

RESIDENTIAL SEWER USER'S AGREEMENT

THIS RESIDENTIAL SEWER USER'S AGREEMENT ("Agreement") is made and entered into as of the _____ day of _____, 20____ ("Effective Date") by and between:

- (i) CANE BRAKE UTILITIES ASSOCIATION, INC., a Mississippi corporation ("Canebrake Utilities"), whose address is 112 Sheffield Loop, Suite D, Hattiesburg, MS 39402, and telephone number is 601-264-0403; and
(ii) _____ and _____

(jointly and severally, "Customer"), whose address and telephone number is set forth on the Fee Agreement, to set forth the terms and provisions under which Canebrake Utilities will provide sewer service for Domestic Wastewater to Customer as hereinafter provided. In consideration of the terms and provisions of this Agreement, the receipt and sufficiency of which are irrevocably confessed, Canebrake Utilities and Customer agree as follows:

1. DEFINITIONS. Certain terms used in this Agreement shall have the meanings set forth in this Section:

- (a) "Customer's Facilities" means all parts, materials, equipment, facilities and systems related to sewer service on Customer's side of the Point of Entry which are currently in place or shall hereafter be installed on Customer's Property, and shall include, without limitation, the Pretreatment System, as defined in Section 5 of this Agreement and all other parts, materials, equipment, facilities and systems required as provided in said Section 5.
- (b) "Customer's Property" means that certain Lamar County, Mississippi residential property owned, leased or occupied by Customer, having an address of _____, Hattiesburg, MS _____, and being further described as follows (fill in blanks as applicable):
Lot(s) _____, of Bellegrass, Neighborhood _____.
- (c) "Domestic Wastewater" means liquid and water-carried waste discharges from sanitary conveniences or fixtures (sinks, toilets, bathtubs and showers, only) of dwellings, as distinct from Industrial Waste, that is of the quality required by Section 10 of this Agreement.
- (d) "EPA" means the United States Environmental Protection Agency.
- (e) "Fee Agreement" means the "Water and/or Sewer User's Fee Agreement" executed by Customer in conjunction with this Agreement which is incorporated herein by reference.
- (f) "Industrial Waste" means wastes from any industrial processes.
- (g) "MDEQ" means the Mississippi Department of Environmental Quality.
- (h) "Meter" means the meter installed or to be installed for the purpose of measuring water service to Customer's Property.
- (i) "MPSC" means the Mississippi Public Service Commission.
- (j) "MPSC Rules" means the MPSC Rules and Regulations Governing Public Utility Service as they exist from time to time.
- (k) "MSDH" means the Mississippi State Department of Health.
- (l) "Point of Entry" means the following point for the service requested by Customer: for sewer service, at the tap into the Sewer System for sewer service to Customer's Property.
- (m) "Rate Schedule" means Canebrake Utilities' rate schedule for residential sewer service which is in effect from time to time and has been approved by the MPSC.
- (n) "Rules" means Canebrake Utilities' service rules and regulations and service extension policies for residential sewer service which are in effect from time to time and have been approved by the MPSC.
- (o) "Sewer System" means, collectively, Canebrake Utilities' Wastewater Collection System and Wastewater Treatment Facility.
- (p) "Wastewater Collection System" means collectively the materials, equipment, facilities and systems utilized from time to time by Canebrake Utilities to transport wastewater Canebrake Utilities receives to the Wastewater Treatment Facility.
- (r) "Wastewater Treatment Facility" means collectively the materials, equipment, facilities and systems utilized from time to time by Canebrake Utilities for treatment and disposal of wastewater received by Canebrake Utilities.

2. SERVICES. Subject to the Rules and the terms and provisions of this Agreement, from and after the Effective Date and for the remainder of the Term (as defined below), Customer requests that Canebrake Utilities furnish sewer service for Domestic Wastewater generated from Customer's Property and discharged by Customer through the Point of Entry into the Wastewater Collection System and any other service(s) requested as indicated by check marks made by or at the direction of Customer on the Fee Agreement, in consideration of all of which Customer agrees to make payments to Canebrake Utilities in accordance with Section 7 of this Agreement and to pay the nonrefundable fees for such other service(s) requested as per the Fee Agreement.

