

the covenants relating to the backfilling, sealing and maintenance of the trench have been performed satisfactorily. Said inspector shall make an annual inspection for two years from the date of the sewer main installation to determine the extent of sinkage, if any, or the extent of any other maintenance problems caused by the installation, repair or addition to said sewer main. Paul W. Scherbel is hereby designated as inspector and arbitrator with duties as above described. Should he be unable to serve, a person to be mutually agreed upon by the parties hereto shall be appointed. The costs of the original inspection, and the annual inspections shall be born by the Second Party.

2. In the event of any alleged breach of the above covenants by either party, or the illegal violation of any right arising hereunder or hereafter from this present agreement as to requiring legal action or arbitration of any kind, the costs incurred by reason of such action, including reasonable attorneys fees, shall be assessed against the party at fault.

3. This agreement is entered upon the condition that the Second Party confirm the covenants herein contained. In the event of an alleged breach of any of said covenants, the First Party shall communicate by registered mail upon the Second Party demanding satisfactory performance. If such satisfactory performance is not forthcoming the Second Party or the First Parties may call upon the Inspector named or to be determined with the process described in paragraph six of this instrument. If the Inspector determines that the allegation is unwarranted, the First Parties shall bear the costs of inspection and arbitration. If, however, the Inspector finds the Second Party in breach, a reasonable time shall be allowed to correct, repair or otherwise maintain the agreement. If such conditions, the weather and the extent of the work to be done shall be considerations in the determination of a reasonable time. If at the end of this time, the Second Party remains in default, the First Parties may serve a notice of termination of this agreement upon the Officers of the Second Party by mailing a registered notice in letter form