



Utility Service Co.

I N C O R P O R A T E D

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WATER TANK MAINTENANCE CONTRACT

This agreement entered into by and between New Landings Utility, Inc., hereinafter known as the Owner, and Utility Service Co., Inc., hereinafter known as the Company.

The Owner agrees to employ the Company to provide the professional service needed to maintain its **150,000** gallon elevated water storage tower located at **the end of Evergreen Trail**.

This agreement outlines the Company's responsibility for the care and maintenance of the above described water storage tank. Care and maintenance shall include the following:

The Company will annually inspect and service the tank beginning in the year **2005**. The tank and tower will be thoroughly inspected to assure that the structure is in a sound water tight condition.

Biennially, beginning with the first washout/inspection in **2007**, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. This cleaning will utilize high-pressure equipment with chemical injection. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning to service.

The Company shall furnish all specialized services including engineering and inspection services needed to maintain and repair the tank and tower during the term of this contract. These repairs include steel replacement, steel parts, expansion joints, water level indicators, sway rod adjustments, manhole covers/gaskets, and other component parts of the tank or tower.

The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting to be determined by the thickness of the existing liner and its protective condition. The need for exterior painting to be determined by the appearance and protective condition of the existing paint.

When painting is needed, all products and procedures will be equal to, or exceed the requirements of the Illinois Environmental Protection Agency, the American Water Works Association, and the Steel Structures Painting Council as to surface preparation, coating materials, and disinfection.

When interior renovation is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area.

At the time the exterior requires painting, the Company agrees to utilize a coating system, which best suits the site conditions, environment, and general location of the tank.

The Company will install an anti-climb device on the access ladder to prevent unauthorized persons from climbing the tower.

A lock will be installed on the roof hatch of the tank to prevent any unauthorized entry to the water tank. Keys to the tank will be retained by the Owner and the Company.

The Company will provide emergency service to handle any problems with the tank at no additional cost to the Owner. Reasonable travel time must be allowed for the repair unit to reach the tank site.

The Company will furnish relief valves, if needed, to install in the water system so the Owner can pump direct and maintain water pressure while the tank is being serviced.

The Company will furnish current certificates of insurance coverage to the Owner at the time any work is performed, or upon renewal of any policy.

The Owner shall have the right to continue this contract for an indefinite period of time providing the Annual fee is paid in accordance with the terms of payment. A base fee of \$ 11,555.00 has been established for this tank in 2008. See Addendum No. 1 for years 2005 through 2007.

In Year 2011 and each third year thereafter, the annual fee will be adjusted to reflect the current cost of service. The adjustments, either up or down, shall be limited to a maximum of 5% annually.

It is agreed that future mandated environmental, health, or safety requirements which cause significant changes in the cost of tank maintenance will be just cause for modification of this agreement. The Company is accepting this tank under program based upon existing structure and components [ANY MODIFICATIONS TO THE TANK, INCLUDING ANTENNA INSTALLATIONS, SHALL BE APPROVED BY UTILITY SERVICE CO., INC. PRIOR TO IMPLEMENTATION AND MAY WARRANT AN INCREASE IN THE ANNUAL FEE]. This contract does not include the cost for containment or disposal of any hazardous waste materials, nor resolution to operational problems due to cold weather, Acts of God, structural damage due to antenna installations or other attachments for which the tank was not originally designed, or other conditions which are beyond the Owners and Company control.

This contract is subject to cancellation by the Owner only if intent to cancel is received by Company ninety [90] days prior to the anniversary date. Notice of Cancellation to be delivered by registered mail and signed by three [3] authorized voting officials of the Owner's management and/or Commissioners.

This Agreement signed this 10th day of February, 2005.

OWNER:

UTILITY SERVICE CO., INC.

New Landing Utility, Inc.
by Paul F. Armstrong
President
title

Michael Olesen
by Michael Olesen
Water Systems Consultant
title

witness Paul Mcgarry

witness Pamela McClellan

seal:

seal:

Addendums to Contract Number 150,000 Gallon Elevated Tank, Dated February 10, 2005

No. 1

This tank shall receive an exterior and interior renovation prior to the first anniversary of this agreement. The full renovation cost and maintenance fees are spread over the initial three (3) years of the contract for an annual cost of \$88,946.00 in each year, plus all applicable taxes. In Year 4, the annual cost will be the established base fee of \$11,555.00.

No. 2

PAYMENT TERMS: *All applicable taxes are the responsibility of the Owner and in addition to the stated costs and fees in this contract.* The first annual fee shall be due and payable in full upon completion of the renovations in Year 1. Beginning in Year 2 and each year thereafter on the anniversary date of the contract document, the program fee is due and payable.

No. 3

The initial three (3) years of the contract represent a project cost of \$266,838.00. Should the Owner elect to cancel this agreement prior to remitting the first three (3) annual fees then the balance of the first three (3) annual fees shall be due and payable within thirty (30) days of cancellation.

Owner New Landing Utility, Inc.

Utility Service Company, Inc.

by Gene R. Armstrong, Pres.

by Michael G. O'Leary

date 2/10/2005

date 2/10/05

witness Paul J. McGinnis

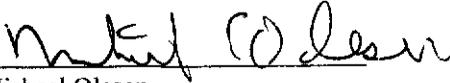
witness Pamela McClellan

The above signatories certify that they are duly authorized to sign this Contract and the Addenda on behalf of the entities represented.

The Company reserves the right to assign any outstanding receivables from this Contract to its Bank or other Lending Institutions as collateral for any Loans or Lines of Credit.

NEW LANDINGS UTILITY, INC., ILLINOIS
WATER TANK MAINTENANCE PROGRAM
HOLD HARMLESS AGREEMENT

The Company agrees to indemnify the Owner and hold the Owner harmless from any and all claims, demands, actions, damages, liability, and expense in connection with loss of life, personal injury, and/or damage to property by reason of any act, omission, or representation of the Company or its' subcontractors, agents, or employees in the execution of this Contract.



Michael Olesen
Utility Service Company, Inc.



Witness

Dated: February 10, 2005