FRANCHISE AGREEMENT

WHEREAS, Fayette County (hereinafter called "County") proposes to acquire, construct and equip a water and sewerage system to serve customers within its geographical limits; and

WHEREAS, the County desires to include within the area served by such system the area included within the corporate limits of Peachtree City, Georgia (hereinafter called "Peachtree") and within any extensions of said corporate limits; and

WHEREAS, in order for County to acquire, construct and equip such water and sewerage system it will be necessary for the County to issue and sell its water and sewerage bonds in the approximate principal amount of $766,000; and

WHEREAS, after due investigation and careful consideration, the Council of Peachtree deems it advisable to grant a franchise to County upon the terms and conditions hereinafter set forth; and

WHEREAS, the entering into of this contract is authorized under the Constitution and laws of the State of Georgia, particularly Article VII, Section VI, Paragraph 1 (a) of the Constitution;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, Peachtree, acting by and through its Council, pursuant to an ordinance duly adopted, hereby grants to County the exclusive right, privilege and franchise and the consent of Peachtree to enter the corporate limits of Peachtree as said corporate limits now exist and as same may hereafter be extended, and therein acquire and construct, and thereafter operate, maintain, repair, replace, add to, extend and improve a water and sewerage system, together with all necessary mains, pipes, devices, outlets, meters, connections, appurtenances and accessories necessary or useful in connection therewith for the purpose of providing Peachtree and the inhabitants thereof with the services of a modern water and sewerage system, and to accomplish such purpose to operate, maintain and repair such water and sewerage facilities in said City along, across, over and under the streets, alleys, sidewalks and other public ways and places of Peachtree.

EXHIBIT "P"
The following conditions are made a part of this exclusive privilege and franchise:

1. This grant and franchise shall be dated as of April 1, 1966, and the term hereof shall be for a period of 40 years from such date.

2. The County shall in all cases restore all streets, highways, alleys, roads, sidewalks and public places, and other grounds of Peachtree disturbed by the County in the exercise of this exclusive franchise to the condition prior to such disturbance, and shall conduct its operation, maintenance, repair, replacement, extension and additions to the system without undue obstruction of traffic, foot or vehicular, and shall make all restorations as above required within a reasonable time.

3. In the construction, operation, maintenance, replacement, repair and extension of said water and sewerage system, County shall assume all liability insofar as Peachtree might be liable for damage to persons or property caused by it or its agents in connection with the exercise of any of the powers or privileges of this franchise, and will indemnify and hold harmless Peachtree from any such liability. County will undertake to supply a reasonable amount of water to all residents of Peachtree desirous of obtaining such water service.

4. The County covenants and agrees that after construction of the water and sewerage system now contemplated, it will make additions and extensions to said system within the present corporate limits of Peachtree and any extension of said corporate limits, if such additions and extensions are deemed necessary and desirable by the governing body of the County and the revenues to be derived therefrom, in the discretion of the governing body of the County, will justify the cost of such additions and extensions and further if funds are available to the County for such purpose.

It is expressly provided, however, that in the event the County shall hereafter be unable or unwilling, from time to time, to make additions and extensions to its system for industrial purposes within said present and future corporate limits of Peachtree, then Peachtree, if it desires to do so, may construct such additions, extensions and improvements, without violating this
exclusive franchise agreement, after having received written notice from the County that it is unwilling or unable to make the additions and extensions desired by Peachtree, or in any event after the expiration of ninety (90) days from the date Peachtree furnishes the County with written notice of its desire for additional water or sewerage facilities for industrial purposes. In the event Peachtree should construct said additions and extensions after having received from the County said written notification, the County shall be under no legal obligation to furnish water or sewerage services, facilities and commodities, or both, to Peachtree, in connection with said additions, extensions and improvements constructed by Peachtree.

5. At the expiration of this exclusive franchise, or sooner if otherwise terminated, Peachtree, upon due written notice to County, shall have the right and option to purchase from County the water and sewerage system, including pipes, lines and facilities within the then existing corporate limits of Peachtree, if the County shall have the right to sell all or any part of the system under the provisions of any resolution adopted by the County authorizing the issuance of any of its water and sewerage revenue bonds which are then outstanding. It is expressly provided, however, that the purchase price paid by Peachtree to County shall be at least sufficient to comply with the provisions of any resolution adopted by County authorizing the issuance of any water and sewerage revenue bonds of the County which are then outstanding.

