

WASTEWATER SERVICE AGREEMENT

This Agreement is entered into this 2nd day of May, 2011, by and between DSH & Associates, LLC ("DSH") and Trimbach Development, LLC & Lakeside Estates HOA ("Developer/HOA"). Services outlined in this agreement will commence on the 1st of August, 2011.

WITNESSETH:

Whereas, DSH is a utility company that provide wastewater services. Whereas, the Developer/HOA has requested DSH to make a commitment to provide wastewater services to Lakeside Estates (at Lakeside Estates Subdivision); and Whereas, the DSH is willing and able to provide wastewater services to Lakeside Estates upon the terms, provisions and conditions hereinafter set out, all of which are acceptable to the Developer/HOA.

NOW, THEREFORE, for and in consideration of the mutual covenants of the parties, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. Developer/HOA has a subdivision in Campbell County, Tennessee, which development will be known as Lakeside Estates ("Development"). The Development consists of two hundred (200) residential units. DSH hereby agrees to and will provide wastewater services to the Development.
2. DSH will provide wastewater services to the Development using a wastewater disposal system ("System") commonly referred to as an "onsite wastewater treatment system." The System consists of two fundamental sections: (a) the collection lines, and (b) the treatment plant. The treatment plant as defined for this Agreement includes the drip fields. Each of the 200 separate commercial and residential units will have a Septic Tank Efficient Pumping

("STEP") unit and pump. From the STEP units, the wastewater will be pumped to the treatment plant.

3. Developer/HOA agrees to engage the services of a DSH & Associates, LLC to design any future modifications to the System for the Development. DSH & Associates, LLC costs will be limited to 10% of estimated total cost of installation (equipment, labor, material) of the modified system for the detailed engineering component of services. The design modifications shall be approved by DSH and its consulting engineers. The System will be designed in accordance with sound engineering practices and will be licensed, permitted and approved by all necessary and prudent governmental authorities. The Developer/HOA will further engage the services of DSH to build the System in accordance with the plans and specifications created by Developer/HOA's licensed engineer as approved by DSH and its consulting engineers. Developer/HOA will place in the HOA for Lakeside Estates that all Septic Tank Efficient Pumping ("STEP") unit and pumps shall be installed by DSH. DSH will provide a lump sum price for these systems based on volume of required STEP tank.
4. Developer/HOA will cause to be provided to DSH a 6 month warranty on the design and construction of the current system in such that any failure or defect in design, material, workmanship, functionality, or operation which occurs within 6 months of the Commencement Date (as defined in section 8) will be rectified, repaired or replaced at no charge to DSH. Developer/HOA warrants to DSH that the materials, equipment, functionality, and workmanship of the System will be good quality, that the work will be free from defects and that the work will conform to the requirements of the design plans and specifications. Work not conforming to these requirements, including substitutions not properly approved and authorized by DSH, may at DSH's option be considered defective.

5. On or before the execution of this Agreement, Developer/HOA will provide the following to DSH for DSH to obtain the necessary permit and approvals to construct the modifications and operate the System for the Development:
 - a. Developer/HOA shall submit three (3) sets of complete Tennessee Department of Environment and Conservation (TDEC) approved, stamped plans and specifications, together with all calculations, engineering reports, approval letters, and discharge permits; and
 - b. Developer/HOA shall submit two complete sets of all other surveying and engineering documents for the Development including, without limitation, road profiles, storm water drainage and utility drawings, and survey plats.
 - c. Developer/HOA will provide all legal support required to transfer existing CCN and State Operating Permit (SOP-07073) currently held by LaFollette Utility Board to DSH.
6. Upon the completion of the construction modifications of the System and its acceptance for use by DSH, DSH will own, operate and maintain the System beginning on the Commencement Date as set forth in section 7.
7. The Commencement Date shall be the date when DSH assumes formal responsibility for the operation of the System. DSH will execute a Memorandum of Commencement establishing the Commencement Date for purposes of this Agreement. This memo will be directed to both Trimbach Development and Lakeside Estates HOA. Effective with the Commencement Date, ownership of any and all components, parts and equipment of the System will immediately become the property of DSH.
8. Developer/HOA shall support the transfer of documents which are a current representation of the utility easement areas which are to be DSH easements. Such easements shall also

