the trunk line from the Treatment Plant to the boundary of phase 1 of the Development (the "Trunk Line") and/or another Operator-owned collection system, as the case may be, together with all services lines to

Lots, construction and permanent easements (together with title policies insuring good and marketable title to such easements in Operator subject to no liens, encumbrances or other matters and otherwise acceptable to Operator), pump stations, generators, wiring, wetwells, telemetry and all other wastewater system improvements, all of which shall comply with all applicable laws, rules and regulations and the other requirements of the Agreement (for each phase, a "Collection System").

b. Upon written notification by Operator to Developer that a Collection System is acceptable to Operator, Developer shall, within thirty (30) days thereafter, transfer to Operator such Collection System, including all access, maintenance and repair easements in accordance with the following: (1) such Collection System (including all necessary easements and fee simple conveyances of the land upon which any pump station is located) shall be transferred free and clear of all encumbrances, except as approved in writing by Operator in its sole discretion; (ii) Operator may obtain, at the expense of Developer a policy of title insurance, in form and substance satisfactory to Operator and/or its lender(s), insuring good and marketable title to all easements and fee simple parcels necessary in the reasonable determination of Operator to operate such Collection System in accordance with the terms and conditions of this Agreement, subject to no exceptions to title other than those approved in writing by Operator in its sole discretion; (iii) Developer shall transfer to Operator all third-party warranties covering such Collection System or any part thereof; (iv) Developer shall deliver as-built drawings of such Collection System, at Developer's expense, certified to Operator by an engineer acceptable to Operator; and (v) Developer shall cooperate with the further requirements of Operator, its lender(s), and the title insurer with respect to all other matters reasonably required to effectuate the transfer of such Collection System.

3. Grant of Easements. Developer does hereby grant (and shall cause any affiliate of Developer to grant) to Operator a permanent and perpetual twenty (20) foot wide easement, over, under, upon and through the Developer Property and any other property now or hereafter owned by Developer (or any affiliate of Developer) for the purpose of allowing Operator to construct, install, use, operate, repair, maintain, replace and extend the trunk line from the Treatment Plant to the Trunk Line, any other force mains and sewer lines, any lift stations, pump stations or other equipment or facilities necessary for the treatment of the Wastewater at the Treatment Plant, to allow Operator to serve other properties and developments in the vicinity, to allow Operator to have access to the Treatment Plant and the Trunk Line and all of such lines, pump stations, equipment and facilities, all at no additional cost to Operator. If requested by Operator, Developer will convey fee simple title to Operator of the land upon which any pump station is to be located and will subdivide and create a separate parcel for such land, which parcel shall be no larger than Operator reasonably determines to be necessary for the operation of such pump station, all at no additional cost to Operator. From time to time, upon the request of Operator, Developer shall execute and deliver (and cause its affiliates to execute and deliver) such instruments and agreements reflecting the foregoing easements and fee simple conveyances in locations mutually approved by Developer and Operator for recordation in the Probate Office of Shelby County, Alabama, such instruments and agreements to be in form and substance acceptable to Operator, together with title policies insuring good and marketable title to such property in Operator subject to no liens, encumbrances or other matters and otherwise acceptable to Operator.

4. Term. The term of the Agreement (the "Term") shall expire upon the first to occur of: (a) the date of completion of construction of homes on all subdivided Lots in the Development; or (b) ten (10) years after the Effective Date (the "Expiration Date"). After the Expiration Date, Operator shall have no further obligation to continue to reserve treatment capacity for the Development or to service Wastewater generated from the Development, except in accordance with any then-executed Customer Agreement. Notwithstanding the foregoing, in the event that Developer has not completed all phases of the Development by the Expiration Date, Developer shall have the option to extend the Term of this Agreement by giving written notice to Operator not later than one hundred eighty (180) days prior to the Expiration Date and paying to Operator in full in immediately available funds all tap fees that remain unpaid for all Lots in all phases, including all

undeveloped phases, together with all other amounts due under this Agreement; provided that under no circumstances shall the Developer have paid to Operator tap fees for less than 163 Lots.

