

advance of, and in anticipation, of the Closing. The parties shall cooperate in connection with the timing of the termination of the agreement with the current operator, with the intention that Aqua, pending Closing, would provide its operational services for the same fee that was being paid under that agreement.

10.5 Road Standards

The parties to this Agreement shall review Association's existing standards for the opening and restoration of roads and shall either confirm those standards or develop new standards that will apply to the repair of leaks and the installation of new pipelines. Once confirmed or established, those standards shall be complied with by Aqua and by any builders/developers or contractors that are working in the Lake Holiday community.

10.6 Contingent Payments

For each calendar year after the calendar year in which the Closing occurs, limited to an overall period of fifteen (15) consecutive years, Aqua shall pay the Association the amount of Thirty-Eight Thousand Dollars (\$38,000.00) per year from the tapping fees collected that year, provided that the following shall have occurred:

For the first eight (8) calendar years after the calendar year in which the Closing occurs:

at least seventy (70) homes shall have connected to Aqua's wastewater system serving the Service Area during that particular calendar year;

For years nine (9) through fifteen (15):

at least thirty (30) homes shall have connected to Aqua's wastewater system serving the Service Area during that particular calendar year.

If the number of homes connected in any calendar year exceeds the minimum required number of 70 in each of the first 8 years and 30 in each of the following 7 years, that excess amount of homes shall be treated as being placed in the Excess Home Bank. Homes that are withdrawn from the Excess Home Bank shall reduce the number of homes that remain in the Excess Home Bank. For example, if 90 homes connect in each of the first 3 years, there shall be 60 homes in the Excess Home Bank. To continue this example, if in a subsequent year the number of new home connections is less than the number required to meet the required target for that year, the Association would be able to withdraw from the Excess Home Bank to make up the deficit for that year, meeting the required number of homes connected and entitling the Association to the payment of \$38,000 for that year.

If the Association is entitled to a payment based on the number of homes connected in a particular calendar year, Aqua shall make that payment prior to February 1st of the following year. In no event shall the total payments for the fifteen (15) year period exceed Five Hundred Seventy Thousand (\$570,000.00).