reflect all current as-built conditions and any possible future areas. These as-built easements shall be indicated on the final subdivision plat with metes and bounds before DSH will approve the final plat. Developer/HOA will support the transfer of a ten (10) foot easement for all collection lines, and these easements shall be shown on the final plat. The easements may be included in the easements dedicated for other utility easements as specified in the County Zoning and Subdivision Regulations. Developer/HOA will support the transfer of property and easements from owned currently by LaFollette Utility and Trimbach Development to DSH within 2 months of commencement of this agreement. Currently, Trimbach Development owns the land that the waste water treatment system is installed on and LaFollette owns a permanent easement for the force mains. DSH will be provided an additional easement for the force main and the deed to the waste water treatment land. This will require legal transfer and recording of PLAT information with the County. The area transferred will be adequate for the final extent of the treatment system required to treat effluent from 200 home units (treatment system, pipelines, drip field areas).

9. Developer/HOA shall provide as-built drawings of all components of the System. As-built drawings shall be presented in AutoCAD format or similarly compatible format.
10. Developer/HOA shall provide all finalized construction documents including approved shop drawings, operation and maintenance manuals, vendor information, warranty information, instructional manuals, and other relevant materials regarding the design, construction, and operation of the System.
11. Developer/HOA's design engineer of record shall certify the inspection and construction of the System based upon the design engineer's observation of the construction. The engineer shall also certify that the System has been designed in accordance with sound engineering practices and in compliance with all laws, regulations, rules, ordinances, and engineering

practices applicable to such systems, that the System is fully operational and that the System is ready to be used as designed and intended. Developer/HOA shall provide documents stating that all components of the treatment plant and drip field area shall have a permanent ingress/egress easement. Said ingress/egress shall be, at a minimum, a roadbed which is drivable during wet weather conditions in order to provide access for repair and maintenance purposes. Developer/HOA's engineer shall provide a document stating that all federal, state, and local permits have been obtained.

12. Developer/HOA agrees that DSH may require additional equipment and appurtenances to be constructed and to be paid for by HOA tap fees listed in this contract, although such additional equipment and appurtenances may not be included on the plans. The Developer/HOA certifies that the phase I system has been installed and is currently operating. The design flowrate of the Phase I system is 12,000 gallons per day. The phase II System is currently being designed and will increase the design flowrate to 16,000 gallons per day and improve the overall performance. The Phase I and II systems should support 35 homes at an average flowrate of 450 gallons per day (current average flowrate per unit at Lakeside Estates, based on historical information provide by LaFollette Untility). Prior to the 36th home being tied into the system and or the total system measured flowrate exceeding the design flowrate into the sewer force main and treatment facility, additional capacity will be required, such equipment and appurtenances may include, but are not limited to, treatment Pods, tanks, maintenance/equipment building for the plant, fencing with lockable gates around the plant and maintenance building, signage, and gravel surface within the boundaries of the plant fencing. All future design and construction costs will be the responsibility of the Developer/HOA . To support future expansion costs of the system DSH has agreed to establish an escrow fund. Funds derived from tap fees from future

homes that tie into the system will be placed into the escrow fund and will be used to support expansion of the system. If escrowed funds are not sufficient to support required treatment system expansion, it is the Developer/HOA responsibility to support the additional cost. Tap fees for each new unit will be derived based on the number of bedrooms as listed in the table below:

Daily Flowrate	Number of Bedrooms	Estimate Tap Fee
300	3	\$3,750.00
400	4	\$5,000.00
500	5	\$6,250.00
600	6	\$7,500.00
700	7	\$8,750.00
800	8	\$10,000.00
900	9	\$11,250.00
1000	10	\$12,500.00

- a.
- b. The tap fees may change base on inflation, cost of goods/materials, etc., and do not include the cost to expand the existing sewer force main. Force main extensions will have to be cover by the Developer/HOA.