3. TERM. This term of this Agreement ("Term") shall commence on the Effective Date and except as otherwise provided in this Agreement, shall continue so long thereafter as Canebrake Utilities provides sewer service to Customer at Customer's Property, but shall terminate (i) on any business day specified by Customer which follows the date a request is made by Customer to Canebrake Utilities for discontinuance of service in any form specified by Canebrake Utilities for such a request; or (ii) on any day selected by Canebrake Utilities for discontinuance of service to Customer in accordance with Section 14 of this Agreement. However, this Agreement may be immediately terminated by Canebrake Utilities by not less than five (5) days written notice to Customer effective as of any date that the MPSC or any other governmental body or court having legal authority so to do hereafter determines that Canebrake Utilities must cease providing sewer service to Customer's Property; and Canebrake Utilities shall not be deemed to be in breach of this Agreement as a result of any such termination.

4. SERVICE LINE. For each service requested by Customer, a service line for such service either presently exists or shall hereafter be installed by Customer at its expense on Customer's Property, beginning at the applicable Point of Entry for the service requested and extending to Customer's residence.

5. CUSTOMER'S FACILITIES. All of Customer's Facilities shall be installed at Customer's sole expense, meet the requirements set forth in this Section 5 and otherwise consist of such parts, materials, equipment, facilities and systems of such quality, grade and character as Customer deems necessary to meet Customer's service requirements. Without limitation of the foregoing, Customer's

Facilities shall include, but not be limited to, the following (collectively, "Pretreatment System"): the sewer pretreatment system and all equipment as shown and detailed on Exhibit 1 attached hereto the terms of which are hereby incorporated by reference, and all other parts, materials, equipment and facilities and all electrical and mechanical connections necessary to make said sewer pretreatment system and equipment properly functional. Customer shall be responsible for furnishing all electrical power necessary in connection with Customer's Facilities. During the Term, Customer shall have sole responsibility for: (i) insuring that a Pretreatment System has been or is installed on Customer's Property by an installer approved by Canebrake Utilities and is properly functioning at all times and that all other Customer's Facilities have been or are properly installed on Customer's Property and are properly functioning at all times; (ii) insuring that the only discharges from Customer's Property into the Sewer System are discharges that are permitted under and comply with the requirements of Section 10 of this Agreement; and (iii) causing all of Customer's Facilities and their connection with Canebrake Utilities' Wastewater Collection System to be operated, maintained, repaired and replaced, as necessary, to keep Customer's Facilities in good condition and in strict compliance with all applicable federal, state and local laws, rules, regulations, restrictions and standards. Notwithstanding anything to the contrary: (iv) all of Customer's Facilities shall be and remain the sole property, responsibility and liability of Customer; and (v) Canebrake Utilities shall have no obligation, responsibility or liability with respect to Customer's Facilities or to any parts, materials, equipment, facilities and/or systems related to sewer service which are not owned by Canebrake Utilities or are located on Customer's side of the Point of Entry. Canebrake Utilities shall have the right, but no obligation, to enter upon Customer's Property for the purposes of inspection, observation, measuring, sampling, and testing of Customer's wastewater and Customer's Property and Customer's Facilities and discharges therefrom as necessary to ensure compliance with this Agreement and identify any factors that could result in discharges from Customer's Property into the Wastewater Collection System not being in compliance with this Agreement. If at any time Canebrake Utilities, EPA, MDEQ, MSDH or any other governmental body or court having legal authority so to do determines that Customer's Property or Customer's Facilities or discharges from either are not in compliance with this Agreement or with any then current and applicable standards, restrictions and/or requirements of the EPA, MDEQ, MSDH or any other applicable governmental body or federal, State of Mississippi or local laws, rules, or regulations, Customer at its sole expense shall repair, replace and/or take any other action necessary to bring Customer's Property, Customer's Facilities and discharges therefrom into compliance with all diligence and without unnecessary delay. Canebrake Utilities shall have no responsibility for, and Customer shall be solely responsible for, any injury or damage to Customer or Customer's Property or to any third person or third person's property resulting from Customer's actions or inactions or from Customer's Facilities, or the construction, operation or composition thereof, including without limitation, if applicable, the fact that any part of Customer's Facilities consists of copper tubing number three and/or includes the grounding of electrical systems to supply or drain lines. Customer agrees to indemnify and hold harmless Canebrake Utilities from, and Customer shall never assert against Canebrake Utilities, any claims or liability for losses or damages to any persons or property resulting from, arising out of, or connected with any leaks, malfunctions or defects in Customer's Facilities, and this agreement to indemnify shall survive any termination of this Agreement. Customer agrees to fully comply with all MSDH Backflow Prevention Regulations and to follow the guidelines set forth by MSDH and in effect from time to time regarding onsite wastewater disposal.