5. Cut-Off Valves; Customer Service Agreements. Operator shall have no obligation to provide Wastewater treatment services to any Lot in the Development until a cut-off valve meeting the requirements of the Agreement is installed on the water line serving the residence on such Lot and Operator's then current form of wastewater service agreement (a "Customer Agreement") is entered into by the Lot owner. A Customer Agreement must be entered into by the Lot owner not later than the date wastewater service is requested by the lot owner.

6. Covenant Running with the Land. The Agreement shall be binding upon the parties, their successors and assigns. The Agreement shall be construed as a covenant running with the land.

7. Capitalized Terms. Capitalized terms used in this Memorandum and Grant and not otherwise defined in this Memorandum and Grant shall have the meanings given to them in the Agreement.

8. Effect of Memorandum. The sole purpose of this Memorandum and Grant is to give notice of the Agreement and its terms, covenants and conditions to the same extent as if the Agreement were fully set forth herein. This Memorandum shall not modify in any manner the terms, conditions or intent of the Agreement and the parties agree that this Memorandum and Grant is not intended nor shall it be used to interpret the Agreement or determine the intent of the parties under the Agreement.

(SIGNATURES ON THE FOLLOWING PAGE)



20250723000223150 3/7 \$40.00
Shelby Cnty Judge of Probate, AL
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Shelby Cnty Judge of Probate, AL
07/23/2025 10:43:29 AM FILED/CERT

IN WITNESS WHEREOF, the parties have executed this Agreement, or have caused this Agreement to be executed by its duly authorized representatives, under seal on the date and year first written above.

OPERATOR

ENVIRO-SYSTEMS, LLC

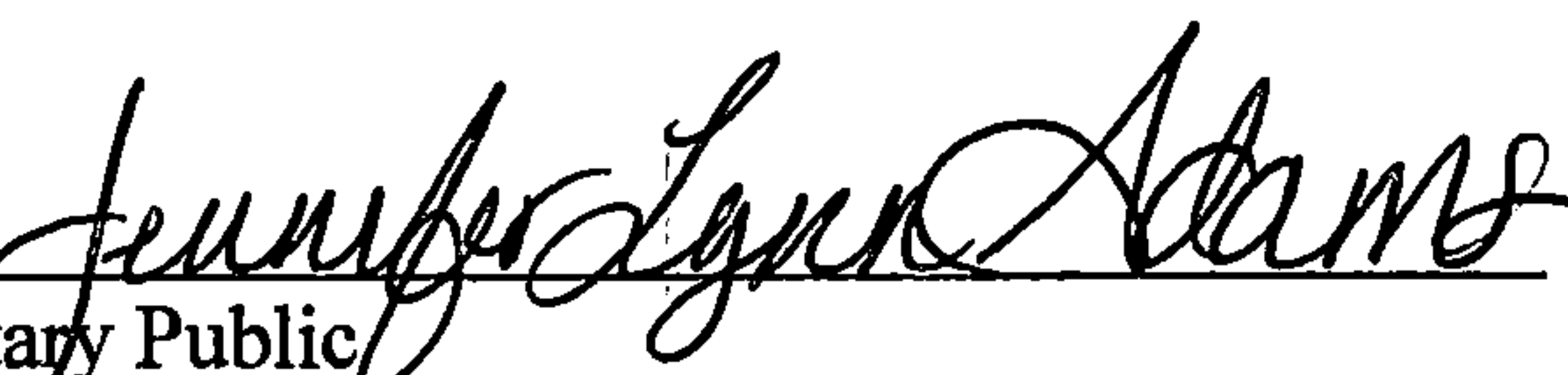
By: 