13. DSH will operate and maintain the System and provide wastewater service

("service") to the Development in accordance with the following:

- a. All applicable building structures in the Development will be required to install the wastewater service line and connectors as specified by DSH.
- b. Each residential unit will be charged the published wastewater rates and charges of DSH. The furnishing of service will be governed by DSH rules, regulations and policies. As of the date of this Agreement, DSH's monthly service rate for wastewater service is \$54.48.
- c. If a home is rented out at anytime or daily flowrate exceed 300 gallons per day at anytime during a 12 month period, DSH’s monthly rate for wastewater service will

be a minimum of \$54.48.

- d. Each residential unit (lot) that does not contain a structure will be charged and annual service rate – same as LaFollette Utility. Access fees will only be charged for lots based on the total existing capacity of the treatment system which after Phase II expansion will be 35 homes (based on 450 gallons per day usage). As outlined in section 16, there are 26 lots with homes which leaves 9 lots that will be charged access fees (3 non-resident property owners and 6 lots owned by the developer).
- e. The maintenance, repair or replacement of the wastewater service lines from each of the STEP units and the maintenance, repair or replacement of the STEP unit and pump for each unit to the sewer main shall be the responsibility of the owner of the residential/commercial unit. DSH will install the STEP system for owners for a fix price of \$6,000 per unit (based on a 3 bedroom unit) if system is not pre-existing. This price includes a 15% markup of equipment and services.
- f. The maintenance, repair or replacement of the wastewater service lines from the future community STEP units shall be the responsibility of the Developer/HOA.

14. Upon the execution of this Agreement, Developer/HOA agrees to pay DSH \$8,000 to cover DSH's legal, permitting, engineering and administrative expenses related to this submittal of the CCN package to Tennessee Regulatory Authority. This application package will require substantial information from the Developer/HOA and includes but is not limited to:

- Owners User Manual
- Lakeside Letter Requesting DSH System Takeover
- LaFollette Utility Board Letter Releasing SOP
- Sworn Pre-filed Testimony
- SOP – Lakeside Estates
- DSH Articles of Incorporation
- DSH State of TN Business License
- Degrees & Certificates of DSH Staff
- Lakeside Estates Decentralized System Engineering Drawings

- Build-out Cost Analysis (5-yr)
- Lakeside Estates Subdivision Plans
- Chart of Accounts
- Performance Bond
- Pro Forma Income Statement (2-yr)
- Operation and Maintenance Contract (DSH and Trimbach Development, LLC)
- TDEC Letter of Acceptance of Transfer of WWTS
- LaFollette Letter stating no service line in area of subdivision

15. When Developer/HOA closes on a residential unit in the development, Developer/HOA will collect at the closing the required tap fees and access fees. These fees will be promptly tendered to DSH by the agent conducting the closing. Developer/HOA will include DSH's Wastewater Service Agreement with the closing documents for each residential unit and will be responsible for causing the residential unit owner to execute such Agreement at or prior to closing. Developer/HOA shall deliver the fully executed Wastewater Service Agreement and fees to DSH within ten (10) business days of the residential unit closing. Developer/HOA agrees that failure on the part of Developer/HOA or the closing agent to collect such fees from residential unit purchasers shall not absolve Developer/HOA of the responsibility of tendering such fees to DSH within the ten (10) business day time period specified herein.