6. TAP. For sewer service to Customer, to the extent not already in place, Canebrake Utilities shall install a tap into Canebrake Utilities' sewer system for sewer service. Any such tap shall remain the property of Canebrake Utilities who shall have the exclusive right to use and/or remove the same.

7. PAYMENTS. During the Term, Customer agrees to: (i) pay to Canebrake Utilities all monthly service charges by Canebrake Utilities to Customer for sewer service to Customer's Property, and all other charges, rates and/or fees charged by Canebrake Utilities to Customer, in accordance with the Rate Schedule; and (ii) comply with all Rules. For most sewer Customers, Customer's monthly water usage, as measured by the Meter, shall be used as a basis for measuring the monthly flow of Customer's Domestic Wastewater into the Wastewater Collection System. For all water which passes through the Meter, Customer agrees to pay at the applicable monthly service charge for sewer service as shall be determined by Canebrake Utilities from time to time in accordance with the Rate Schedule. If water service is available to Customer's Property, but no water is used, Customer shall pay the minimum monthly service charge for sewer service in accordance with the Rate Schedule. Alternatively, Canebrake Utilities may elect to install, at the Point of Entry into the Wastewater Collection System, a meter for measuring the monthly flow of Customer's Domestic Wastewater into the Wastewater Collection System, and any such meter shall remain the property of Canebrake Utilities who shall have the exclusive right to use and/or remove the same.

8. INTENTIONALLY LEFT BLANK.

9. INTENTIONALLY LEFT BLANK.

10 PERMITTED DISCHARGES. Notwithstanding anything to the contrary, the only discharges permitted from Customer's Property or Customer's Facilities into the Sewer System shall be discharges of Domestic Wastewater generated from Customer's Property and properly pretreated in a properly functioning Pretreatment System located on Customer's Property before being discharged through the Point of Entry into the Sewer System and all such discharges must be of such quality that:

(a) The discharges and effluent thereof meet all then current and applicable (i) federal, State of Mississippi and local laws, rules, and regulations; and (ii) standards, restrictions and/or requirements of the EPA, MDEQ, MSDH and any other governmental body having legal authority to set standards, restrictions or requirements for such discharges and/or effluent;

(b) No part of the Sewer System will be corroded, clogged or otherwise damaged by any such discharges or the effluent thereof;

(c) Oil and grease in any appreciable amounts are not included in any such discharges unless the same have been pretreated as required to meet the requirements of Section 10(a) above;

(d) Storm water, surface water, groundwater, roof runoff, subsurface drainage, and industrial process waters are not introduced into the Sewer System;

(e) The discharges and effluent thereof do not contain any solid or viscous substances in quantities or of such size capable of causing

obstruction to the flow in sewers, or other interference with the proper operation of the Sewer System, or any garbage that has not been properly shredded;

(f) The discharges and effluent thereof do not include any Industrial Waste or wastes from any industrial processes in any form; and
(g) The discharges and effluent thereof are amenable to treatment by the wastewater treatment process employed by Canebrake Utilities from time to time to the degree that Canebrake Utilities and its Sewer System can meet the then current and applicable standards or requirements of the EPA, MDEQ, MSDH and any other governmental body having legal authority to set such standards or requirements.

11. **WASTEWATER TITLE.** Title to Domestic Wastewater and all effluent therefrom discharged from Customer's Property or Customer's Facilities shall remain in Customer to the Point of Entry for sewer service and, upon passing through such Point of Entry, shall pass to Canebrake Utilities. However, any governmental or administrative fine, penalty, charge or assessment hereafter levied against Canebrake Utilities by any charging governmental or administrative department, agency or other body and reasonably determined by Canebrake Utilities to have resulted from discharges from Customer's Property or Customer's Facilities shall be chargeable to Customer regardless of whether title to the Domestic Wastewater or effluent giving rise to any such fine, penalty, charge or assessment has vested in Canebrake Utilities ("Chargeable Assessment"). Customer shall be advised of any such Chargeable Assessment and agrees to reimburse Canebrake Utilities therefor within thirty (30) days of Customer's receipt of a bill for any such Chargeable Assessment. Nothing in this Section shall be construed as an obligation of Customer to indemnify or hold harmless Canebrake Utilities for its own negligence or illegal or intentional detrimental acts.