6. Any transferee, assignee or successor of County shall hold and exercise such rights, powers and privileges hereinabove granted under this exclusive franchise, subject to all the terms and conditions as herein set forth.

7. County will adopt, for customers residing within the present corporate limits of Peachtree, an initial schedule of rates, fees and charges for water furnished and sewerage service, as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Gallons</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>3,000 gallons or less</td>
<td>$3.00 minimum per month</td>
</tr>
<tr>
<td>Next</td>
<td>7,000 gallons</td>
<td>60 per 1,000 gallons</td>
</tr>
<tr>
<td>Next</td>
<td>40,000 gallons</td>
<td>40 per 1,000 gallons</td>
</tr>
<tr>
<td>All over</td>
<td>50,000 gallons</td>
<td>30 per 1,000 gallons</td>
</tr>
</tbody>
</table>

Sewer Charge - $0.08 per 1,000 gallons of water used per month.
Industrial

For water over 500,000 gallons per month a rate of $0.25 per 1,000 gallons can be contracted for. A demand formula will require payment of 70% of the amount contracted for whether used or not and water used above the amount contracted for will be based on $0.30 per 1,000 gallons.

8. In granting this exclusive franchise, Peachtree recognizes that the County, in order to acquire and construct a water and sewerage system, will issue and sell its revenue bonds to finance such undertaking and that County, in its resolution to be adopted, authorizing the issuance of such revenue bonds as provided by the Revenue Bond Law, will covenant to adopt, maintain and revise rates and collect fees and charges to the extent necessary to produce funds sufficient at all times to operate and maintain said system on a sound businesslike basis, to pay the principal of and interest on any revenue bonds hereafter issued by County as same mature and to create and maintain an adequate reserve for that purpose, as well as to create and maintain a reserve for extensions and improvements to the system. It is further recognized by Peachtree that County may hereafter issue from time to time refunding bonds to refund any or all of the then outstanding bonds of County and the aforesaid covenant, relative to the adoption, maintenance and revision of rates and the collection of fees and charges for water and sewerage services and facilities would likewise be applicable to any such bonds or obligations. County, however, by the acceptance of this franchise, covenants to operate and maintain, at all times, its said system in a businesslike manner and that it will undertake to maintain rates and collect fees and charges on a reasonable and equitable basis and in keeping with its obligations under any resolution authorizing the issuance of any of its obligations, and that all such rates shall, as far as practicable, be uniform in application consistent with the cost involved. It is further recognized by Peachtree, in granting this exclusive franchise, that all obligations herein imposed on said County shall be performable by it solely from the revenues of the water and sewerage system to be acquired, construct and equipped and as thereafter added to, extended and improved.
9. That if any disagreement shall arise with reference to any of the terms or conditions of this franchise, or with reference to any matter connected with same, such disagreement or dispute shall be immediately submitted to and decided by arbitrators. County will appoint one arbitrator and Peachtree one arbitrator, and the two so appointed shall select a third arbitrator, and two of the three so chosen shall control, and their decision in the matter shall be binding on both of the parties hereto, without recourse; provided that if the two arbitrators first chosen cannot agree on a third, such third arbitrator shall be appointed by the Judge of the Superior Court of Fayette County upon application by either of the parties hereto.

10. In case by reason of force majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this agreement, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed; but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, orders of any kind of the Government of the United States, of the State of Georgia, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipe lines, partial or entire failure of water supply, and inability on the part of County to supply water and sewerage services hereunder, and on account of any other causes not reasonably within the control of the party claiming such inability.

11. It is expressly understood and agreed that the ability of the County to construct and acquire such water and sewerage system is predicated upon, its being able to issue and deliver its water and sewerage revenue bonds for
such purpose and to receive the proceeds therefor and in the event County is unable to issue and deliver said bonds, then this contract shall be of no force and effect and Peachtree shall have no recourse against County either in law, equity or otherwise.

12. That while this contract is between the parties hereto, it is agreed that the holders of the revenue bonds of the County will have an interest herein and the parties hereto covenant that this contract cannot be modified or amended in any particular which would in any respect adversely affect the rights of any of such holders.

