AGREEMENT REGARDING WATER SERVICE RIGHTS

THIS AGREEMENT, made this _____ day of _____, 2007, by and between Tidewater Utilities, Inc., hereinafter referred to as "Utility," and the City of Dover, Delaware, hereinafter referred to as "City":

WITNESSETH:

WHEREAS, the City has served potable water and fire protection to the Wilmington College building located at 3282 North DuPont Highway (Building #1) since March 2004;

WHEREAS, said building is located within the territory encompassed by the Utility's duly granted Certificate of Public Convenience and Necessity (CPCN);

WHEREAS, said building is located on land that is contiguous to the City's water service area and is now located within the City's municipal boundary;

WHEREAS, the City desires to acquire the right to serve water to said Building #1 pursuant to the terms of this Agreement;

WHEREAS, the Utility is willing to relinquish its right to serve water to Building #1 as shown on Exhibit A under its CPCN, pursuant to the terms of this Agreement;

NOW, THEREFORE, the City and Utility, in consideration of the mutual promises, benefits, and other good and valuable considerations, intending to be bound hereby agree as follows:

1. The Utility shall take whatever legal steps are necessary and within its power to abandon, transfer, convey, assign, release, or otherwise relinquish to the City all the Utility's rights and interests under its CPCN to the area (hereinafter Property) identified in Exhibit A, attached hereto, which encompasses the aforesaid building. The Tax ID reference to this area is Tax Parcel # ED-05-057.00-01-46.01-000. The parties hereto recognize that the Delaware

Public Service Commission (PSC) may have jurisdiction over such action as it relates to the Property. The parties anticipate that the PSC will review and approve an application or applications which will result in the parties' CPCN territories being adjusted so that the Property will be deleted from the Utility's CPCN territory and added to the City's CPCN territory. The parties agree to undertake whatever steps are deemed necessary to satisfy the PSC requirements so that Utility relinquishes its rights and the City is able to acquire the rights to serve water to the Property. Such steps shall be taken with reasonable promptness.

2. The City has constructed a 12" diameter D.I.P. water main from the U.S. 13 right-of-way in an easterly direction along the northern property line of Wilmington College to extend water service to the proposed meter vault location to facilitate the interconnection as shown in Exhibit B, attached hereto. The City of Dover will own and maintain the water main up to the proposed meter vault. The purpose of the interconnection is to give both the City and the Utility a back-up source of water in the event either's water supply is insufficient. A second purpose of the interconnection is to enable the Utility, if it so desires, to purchase water from the City to serve new customers within its CPCN territory but outside the area defined by Exhibit A or to enable the City, if it so desires, to purchase water from the Utility in order to serve any customers within the City's CPCN territory.

3. The final improvements to complete the interconnection shall be constructed at a mutually agreeable point in time exclusive of this agreement. These improvements include valves, a vault(s) and a meter(s). Each party agrees to contribute 50% of the total cost of these improvements. The valves, vault(s) and meter(s) will also be owned equally (50/50) by the parties and any operation and maintenance would be equally shared. The timing of this final improvement has not been defined in this agreement to afford for a needs assessment from each party to determine the proper time to construct the final improvement.

4. Once the interconnection is completed, the parties shall have the right to purchase water from each other at the rates established for each party's other customers (e.g., the City would sell water to the Utility at the rate the City charges its "In City" customers). Neither party shall refuse to so sell water to the other party unless by so doing it is unable to service its own current customers.

5. The Utility hereby waives any and all rights to assert any claim against City arising out of the Utility's CPCN and the City serving water to Wilmington College at the Property prior to and after the effective date of this agreement, provided the City satisfies all its obligations under this agreement.

6. This Agreement shall be binding on the parties hereto, and all personal representatives, executors, administrators, heirs, successors, and assigns. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware. This agreement encompasses the entire understanding of the parties and no modification or change shall be effective unless made in writing and executed by all parties. The failure of a party to insist on strict enforcement of the terms and conditions of this Agreement shall not constitute a waiver or relinquishment of rights regarding any future enforcement.

IN WITNESS THEREOF, the said parties have executed this Agreement through the undersigned individuals who are duly authorized to and hereby do bind the respective parties to this Agreement.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

CITY OF DOVER, DELAWARE

Attest:_____ _____

Attest:_____ _____

TIDEWATER UTILITIES, INC.