12. **IMPERMISSIBLE DISCHARGES.** Customer shall insure that Customer's Facilities are protected from illicit third party discharging, including industrial or septic tank discharges. If inspection indicates that damage may be resulting from discharges by Customer into the Wastewater Collection System, Customer shall be responsible to Canebrake Utilities for any such damages, payable immediately upon reasonable determination by Canebrake Utilities of, and the billing to Customer for, the amount thereof.

13. **INDEMNIFICATION.** Customer agrees to indemnify and hold harmless Canebrake Utilities from all claims, disputes, demands, liability, losses, causes of action, damages, costs and expenses, including reasonable attorney's fees, arising out of or related to the failure of Customer, Customer's Property or Customer's Facilities or any discharges from either to fully comply with any of the provisions of Sections 5, 10, 11 or 12 of this Agreement. All indemnification obligations of Customer under this Agreement shall survive any termination of this Agreement.

14. **FAILURE TO PAY; NONCOMPLIANCE.** The failure of a Customer at any time to timely pay the applicable charges and fees for service to Customer's Property as shall be determined by Canebrake Utilities from time to time in accordance with the Rate Schedule then in effect shall result in the automatic assessment by Canebrake Utilities of such fees as shall then be applicable, all in accordance with the Rules then in effect, and Customer agrees to pay all such fees. Canebrake Utilities shall have the right to discontinue service to Customer on any day selected by Canebrake Utilities for any of the following reasons: (a) for nonpayment of any bill to Customer or for violation of any of its Rules, service may be discontinued in accordance with the MPSC Rules after Canebrake Utilities has given written notice to Customer as required by the MPSC Rules; or (b) for fraudulent, careless, negligent or unlawful use of any commodity or service, where a dangerous condition is found to exist on Customer's Property, or for failure of Customer or Customer's Property or Customer's Facilities or any discharges from either to fully comply with any of the provisions of Sections 5 or 10-13 of this Agreement, sewer service may be discontinued without advance notice. In order to discontinue or disconnect service to Customer, Canebrake Utilities shall have the right to take such action as is necessary for such purposes, including without limitation, cutting, capping, plugging, closing, locking and/or otherwise modifying or disconnecting Customer's Facilities or any other utility facilities, and the right to enter upon Customer's Property for such purposes. If service is discontinued, Customer shall be liable for all costs involved in cleanup.

15. **MISCELLANEOUS.** (a) Except as may be otherwise provided in this Agreement, no amendment of this Agreement and no waiver of any provision of this Agreement shall be binding unless the amendment or waiver is in writing and executed by both parties hereto; (b) If any provision of this Agreement, or the application thereof to any person or circumstance, shall for any reason and/or to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law; (c) Customer's rights under this Agreement may not be assigned; otherwise, this Agreement shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, only; (d) Any notices sent pursuant to this Agreement same shall be in writing (except as may be otherwise provided in this Agreement) and be deemed delivered (i) on the date hand delivered, (ii) two (2) days after mailing via U.S. Mail, postage prepaid, certified, return receipt requested, or (iii) one (1) day after depositing with any nationally recognized overnight courier service, addressed to the parties hereto at their respective addresses on page 1 hereof, or such other addresses as they may hereafter specify by written notice; (e) This Agreement shall be governed and construed in accordance with Mississippi laws; (f) The captions used in this Agreement shall not limit or otherwise affect the meaning of any provision hereof.

16. **NO CONFLICT.** No provision of this Agreement is intended to conflict with the Rules, Rate Schedule or the MPSC Rules.

WITNESS THE SIGNATURES of the parties to this Agreement as of the Effective Date.