16. No connection will be provided to the force main sewer collection system until tap fees are provided. Developer/HOA certifies that as of the date of this contract, 34 units have been sold. Units 23 and 24 have been sold and tap fees collected prior to this agreement will be used by the Developer/HOA to fund the construction of the Phase II system expansion. Units 23 and 24 cannot be connected to force main/treatment system until Phase II construction is complete.

a. Lot Summary:

- i. Non-resident property owners (requires access fee) = 3
- ii. Developer owned lots requiring access fee = 6
- iii. Resident property owners = 3
- iv. Commercial overnight rental property owners = 23

v. Number of property owners not attached to system = 5

17. Developer/HOA agrees to provide to each Residential/Commercial Unit Purchaser DSH's STEP System Policy as shown in Attachment 1.
18. Developer/HOA will cause to be installed in the water supply line serving each residential unit or units, on the owner's side of the water meter, prior to any branch in the water supply line, a lockable valve to which DSH will have access. DSH will provide in its Wastewater Service Agreement (referred to in section 13) that DSH shall have the authority to turn off the water supply to the home in the event the monthly wastewater bill is not paid for a period of sixty (60) days. Additionally, Developer/HOA will incorporate into the disposal line, prior to the STEP unit, a locked valve box which valve will be closed and locked as of completion of the construction. The valve will be opened by DSH personnel upon receipt by DSH of the account balance plus all late fees and reconnection fees.
19. Performance pursuant to the terms and conditions of this Agreement is contingent on the receipt of a letter or other written acknowledgement from each necessary governmental authority, utility district, or other public utility to the effect that no such entity plans or intends to extend sewer service to the Development within the next twelve (12) months. The letters should be in substantially the form attached hereto as collective Exhibit 3. Developer/HOA shall bear the responsibility for procuring these letters which shall be addressed directly to DSH.
20. Developer/HOA will further cause the following language, or similar language as agreed in advance between DSH and Developer/HOA, to be incorporated into all restrictions and protective covenants for Lakeside Estates and, to the extent restrictions or protective covenants are already of record, Developer/HOA will cause such recorded restrictions or protective covenants to be amended, in order to include such language as a lien on all real

property within the Development:

- a. Developer/HOA has contracted with a utility ("Utility") to operate and maintain the wastewater system ("System") serving the Development. There is hereby created and shall be a lien in favor of the Utility against any individual residential/commercial units or building structures for default in the payment of any fee or charge imposed by the Utility in the operation of the System which lien shall also secure fees and costs (including attorney fees) incurred by the Utility incident to the collection of such fees or charges or enforcement of such lien, regardless of whether legal action is commenced. Each such fee or charge, together with interest, costs, and attorney fees, shall also be the personal obligation of the person or persons who were the Owner or Owners of the residential unit or building structure at the time when the fees or charges were incurred. In the event of the occurrence of a catastrophic event, an act of God, or any other event beyond the control of the Utility that renders the System inoperable or substantially impairs the operation of the System, the Utility shall have the authority to impose a special assessment on the owners of all building structures or residential units in order to repair and remediate the System. There shall also be a lien in favor of the Utility against each individual residential unit or building structure to secure the payment of such special assessment, including collection costs and fees (including attorney fees) incurred by the utility. Notwithstanding any other provision of these covenants this lien shall be subordinate to only a first priority purchase money mortgage or first priority purchase money deed of trust.

- b. The maintenance, repair or replacement of the Septic Tank Efficient Pumping ("STEP") units shall be the obligation of the homeowners for individual STEP systems and the HOA association for community owned STEP systems.

21. Developer/HOA may terminate the Agreement prior to the Commencement Date at Developer/HOA's discretion following written notice to DSH of its intent to so terminate subject to the conditions set forth in this section. This Agreement shall not terminate unless and until such time as DSH has received, in a form satisfactory to DSH, its engineers and its counsel, written authorization from the Tennessee Department of Environment and Conservation and the Campbell County Planning Commission acknowledging that DSH has no obligation to provide wastewater service to the Development and releasing DSH from any liability arising as a result of the termination. Developer/HOA shall execute a written release releasing DSH from any liability arising as a result of the termination of this Agreement. Developer/HOA will forfeit all monies paid to DSH if the Agreement is terminated.
22. Notwithstanding any other provision of this Agreement and notwithstanding the payment by Developer/HOA of the amounts set forth in this Agreement, DSH shall not be obligated to accept the System or commence operations unless and until all of the obligations of Developer/HOA and the criteria set forth in this Agreement have met to the sole satisfaction of DSH, DSH's engineers and DSH's consultants. In the event DSH, for whatever reason, fails or refuses to accept the System and commence operations, DSH shall refund the tap fees and wastewater disposal deposits tendered by the Developer/HOA, but shall have no other or further liability to Developer/HOA or to the owners or units within the Development.

