

AGREEMENT FOR WATER SERVICE AND SEWER SERVICE

This Agreement for Water Service and Sewer Service, (“Agreement”), made and entered into on the 17th day of January, 2011, by and between the **CITY OF CROSSVILLE, TENNESSEE, a municipal corporation**, (“City”), and **CUMBERLAND COUNTY HABITAT FOR HUMANITY, INC., a Tennessee not-for-profit corporation**, (“Habitat”).

WITNESSETH:

WHEREAS, Habitat owns that certain tract or parcel of land located in Cumberland County, Tennessee, which tract is more fully described in the Deed of record in Book 1330, page 554, Register’s Office, Cumberland County, Tennessee, which Deed is incorporated herein by reference thereto, and is also designated by the Cumberland County Assessor as Parcel 024.00, of Tax Map 009-L, Group “C”;

WHEREAS, Habitat intends to subdivide said real property into approximately fifty-eight (58) lots and has received preliminary plat approval from the City of Crossville Panning Commission and other appropriate regulatory authorities;

WHEREAS, Habitat has requested the City to make a commitment to serve the approximate number of fifty-eight (58) lots in its subdivision with water service and sewer service, to which the City has agreed; and,

WHEREAS, the City is willing and able to serve said Habitat development upon the terms, provisions and conditions hereafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants of the parties hereto, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. Upon completion by Habitat of the City's requirements set forth herein, the City hereby agrees to provide water service and sewer service to the Habitat Development described herein, and agrees to and will permit Habitat to connect on to the City's water main or mains and sewer main or mains, and to provide as follows: on an "as-needed" basis, the City hereby agrees to provide specifically for said Habitat development as described herein, fifty-eight (58) prepaid water taps, fifty-eight (58) prepaid sewer taps, one (1) main line water tap, and one (1) main line sewer tap. However, and notwithstanding any term or provision herein to the contrary, Habitat must notify the City, on or before March 1 of each calendar year, regarding the number and type of taps requested for the then upcoming fiscal year of the City so that the City can budget for the same. The City reserves the right to grant only those taps for which request is made for the relevant fiscal year and to postpone additional requests to the next budget period.

2. At its own expense and at no cost and expense to the City, Habitat shall install, lay and construct all on-site and off-site water system improvements as required by the City to be installed to serve the Habitat project, including all labor. The construction and installation of the on-site and off-site water system improvements shall be in strict accordance with the plans, specifications and requirements approved by the City and by the State of Tennessee and shall be subject to inspection and approval by the City. All water system and sewer system improvements shall be located as approved by the City.

3. To the extent that the same is necessary, Habitat shall obtain water line and sewer line easements necessary, if any, from any third party property owners.

4. Habitat shall grant unto the City all easements and property rights, if any, deemed by the City to be reasonably necessary for the patrol, construction, maintenance, installation, monitoring and excavating of and for the water lines, sewer lines, fixtures and improvements contemplated herein.

5. Habitat shall give reasonable notice to the City before any work is commenced and reasonable notice of the several stages as the work progresses so that the City may observe the work and make reasonable inspection of the same.

6. Habitat has also agreed to donate to the City that certain tract of real property described below, which shall be transferred to the City within twenty (20) days of the execution of this Agreement by all parties, said real property being described on Exhibit "A" attached hereto and incorporated herein by reference thereto as if copied herein verbatim, ("Obed River Property"). The transfer of the Obed River Property shall be made by the Habitat to the City by general warranty deed, free and clear of all liens, encumbrances, restrictions, exceptions to title. The City shall obtain, at its sole cost and expense, a commitment of title insurance from Looney & Chadwell Title Services, LLC, for the Obed River Property and, in the event that said title commitment reveals any

encumbrance, lien, restriction, or other exception to title of any kind or type whatsoever, Habitat, upon written notice by the City, shall have an additional period of twenty (20) days beyond the initial period of twenty (20) days, to cure, clear or otherwise remove such exception to title, if any. Failure to clear, cure or otherwise remove said objection to title within such period of time, shall result in the City being then free to either close this transaction without objection to any such exceptions to title, or to terminate this Agreement, the choice between either of said remedies being the decision of the City within its sole and unfettered discretion.