Printed Name: John McDonald
Its: Manager

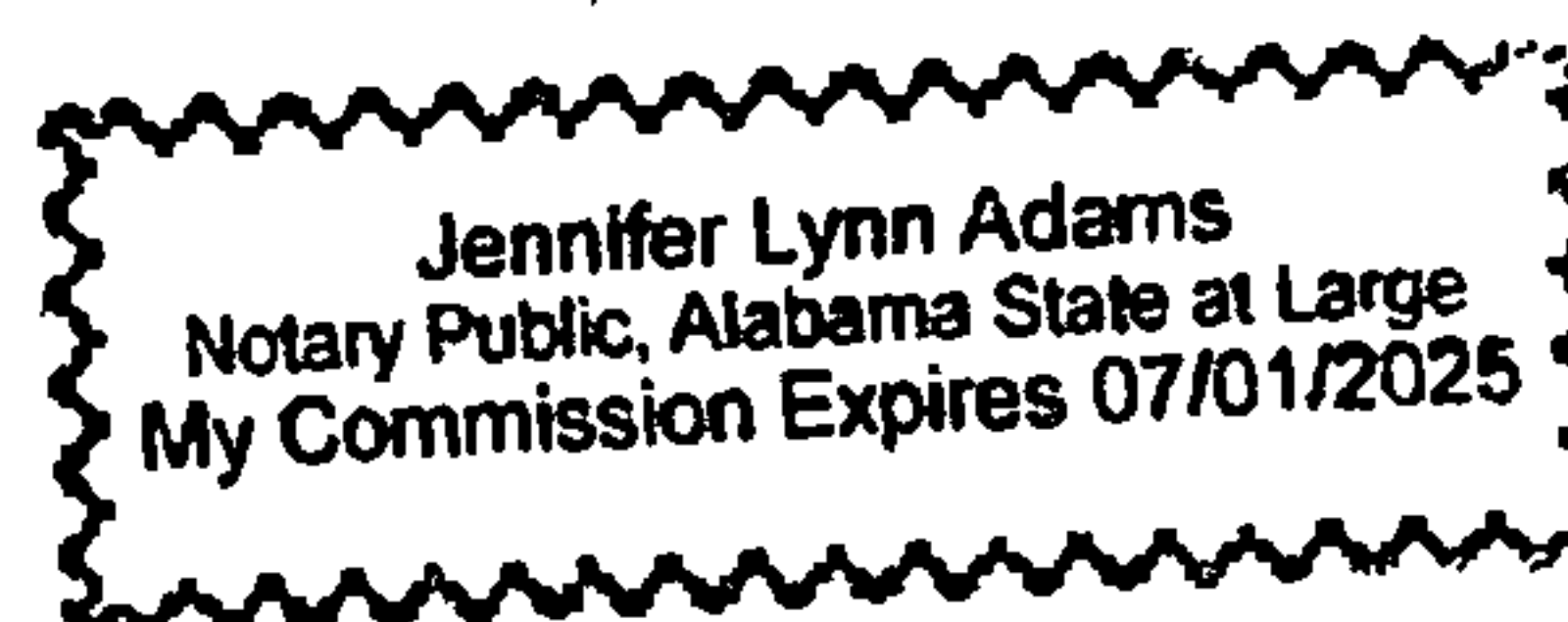
STATE OF ALABAMA
COUNTY OF Shelby

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that **John McDonald**, who is named as Manager of **Enviro-Systems, LLC**, a Alabama limited liability company, whose name 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 agreement, he (she), with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this the 23 day of June, 2025

