

This Merchandise Contract and Security Agreement (the "Agreement") is between you (each person or entity signing as Purchaser at the foot of this page, collectively, whether one or more, the "Purchaser") and Baldwin County Sewer Service, L.L.C. (the "Seller"), and relates to the credit sale of the merchandise described on the reverse side hereof (the "Merchandise"). This Agreement consists of the provisions on both sides of this page including the Federal Truth-In-Lending Disclosures on Page One. Purchaser acknowledges that Purchaser understands the provisions of this Agreement, including the provisions on page one, and acknowledges receipt of a copy hereof. Purchaser hereby authorizes Seller, or any person or firm employed by Seller, to conduct an investigation of any information pertinent to this application for credit by Purchaser.

THERE IS NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE MERCHANDISE, AND NO EXPRESS WARRANTY BY SELLER EXTENDING BEYOND THE MERE DESCRIPTION OF THE MERCHANDISE ON THE REVERSE SIDE OF THIS AGREEMENT; no other express warranties and no representations, promises or statements have been made by Seller, its salespersons or agents, unless set out in writing on page one of this agreement. This Agreement is the full and complete agreement between the Purchaser and Seller.

Seller hereby retains and reserves a security interest in the merchandise until the entire amount due under this Agreement has been fully paid, and Seller shall have a security interest in the Merchandise, and any proceeds thereof, for the purposes of securing payment of the obligations of Purchaser hereunder.

Purchaser shall take good care of the Merchandise and shall be responsible for its loss by theft, flood, fire, or otherwise. Purchaser shall not resell or remove the Merchandise from the place where originally installed (the "Property") without the prior written consent of Seller. Purchaser shall not use or treat the Merchandise or any part or attachment thereof for any purpose other than that for which it was originally intended and/or authorized by the Seller. The Merchandise shall not be permanently affixed to any portion of the Property and, regardless of the manner in which it may be installed or attached to any building, fixture, the ground or any other portion of the Property, shall at all times remain personal property.

Time is of the essence in this Agreement. In the event Purchaser defaults in the payment of any installment due hereunder or fails to comply with any of the terms and conditions hereof, or if any warranty, representation or statement made or furnished to Seller by Purchaser proves to have been false in any material respect, or if Seller deems itself insecure for any reason, or if Seller deems the Merchandise in any danger of loss or damage, Seller shall have the following rights, as well as any other rights to which it may be entitled by law: (a) to declare immediately due and payable any or all installments due or to become due hereunder, and any other sums lawfully due hereunder, and/or (b) to exercise any one or more of the rights and remedies given to a secured party under the Alabama Uniform Commercial Code, including, but not by way of limitation, to take immediate possession of the Merchandise wherever found, with or without legal process, and thereafter to sell or otherwise dispose of the Merchandise, and/or (c) to discontinue sewer service to the Property. Purchaser hereby authorizes Seller to enter on the premises wherever the Merchandise is located, with or without notice, and remove the Merchandise or render it unusable, and Purchaser hereby waives any action or right of action arising from any such entry and/or repossession.

Purchaser shall have the right to prepay the entire unpaid principal balance due under this Agreement without the payment of penalty.

If the unpaid balance of Purchaser's account exceeds \$300 and if Seller refers Purchaser's account to an attorney who is not salaried employee for collection after default, Purchaser agrees to pay Seller a reasonable attorney's fee not exceeding the maximum permitted by law. If the proceeds of any sale or other lawful disposition of the property by Seller following its retaking are insufficient to pay the expenses of re-taking, holding, preparing the property for sale, selling it and the like, including reasonable attorney's fees (provided that in any consumer credit transaction such attorney's fees shall not exceed 15% of the unpaid debt and in such transaction no such fees shall be charged unless the original amount financed exceeds \$300), and to satisfy the indebtedness of Purchaser hereunder, then Purchaser agrees to pay any deficiency but Purchaser shall be entitled to any surplus if one results after lawful application of the proceeds (provided that in any consumer credit transaction if Seller repossesses or voluntarily accepts surrender of the property herein described and the original cash value of the property repossessed or surrendered was \$1,000 or less, then Purchaser shall not be personally liable to Seller for the unpaid balance of the debt arising herein and Seller is not obligated to sell the property). Any notice of sale, disposition or other intended action by Seller, or any other notice required by the Alabama Uniform Commercial Code sent to Purchaser at the address specified herein, or such other address of Purchaser as may be shown on Seller's records, at least five (5) days prior to such action, shall constitute reasonable notice to Purchaser.