23. Failure to perform any obligation of this Agreement after fourteen (14) calendar days' notice of the failure to perform or within any time period set forth in this Agreement shall constitute an Event of Default by Developer/HOA, and DSH may at that time, terminate the Agreement. Such termination will release DSH from any liability to Developer/HOA and from any obligation to provide wastewater service to the Development.

24. Any notice or communication required or permitted hereunder shall be in writing and be sent either by: (i) personal delivery service with charges therefore billed to shipper; (ii) overnight delivery service with charges therefore billed to shipper; or (iii) United States Mail, postage prepaid, registered or certified mail, return receipt requested, addressed to Utility or Developer/HOA at the respective addresses set forth below:

Utility:

DSH & Associates, LLC
Douglas S. Hodge, Ph.D., PMP
Operations Manager
4028 Taliluna Ave
Knoxville, TN 37725
865-755-8066

Developer/HOA

Jon Trimbach
President
Trimbach Development, LLC/Lakeside Estate HOA
320 Echo Valley Drive
Vandalia, OH 45377
937-238-6843

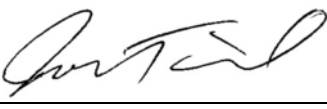
Any notice or communication sent as provided herein shall be deemed given or delivered: (i) upon receipt if personally delivered; (ii) upon delivery by an overnight delivery service; or (iii) if sent by the U.S. Postal Service Registered or Certified Mail, on the date appearing on the return receipt, or if there is no date on such return receipt, the receipt date shall be presumed to be the postmark date appearing on such return

receipt. If delivery is refused or cannot be made, the notice date shall be the date of attempted delivery as evidenced by the appropriate notations made by the Postal Service. Either party may change its address by notice to the other party in the manner set forth above at least ten (10) days prior to such change.

This Agreement contains the entire agreement of the parties, and any and all other prior agreements, discussions, or understandings are merged herein. This Agreement may not be modified except in writing signed by all parties hereto. This provision may not be orally waived.

IN WITNESS THEREOF, the parties have hereunto set their hands, effective the year and date first above written.

Trimbach Development, LLC

By: 

Title: Managing Member

Date: 6/10/11

Lakeside Estates HOA, LLC

By: 

Title: Managing Member

Date: 6/10/11

DSH & ASSOCIATES, LLC

By: 

Title: Managing Member

Date: 5/2/11

Attachment #1

**Governing the sewage collection
and treatment systems of DSH & Associates (DSH)**

Statement of Purpose

The general purpose of these rules and regulations is:

1. To establish procedures for furnishing sewage collection and treatment services on a uniform basis to customers within the Company's service area.
2. To provide standards and procedures for:
3. Acceptable sewage characteristics
4. Protection of the integrity of the water tight system
5. Engineering design standards
6. Construction standards and inspection requirements
7. Quality of materials

Authorization of Rules and Regulations

DSH & Associates, LLC is a corporation organized and engaged in business as a public utility in the State of Tennessee. The Company is regulated Under a Certificate of Convenience and Necessity issued the Tennessee Public Service Commission (PSC) July 1, 2011, under Docket No. 11-00020 and subsequent certificates issued by the PSC and the TRA.

Effect of Rules and Regulations

All provisions of these rules and regulations shall be incorporated in each contract with each sewage system customer of the Company

Utility Facilities on Private Property

The Company shall maintain all septic pump and septic gravity tanks, control systems and service lines required to provide sewer services on the Customer's premises. The Customer must execute an agreement that acknowledges the Company to have a perpetual easement in, over, under and upon the specified land of Customer as shown on the property plat, with the right to operate and repair all components of the sewer system on the Customer's property, including but not limited to the septic tank and septic pump tank systems. The Customer must grant the Company permission to enter upon Customer's property for any reason connected with the provision or removal of sewer service or collection therefore. The Customer must agree to allow the Company to install an approved cut off valve between the house and water supply and grant the Company exclusive rights to use such valve to cut off water in order to safely stop wastewater flow. The Customer's Building and Plumbing outfall line shall be maintained by the Customer.