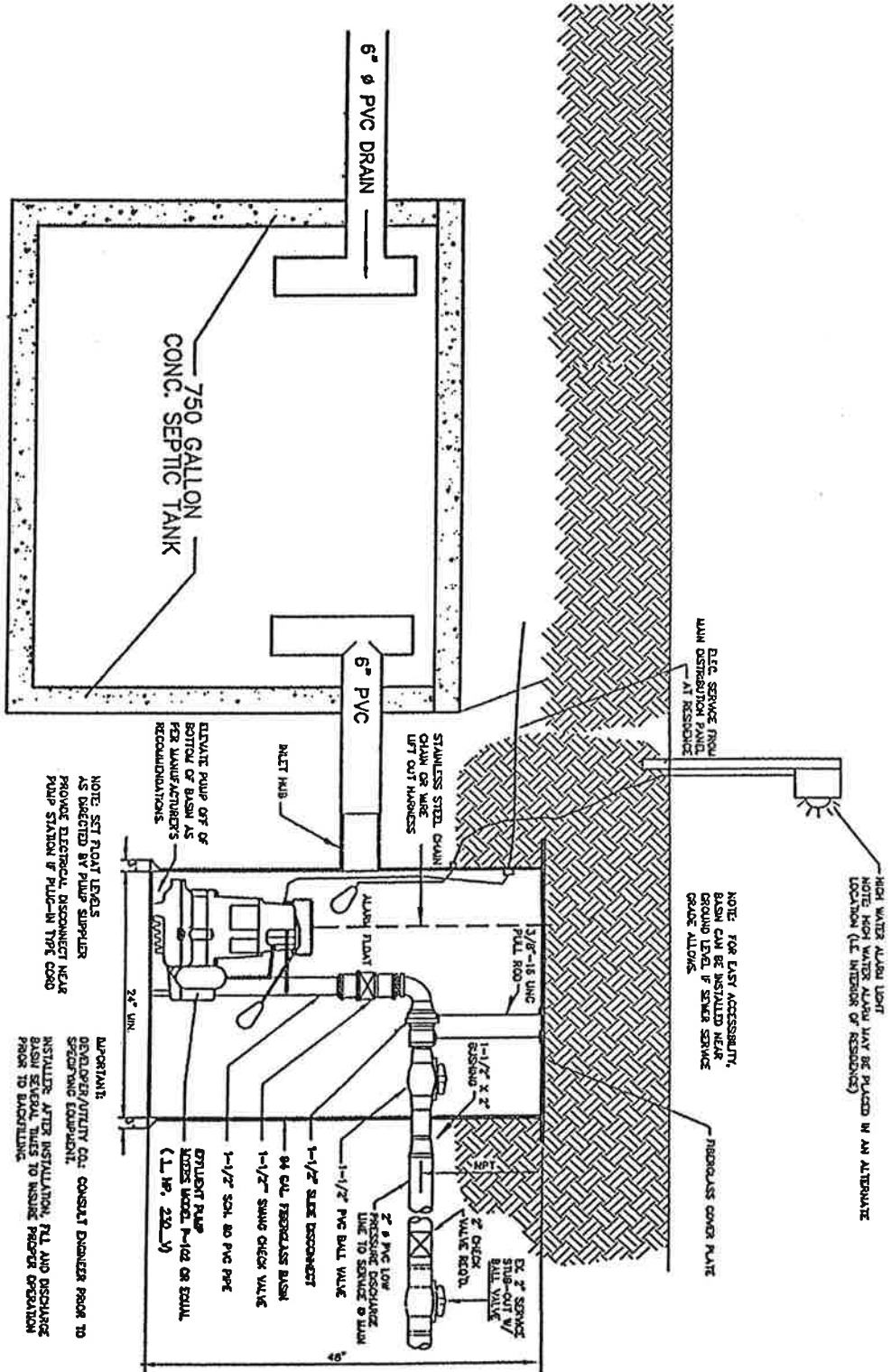
CANEBRAKE UTILITIES:
CANEBRAKE UTILITIES ASSOCIATION, INC.,
a Mississippi corporation

CUSTOMER:

By: _____
Bennett V. York, President

By: _____ Its: _____

EXHIBIT 1



NOTE: SET FLOAT LEVELS AS DIRECTED BY PUMP SUPPLIER. PROVIDE ELECTRICAL DISCONNECT NEAR PUMP STATION IF PLUG-IN TYPE CORD IS NOT USED.

IMPORTANT: DEVELOPER/UTILITY CO.: CONSULT ENGINEER PRIOR TO SPECIFYING EQUIPMENT.

IMPORTANT: INSTALLER: AFTER INSTALLATION, FILL AND DISCHARGE BASIN SEVERAL TIMES TO INSURE PROPER OPERATION PRIOR TO BACKFILLING.

Typical Pump Installation Detail