The City, in the event of closing, shall be responsible for its own attorney fees, closing fees, title and abstract fees, title insurance, recordation fees and all other fees associated with the transaction, other than those incurred by Habitat, including Habitat's own attorney's fees, if any, for which Habitat shall be responsible.

The grant of the taps contemplated herein by the City to Habitat are a donation by the City to Habitat, as is the conveyance of the Obed River Property to the City by Habitat.

7. Habitat shall abide by such regulatory requirements set forth by the City Code and Charter, the City of Crossville Planning Commission, and such other regulatory, statutory and other applicable requirements as may apply to the Habitat project, it not being the intent of this Agreement to waive or otherwise abrogate any such lawful requirements.

8. All easements, if any, for the construction of the water system improvements and sewer system improvements shall be conveyed to the City as required by the City's rules and regulations.

9. Habitat further agrees to obtain at its own cost and expense, for and on behalf of itself and the City, all such licenses and permits as may be necessary or appropriate, particularly such as may be required by the State of Tennessee or Cumberland County.

10. Upon installation, testing, disinfecting, approval and acceptance for use by the City, all water system components and sewer system components leading from the City's system to the discharge side of each meter, including, without limitation, mains, equipment, facilities, instrumentalities, lateral lines, meter boxes and connections, shall become and remain the sole property of the City without the necessity of a formal conveyance from Habitat to the City. Habitat does hereby warrant that title to the same shall be free and unencumbered.

11. The City shall be obligated to furnish potable water as well as sewer treatment service for the approximate fifty-eight (58) lots in the Habitat project. However, this Agreement expressly does not include the monthly costs for the water and

sewer services contemplated herein. Further, this Agreement does not include, and there is specifically excluded herein, all other costs associated with the water and sewer services contemplated herein, including, without limitation, grinder pumps. In other words, the City is willing to grant the taps as outlined above, but the individual lot owners shall continue to be liable and responsible, in perpetuity, for the all other costs and items, including, without limitation, payment of the then-applicable water bills and sewer bills for such lots or tracts at the then applicable rates and as amended, and for the purchase and installation of grinder pumps and all other costs. Nothing in this Agreement is intended, nor shall be implied or construed, to abrogate the individual tract or lot owners from paying for the water and sewer services provided by the City.

12. This Agreement is not assignable without the City's prior written consent.

13. Habitat shall require any contractor or contractors which perform work to install the water system improvements and sewer system improvements to furnish Habitat bonds covering faithful performance and the payment of obligations arising from work on said improvements. Habitat shall provide any lender or contractor which performs work on the installation of the water system improvements and sewer system improvements, a copy of this Agreement before entering into any contract with such lender or contractor.

14. Habitat covenants and agrees to hold the City harmless from the claim of any person, firm or corporation and to defend any action at law or equity brought, and to protect the City against any judgments rendered, growing out of the use and installation of the water system improvements herein and the sewer system improvements contemplated herein, whether the same be on private or public property. Habitat further agrees to pay all of the City's costs and expenses, including attorney fees, incurred by the City to defend any claims made against the City growing out of the use and installation of the water system improvements and/or sewer system improvements herein provided for whether the same be on private or public property.

15. In the event Habitat breaches any provision of this Agreement and the City institutes legal action to enforce the provisions of this Agreement or to recover damages caused by such breach, Habitat agrees to pay all expenses of such legal action including the City's court costs and attorney fees.

16. Habitat understands and agrees that no third party shall obtain any benefits or rights under this Agreement with respect to water tapping privileges and sewer tapping privileges, and no connection shall be made to any residence or other customer site until all necessary arrangements have been made in accordance with the City's rules and regulations.