Discontinuance of Service

Service under any application may be dis-continued for the following reason:

1. Non-payment of bill as hereinafter set forth below
2. For misrepresentation of application
3. For adding to the property without notice of the Company
4. For tampering any service pipe, tank, control system, filter or any other facilities of the Company in any way whatsoever.
5. For violation of any rules of the Company.
6. For disconnecting or reconnecting service by any party, other than a duly authorized agent of the Company without the consent of the Company.

Non-Payment Penalties

The Customer agrees to promptly pay for service at the then current schedule or rates and fees and agrees to abide by and be subject to the Company's billing and cutoff procedures. Should the Customer not pay in accordance with the Company's rules, the Customer agrees to pay all reasonably incurred cost of collection of delinquent fees including attorney fees.

The non-payment penalty will be the same as LaFollette Utility. If payment is not received within fifteen days after the due date, a 2nd notice will be sent to the customer. If payment is not received within 30 days, service will be turned off from the customer's property as per the Sewer Service Contract Agreement (Attachment 14) executed by the customer with no additional notice being sent. No service shall be reconnected if disconnected for non-payment (or any other valid reason) until all charges have been paid, including disconnection and reconnection fees. The disconnection and reconnection fees will be the same as LaFollette Utility

Returned Checks

A check returned by the bank will incur a fee the same as LaFollette Utility.

Changes in Ownership, Tenancy of Service

A new application and contract must be made and approved by the Company on any change in ownership of property, or tenancy, or in the service as described in the application. In the event of a failure of a new owner or tenant to make such application, the Company shall have the right to discontinue service until such new application is made and approved.

Sewer System Access Fee

The owner of each property parcel, which is provided a service connection when the sewer system is built, will be required to pay a sewer access (fee same as LaFollette Utility). This fee will be payable each August 1st. As each Customer attaches to the Service Connection and signs up for service, they will pay a pro-rated access fee for that year and thereafter the fee will not be charged.

Engineering, Material and Construction Standards

General: This specification covers the type of sewer system required for various design conditions of sewers constructed by developers.

1. The requirements called for are a minimum in all cases. Bedding conditions, material specifications, sealing requirements and installation methods are the responsibility of the design engineer and must be approved by the Company Engineer.
2. Design and construction of sewer lines shall meet the requirements of the State of Tennessee Department of Environment. Any conflicts between company and state requirements shall be resolved so that the more restrictive shall govern.
3. All sewage collection system components are to be watertight. This includes Building Outfall lines, all tanks, Collector Lines, Service Lines and Main Lines.
4. Collector Lines and Main Lines are to be tested to 100 pounds per square inch of water pressure. Risers and lids are to be watertight.
5. Septic Pump and Septic Gravity Tanks are to be installed near the customer's building to be served. The tanks are to be set in a level condition and tested for water tightness before backfilling.
6. STEP septic tanks must meet the specifications outlined in this document. Size of STEP tanks must be approved by DSH and will be based on the number of bedrooms in the home and the intended use of the home.
7. All pipe is to be PVC. Classes and sizes will be per Engineer's design and in all cases Schedule 40 will be the minimum allowable.
8. Only wastewater drains are to be connected to the sewer system. No water sources such as roof drains, sump pumps, condensate lines and swimming pools shall be connected to the sewer system.

Special Pretreatment Sewage Requirements

For all sewage connections the Company reserves the right to require any non-residential user to provide special pre-treatment for any high strength effluent before discharge into its sewage system. The Company may, upon the basis of recognized engineering standards and treatment costs, increase the rate charged to cover the cost of treatment of high strength effluent or industrial waste, and may impose recognized engineering standards as to the maximum size of solids and constituents in such waste discharged into its sewage system.