By: 
Notary Public
Printed Name:
My Commission Expires: 7/1/2025

AFFIX NOTARIAL SEAL

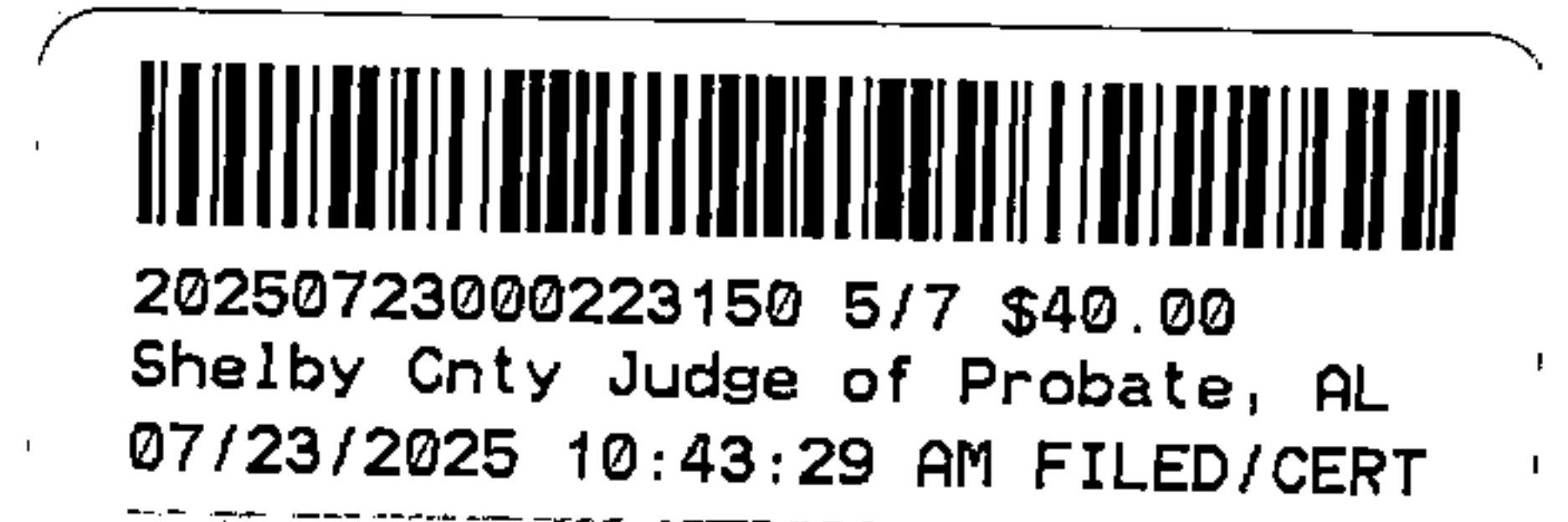


DEVELOPER

Bill Lunsford Construction and Development

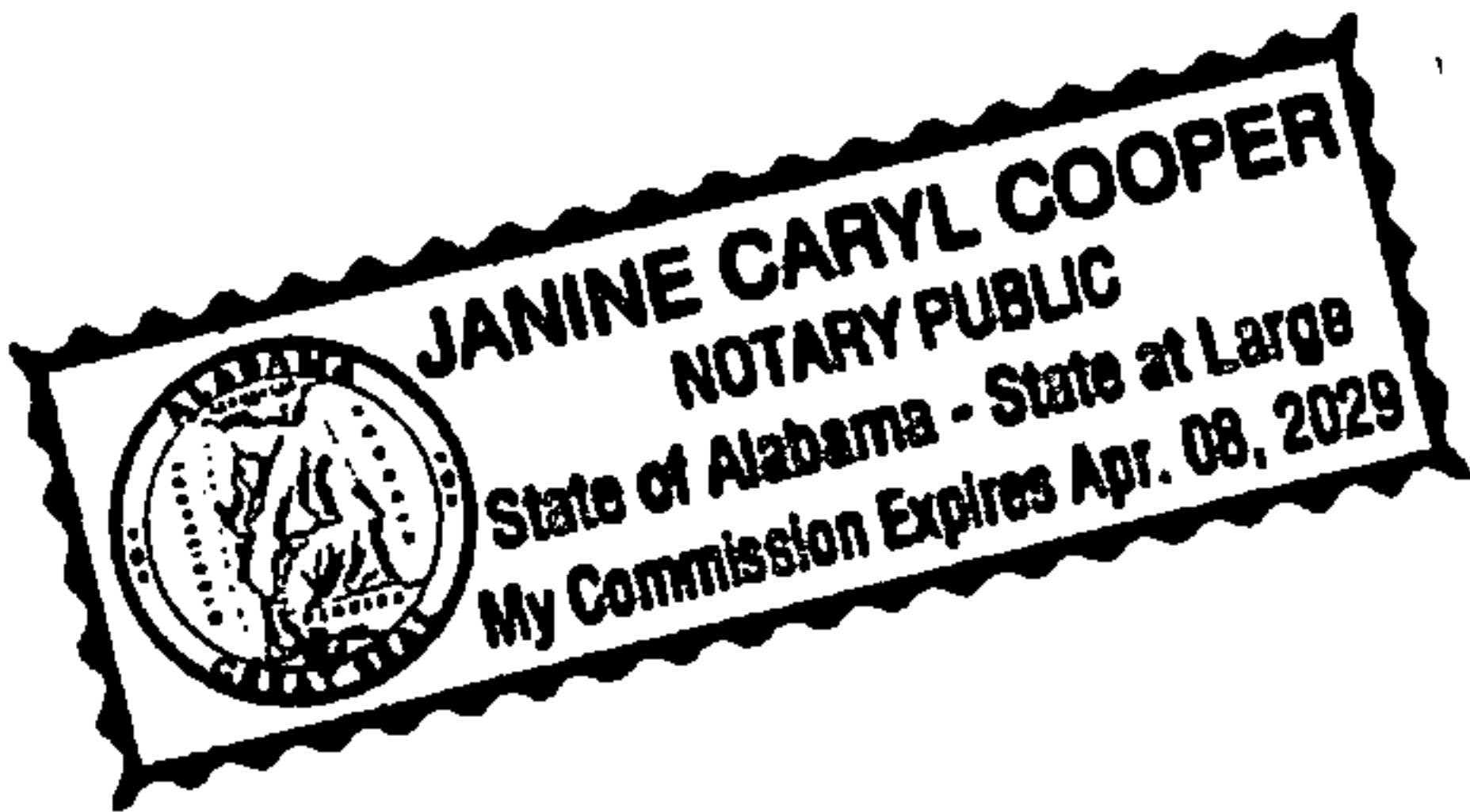
By: [Signature]
Printed name: William B. Lunsford
Its: Pres

STATE OF Alabama
COUNTY OF Tuscaloosa



I, the undersigned, a Notary Public, in and for said County, in said State, hereby certify that William A. Lunsford whose name is signed to the foregoing Instrument and who is known to me or provided sufficient identification, acknowledged