13. That should any phrase, clause, sentence or paragraph of this franchise be held invalid or unconstitutional by any court of competent jurisdiction of this State or of the United States in any manner or respect whatsoever, it shall in no wise affect any or all of the remaining provisions, all of which shall remain in full force and effect.

IN WITNESS WHEREOF, Peachtree City, Georgia, pursuant to an ordinance duly adopted by its Council, has caused this exclusive franchise to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk on this, the 23rd day of April, 1966.

PEACHTREE CITY, GEORGIA

(Seal)

By:

Attest:

Clerk

The above and foregoing exclusive franchise granted by Peachtree City, Georgia, be and the same is hereby accepted, this 15th day of June, 1966, as authorized by a resolution of the Board of Commissioners of Roads and Revenues for Fayette County, Georgia, passed on this date.

FAYETTE COUNTY

(Seal)

By: Chairman, Board of Commissioners of Roads and Revenues for Fayette County, Georgia
STATE OF GEORGIA
COUNTY OF FAYETTE

MODIFICATION OF FRANCHISE AGREEMENT

WHEREAS, on May 23, 1966 Fayette County and the City of Peachtree City did enter into an agreement whereby the County was granted the exclusive right, privilege and franchise and the consent of Peachtree City to enter into the corporate limits of Peachtree City and there acquire and construct and thereafter operate, maintain, repair, replace, add to, extend and improve a water system; and

WHEREAS, said grant of franchise was to be dated as of April 1, 1966 for a term of forty (40) years; and

WHEREAS, Fayette County is in the process of constructing a reservoir upon Flat Creek for the purposes of extending and improving the water system within the City of Peachtree City; and

WHEREAS, in order to accomplish said goal, it is necessary for Fayette County to issue revenue bonds to cover the expense of said extension; and

WHEREAS, Fayette County and the City of Peachtree City do desire to extend said agreement over the life of said revenue bonds;

NOW THEREFORE, IN CONSIDERATION of the premises and the mutual covenants and agreements hereinafter set forth, Peachtree City, acting by and through its council, pursuant to an Ordinance duly adopted, hereby grants to Fayette County:

1. The exclusive right, privilege and franchise and the consent of Peachtree City to enter the corporate limits of Peachtree City at said corporate limits as now exist or as the same may hereafter be extended, and therein and acquire and construct, and thereafter operate, maintain, repair, replace,
add to, extend and improve a water system, together with all necessary means, pipes, devices, outlets, meters, connections, appurtenances and accessories necessary or useful in connection therewith for the purpose of providing Peachtree City and the inhabitants thereof with the services of modern water system, and to accomplish such purpose to operate, maintain, or repair such water facilities in said City along, across, over and under the streets, alleys, sidewalks and other public ways and places within the City of Peachtree City.

2.

The grant and franchise shall be dated as of October 11, 1984, and the term hereof shall be for a period of fifty (50) years from such date.

3.

All conditions and mutual premises and covenants of the original Franchise Agreement dated April 1, 1966, originally entered into between Fayette County and the City of Peachtree City on May 23, 1966 and as amended by this Agreement and a Lake Peachtree water withdrawal agreement as amended by amendment dated the 29th day of March, 1985 shall remain in full force and effect over the lifetime of this said extension.

IN WITNESS WHEREOF, Peachtree City, Georgia, pursuant to an Ordinance duly adopted by its council, has caused this exclusive Franchise to be signed by its Mayor and its Corporate Seal to be hereunto affixed and attested to by its Clerk on this 29th day of March, 1985.

PEACHTREE CITY, GEORGIA

By: /s/ Frederick Brown, Mayor

ATTYEST:

Frances Maddox, Clerk
The above and foregoing exclusive Franchise granted by
Peachtree City, Georgia be and the same is hereby accepted,
this 2nd day of April, 1985, as
authorized by resolution of the Board of Commissioners of
Fayette County, Georgia, passed on this date.

BOARD OF COMMISSIONERS
FAYETTE COUNTY

By: [Signature]
Dennis Berkofthaugh, Chairman

ATTEST:

[Signature]
Margaret Malone, Clerk