Additionally, if excessive volumes of sewage are received, the Company may require the Customer to monitor flow volume and increase surge holding capacity at the Customer's expense. All customers will be required to follow the Owners User Manual for an effluent collection system supplied to them by the Company (Attachment 1). These requirements prohibit the dumping of any toxic chemicals that kill tank bacteria and disposal of an excessive amount of grease, among other things. All requirements (and notification of repair costs associated with the system abuse) are established in the Customer's Sewer Subscription Contract with the Company.

Damages

The Company shall in no event be responsible for maintaining any Building Outfall Line owned by the Customer, nor for damages created by sewage escaping there from, nor for defects in Customer's building lines or fixtures. The customer shall at all times comply with all regulations of the TRA and of the Company.

All leaks in any building pipe or fixture on the premises of the Customer shall be immediately repaired by the Customer. On failure to repair any such leak, the service may be discontinued until repairs are made. Any customer found introducing prohibited substances into the waste water system is liable to pay the full cost of cleanup and the repair of any damage caused.

Inspection

All pipes, valves and fixtures shall be at all reasonable hours, be subject to inspection by the Company or its duly agent.

In Event of Emergency

The Company shall not be liable to the Customer for interruption in service, or for damages or inconvenience as a result of any interruption, stoppage, etc., which was beyond the reasonable control of the Company. In case of emergency, call 865-622-2452.

Service Area

The Company will provide service within its current service area. Additions to the service area must be approved by TRA.

Extension Plan

The Company may furnish sewer service to property owners whose lands abut the Main Line of existing sewer systems. The sewer service charges listed in the sewer billing monthly rates do not include costs for constructing extensions to the sewer system. Any sewer system facilities required to service such abutting properties shall be constructed at the cost of those parties desiring same, and these facilities shall become the property of the Company to be credited to the account for Contributions in Aid of Construction. In addition, treatment system facility costs will be paid by the Customer desiring to connect onto the system. Sewer service to new areas within a service territory will be made available where it is technically feasible and the developer or property owner is willing to bear the expense of designing and building the sewer system.

Contributions in Aid of Construction

Sewer system facilities furnished by developers and property owners to the Company will be recognized as Contributions in Aid of Construction in the amount of the actual cost of construction. Capital contributions from developers will be treated in like manner.

Contracts for Service

Each Customer before installation of service shall be required to execute on the appropriate forms furnished by the Company, a Sewer Subscription Contract.

Customer Billing Forms

Customer billings will be sent monthly or annually to Customers for payment of a flat fee.

Individual Septic Tank and Pump Tank Requirements

Only the configurations listed on the Individual Septic Tank and Pump Tank requirements list may be used. This list may be added to or taken from as needed.

Public Contact

Doug Hodge
4028 Taliluna Ave
Knoxville, TN 37919
865-622-2452

Tennessee Regulatory Authority Regulations

The Company, in its operation, shall conform to all the applicable rules and regulations promulgated from time to time by the Tennessee Regulatory Authority. The TRA can be reached by phone at 1-800-342-8359 or 615-741-2904.

SECTION 4

I: RESIDENTIAL RATE SHEET/EXPLANATION

The monthly sewer charge per customer is \$54.48.

Explanation

FFR.D:	Standard Base RSF/Fixed Film Reactor Treatment Rate	\$ 54.48
	Total	\$ 54.48
Estimate Tap Fees		
Tap Fees for each new unit will be derived based on the number of		
Bedrooms as listed in the table below:		
Daily Flowrate	Number of Bedrooms	Estimated Tap Fee
300	3	\$ 3,750
400	4	\$ 5,000
500	5	\$ 6,250
600	6	\$ 7,500
700	7	\$ 8,750
800	8	\$ 10,000
900	9	\$ 11,250
1000	10	\$ 12,500

STEP System Installation:

- For a 3 bedroom unit/300 gallons per day, STEP systems will be installed for \$6,000. If larger STEP systems are required, they will be quoted on an individual basis. The installation of the STEP systems includes a 15% markup by the utility.