Attest:_____ _____

Attest:_____ _____

STATE OF DELAWARE)
) SS.:
COUNTY OF KENT)

BE IT REMEMBERED that on this ___ day of _____, 2007, personally came before me, the Subscriber, a Notary Public for the State of Delaware, _____ of the City of Dover, Delaware, existing under the laws of the State of Delaware, a party to this Agreement, known to me personally to be such, and acknowledges this Agreement to be his act and the act of the City of Dover, that the signature of the _____ thereto is in his own proper handwriting and that he was duly authorized to bind the City of Dover to this Agreement.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

_____
Notary Public

STATE OF DELAWARE)
) SS.:
COUNTY OF KENT)

BE IT REMEMBERED that on this ___ day of _____, 2007, personally came before me, the Subscriber, a Notary Public for the State of Delaware, _____, on behalf of Tidewater Utilities, Inc., a Delaware corporation existing under the laws of the State of Delaware, a party to this Agreement, known to me personally to be such, and acknowledges this Agreement to be his act and the act of the Utility, that the signature of the _____ thereto is in his own proper handwriting and that he was duly authorized to bind the Utility to this Agreement.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

_____
Notary Public

EXHIBIT A

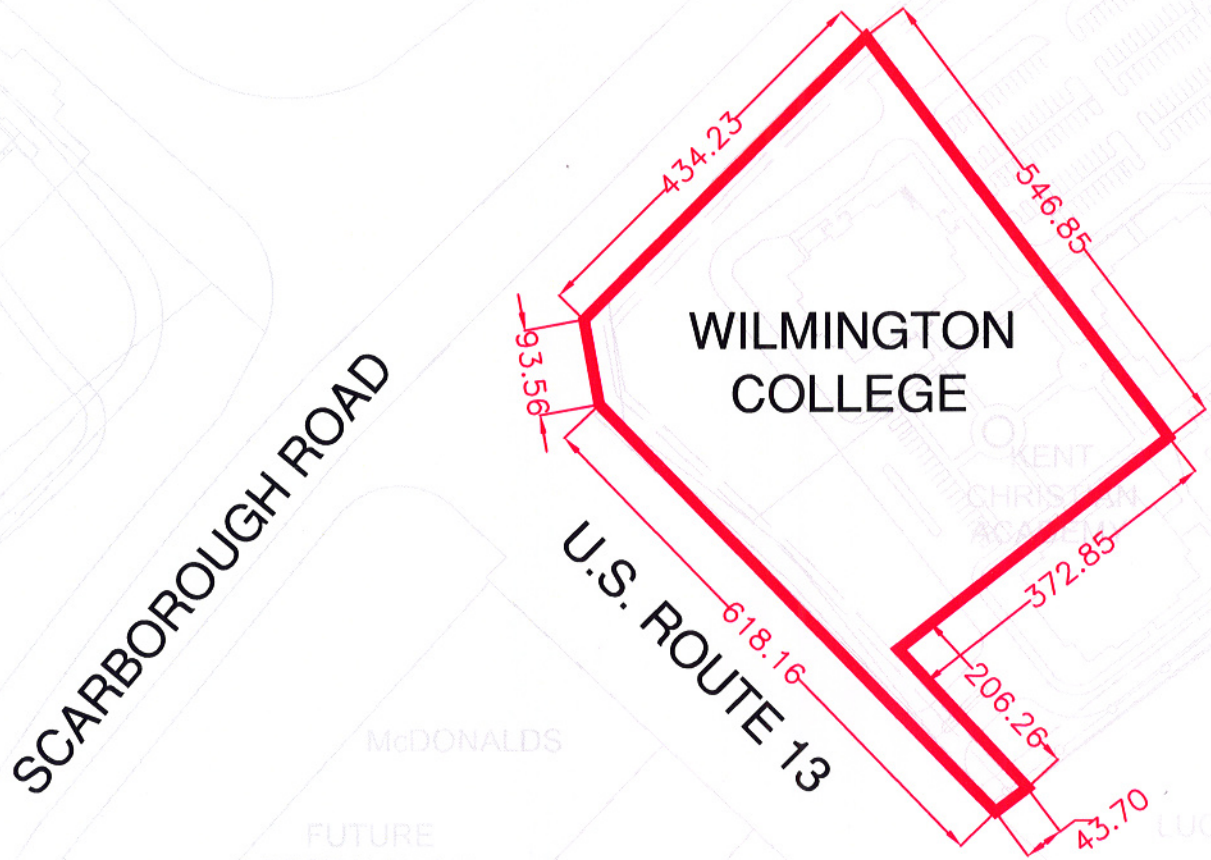
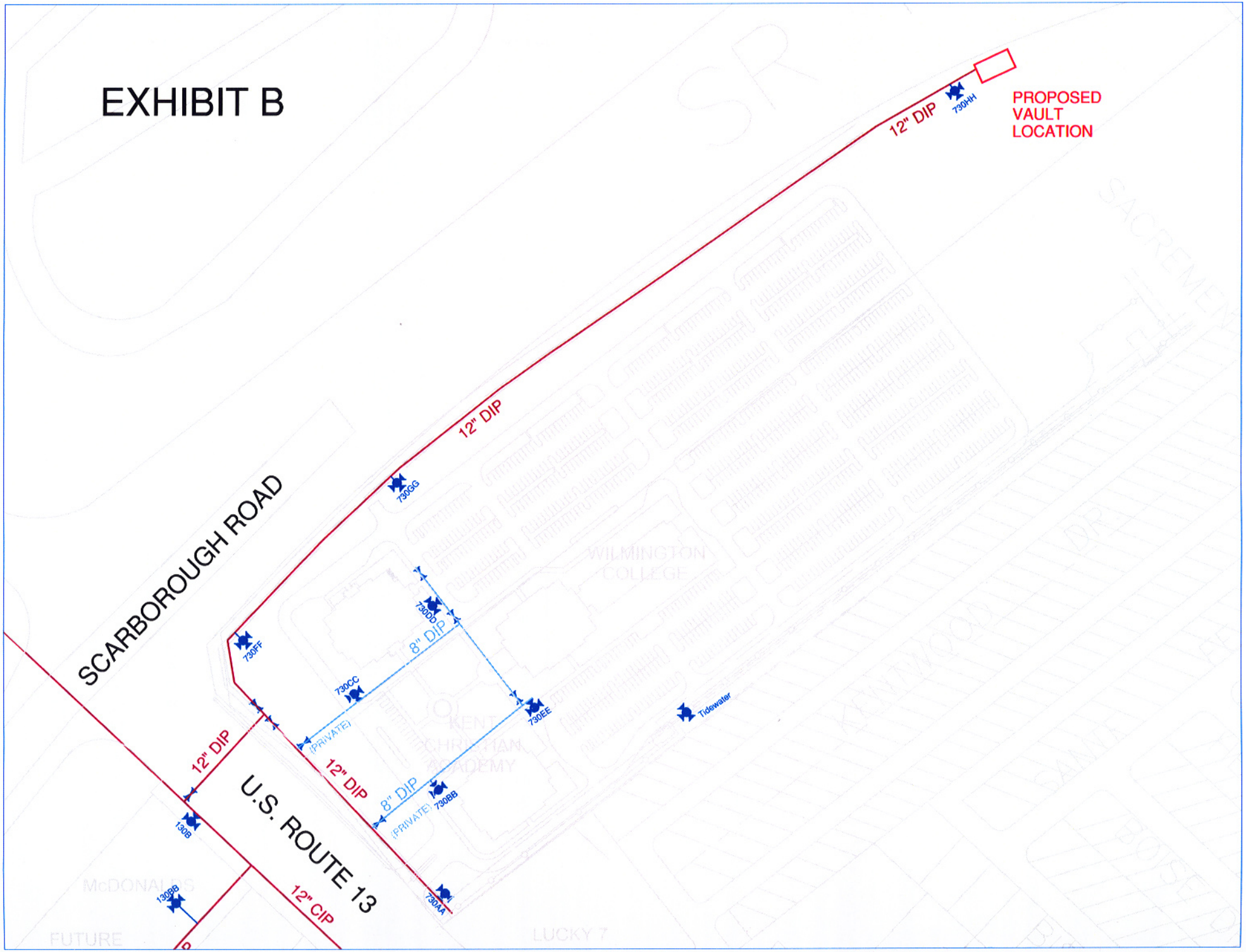

SCARBOROUGH ROAD
U.S. ROUTE 13
WILMINGTON
COLLEGE
434.23
546.85
93.56
618.16
372.85
206.26
43.70

EXHIBIT B


PROPOSED
VAULT
LOCATION
12" DIP
730HH
12" DIP
730GG
SCARBOROUGH ROAD
730FF
730DD
8" DIP
730CC
730EE
(PRIVATE)
12" DIP
12" DIP
8" DIP
(PRIVATE)
730BB
130B
U.S. ROUTE 13
12" CIP
130BB
730AA
Tidewater
WILMINGTON
COLLEGE
KENT
CHRISTIAN
ACADEMY
McDONALD'S
FUTURE
LUCKY 7