before me on this date that, being fully informed of the contents of the Agreement, he (she) executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 20th day of June, 2025.



By: [Signature]
Notary Public
Printed Name:
My Commission Expires:

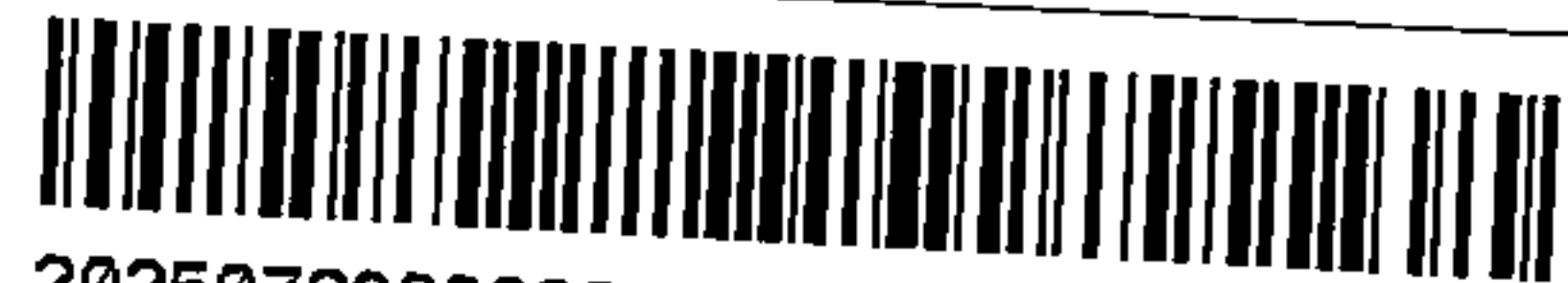
AFFIX NOTARIAL SEAL



20250723000223150 6/7 \$40.00
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EXHIBIT A
TO
MEMORANDUM OF WASTEWATER TAP
RESERVATION AND SERVICE AGREEMENT AND GRANT OF EASEMENTS
Legal Description of Developer Property

[Attached.]