All Seller's rights hereunder and under the Alabama Uniform Commercial Code are cumulative and no waiver of any default shall affect any later default, and no exercise or partial exercise of any remedy shall be construed to preclude the exercise of any other remedy, or of the remainder of such partially exercised remedy at a later time, or of the same remedy at a later time.

Purchaser agrees that Seller may, at its option, bill Purchaser monthly for the payments due under this Agreement together with amounts due Seller from Purchaser for sewer services to the Property. Purchaser's failure to receive notice of the maturity of any installments shall not relieve Purchaser of any of Purchaser's obligations hereunder. Failure of Purchaser to pay any portion of the monthly sewer service statement including the installments due under this Agreement, shall constitute a default herein this Agreement and in the contract by Seller to provide sewer services to the Property and at Seller's option, shall result in the termination of sewer services to the Property, repossession of the Merchandise, or the exercise by Seller of any other remedy provided for herein.

NOTICE

THE LIABILITY OF THE SELLER HEREUNDER IS LIMITED TO THE AMOUNT PAID BY PURCHASER FOR THE MERCHANDISE OR TO THE COST TO REPAIR OR REPLACE THE MERCHANDISE UNDER THE TERMS OF ANY EXTENDED WARRANTY EXPRESSLY STATED ON THE REVERSE HEREOF.

PURCHASER'S RIGHT TO CANCEL

If this Agreement was solicited at your residence and you do not want the goods or services, you may cancel this Agreement by delivering or mailing a notice to Seller. The notice must say that you do not want the goods or services and it must be delivered or mailed before midnight of the third business day after you sign this Agreement. The notice must be delivered or mailed to Baldwin County Sewer Service, L.L.C., P.O. Box 1628, Foley, Alabama 36535.

"CAUTION – IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS CONTRACT BEFORE YOU SIGN IT."

SIGNATURE OF PURCHASER _____

DATE _____

SIGNATURE OF PURCHASER _____

DATE _____

APPROVED BY: _____

DATE _____

BALDWIN COUNTY SEWER SERVICE L.L.C.

**PROMISSORY NOTE
CONTRACT**

_____, for value received, promises to pay to Baldwin County Sewer Service, LLC (BCSS) (or order) the principal sum of _____ with interest at the rate of _____ percent (_____ %) per annum, payable as follows:

In _____ monthly installments of \$ _____, and a final payment of _____ including interest at the rate of _____ percent (_____ %) per annum on the unpaid principal. Said installments so made shall be applied first to the interest and the remainder to reduce the remaining principal balance. The first such installment shall be due and payable on _____ and all remaining installments shall be due and payable on the same day of each successive month thereafter until the entire indebtedness, principal and interest thereon, is paid in full.

1. Each of the undersigned severally agrees that in the event of default: (a) to pay interest on the remaining principal balance of this note from the date of its maturity at the highest contract rate permitted by law until paid; (b) to pay all costs of collecting or securing, or attempting to collect or secure, this note, including a reasonable attorney's fee (provided that if the terms of this note are subject to the provisions of the Alabama Consumer Credit Act (ACCA), then (i) if the original amount financed does not exceed \$300.00, no attorney's fee shall be payable by the undersigned or (ii) if the original amount financed exceeds \$300.00, a reasonable attorney's fee not to exceed 15% of the unpaid debt shall be payable upon default and referral to an attorney not a salaried employee of the holder of this note, whether the same be collected by suit or otherwise; (c) that demand, presentment, protest, notice of protest, dishonor, suit and all other requirements necessary to hold liable each of us are hereby waived; and (d) that all rights of exemption under the constitution and laws of Alabama and any other state are hereby waived.

2. This note is secured by the property listed on a UCC 1 form of even date herewith to BCSS from _____ and the property described therein.

3. Upon the occurrence of any event of default hereunder, at the option of the holder, the entire remaining principal balance shall become due and payable immediately and the holder of this note may retrieve its property as listed on the UCC 1 form. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

4. Any of the following shall constitute an event of default hereunder: (a) failure to pay when due any money due under this note; (b) failure to perform, or breach of, any covenant, term agreement or warranty contained in any mortgage, vendor's lien deed, security agreement or other instrument securing this note; (c) the making or furnishing of any representation, statement or warranty to holder hereof by, or on behalf of, any of the undersigned which is incorrect in any material respect when made or furnished; (d) the making of an assignment by any of the undersigned for the benefit of creditors; or (e) the commencement of any receivership, bankruptcy, insolvency or arrangement proceedings initiated by any of the undersigned or any endorser or guarantor of this note or surety for any of the undersigned, or the adjudication of any of them as bankrupt or insolvent, whichever may be earlier. .

Done this _____ day of _____, 20_____.

Debtor

Debtor