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Exhibit A

Legal Description

Residential

Commence at a ½" slick iron in place being the Northwest corner of the Southeast one-fourth of the Northwest one-fourth of Section 29, Township 19 South, Range 1 East, Shelby County, Alabama, said point being the point of beginning. From this beginning point proceed South 89° 18' 18" East along the North boundary of said quarter-quarter section for a distance of 533.91 feet to a 1" open top pipe in place; thence proceed South 89° 23' 06" East along the North boundary of said quarter-quarter section for a distance of 217.99 feet to a ½" rebar in place; thence proceed South 89° 28' 05" East along the North boundary of said quarter-quarter section for a distance of 606.33 feet to a 1" open top pipe in place being the Northeast corner of said Southeast one-fourth of the Northwest one-fourth; thence proceed South 00° 37' 05" West along the East boundary of said quarter-quarter section for a distance of 704.16 feet to a ½" rebar in place; thence proceed North 84° 12' 47" East for a distance of 227.02 feet to a ½" rebar in place; thence proceed South 46° 48' 17" East for a distance of 134.03 feet to a ½" rebar in place; thence proceed South 86° 28' 23" East for a distance of 314.62 feet to a 1" yellow pipe in place; thence proceed South 12° 49' 37" East for a distance of 512.45 feet; thence proceed South 39° 29' 48" West for a distance of 32.56 feet; thence proceed South 50° 37' 16" East for a distance of 30.0 feet to a point on the Westerly right-of-way of Shelby County Highway 51; thence proceed South 39° 29' 48" West along the Westerly right-of-way of said Highway 51 for a distance of 83.09 feet; thence proceed North 05° 30' 12" West for a distance of 32.52 feet; thence proceed North 50° 30' 12" West for a distance of 302.00 feet to the P. C. of a concave curve left having a delta angle of 90° and a radius of 25.0 feet; thence proceed Southwesterly along the curvature of said curve for a chord bearing and distance of South 84° 29' 48" West, 35.36 feet to the P. T. of said curve; thence proceed South 39° 29' 48" West for a distance of 170.57 feet to the P. C. of a concave curve left having a delta angle of 39° 23' 11" and an arc distance of 37.82 feet; thence proceed Southwesterly along the curvature of said curve for a chord bearing and distance of South 19° 47' 48" West, 37.08 feet to the P. T. of said curve, which is also P. C. of a concave curve left having a delta angle of 116° 40' 47" and an arc distance of 112.0 feet; thence proceed Southwesterly along the curvature of said curve for a chord bearing and distance of South 58° 26' 15" West, 93.63 feet to the P. T. of said curve; thence proceed South 26° 46' 42" West for a distance of 102.19 feet; thence proceed North 53° 38' 17" West for a distance of 190.19 feet to a 1" open top pipe in place being the Southeast corner of the Southeast one-fourth of the Northwest one-fourth; thence proceed North 89° 24' 32" West along the South boundary of said quarter-quarter section for a distance of 1318.01 feet to a 1" open top pipe in place being the Southwest corner of said quarter-quarter section; thence proceed North 03° 48' 26" West along the West boundary of said quarter-quarter section for a distance of 695.41 feet to a 1" open top pipe in place; thence proceed North 01° 21' 10" West along the West boundary of said quarter-quarter section for a distance of 240.01 feet to a ½" capped rebar in place; thence proceed North 01° 21' 06" West along the West boundary of said quarter-quarter section for a distance of 440.35 feet to the point of beginning. The above described land is located in the Southeast one-fourth of the Northwest one-fourth, the Northwest one-fourth of the Southeast one-fourth and the Southwest one-fourth of the Northeast one-fourth of Section 29, Township 19 South, Range 1 East, Shelby County, Alabama 51.23 acres.