II: **COMMERICAL RATE SHEET Overnight Rental Units**

The monthly sewer charge per customer is **\$54.48**.

<u>Estimate Tap Fees:</u>						
Daily Flowrate	Number of Bedrooms	Estimate Tap Fee				
300	3	\$3,750.00				
400	4	\$5,000.00				
500	5	\$6,250.00				
600	6	\$7,500.00				
700	7	\$8,750.00				
800	8	\$10,000.00				
900	9	\$11,250.00				
1000	10	\$12,500.00				

Other fees include the following:

STEP System Installation:

- For a 3 bedroom unit/300 gallons per day, STEP systems will be installed for **\$6,000**. If larger STEP systems are required, they will be quoted on an individual basis. The installation of the STEP systems includes a 15% markup by the utility.

SEWER SERVICE CONTRACT

DATE:_____.

PRINTED NAME:_____.

ADDRESS OF PROPERTY:_____.

MAILING ADDRESS:_____.

TELEPHONE NUMBER:_____.

EMAIL ADDRESS:_____.

I hereby make application to DSH & Associates, LLC (DSH) for sewer service at the address of property stated above. In consideration of the undertaking on the part of DSH to furnish sewer service, I understand, covenant and agree as follows:

- 1. I understand that the components of a sewer system have been installed on the property referred to above, which is owned or occupied by me, and which is to be connected with a wastewater disposal system owned and/or maintained by DSH. I warrant that any connection to and/or subsequent use to this system by the components on my property shall be in accordance with the Rules, Regulations and Plans of DSH. Regarding my usage of the system components on my property, which are owned by me, I covenant to follow the guidelines set forth in the Owners User Manual. Should I violate these Rules and/or abuse or damage my components, I understand that I must bear the expense to repair or replace the same in accordance with the Plans of DSH.
- 2. I acknowledge DSH, its successors and assigns, have a perpetual easement in, over, under and upon the above specified land as shown on the property plat, with the right to operate and repair all components of the sewer system on my property, including but not limited to the septic tank and septic pump tank systems. I further grant DSH permission to enter upon my property for any reason connected with the provision or removal of sewer service or collection therefore.
- 3. For all other plumbing and structures on the property, including the outfall line to the septic tank, I agree that I am responsible for all operation and repair thereof.
- 4. I agree to promptly pay for service at the then current schedule or rates and fees and agree to abide by and be subject to DSH's billing and cutoff procedures. Should I not pay in accordance with DSH's rules, I agree to pay all reasonably incurred cost of collection of delinquent fees including attorney fees.
- 5. I accept the current Rules and Regulations and the Rates and Fees Schedule and agree to abide by any amendments to such Schedules as approved by the Tennessee Regulatory Authority.
- 6. I agree that this Agreement shall remain in effect for as long as I own, reside upon or rent the above-described property. When such circumstances no longer exist, I agree to provide notice to DSH at least thirty (30) days in advance of my vacating the property.
- 7. I agree to allow DSH to install an approved cut off valve between the house and water supply and grant DSH exclusive rights to use such valve to cut off water in order to safely stop wastewater flow.

SUBSCRIBERS SIGNATURE:_____

OWNERS USER MANUAL

Welcome! You are hooked up to a state of the art fixed film wastewater treatment system. This environmentally friendly system does an excellent job of treating wastewater and returning it to the soil. It will do best if you follow the guidelines listed below:

Proper Use:

Direct all wastewater from the home into the septic tank. Any wastewater can contain disease causing organisms and pollutants.

Practice water conservation to avoid overloading the onsite sewage system. Repair dripping faucets and leaking toilets. Run dishwashers when full. Do not do all your laundry in one day. Space out the washing machine use over the week. Replace old fixtures with water saving fixtures.

Do not direct water from gutter downspouts, sump pumps or subsurface drains into the septic tank. The sewage management system is designed based on an estimated daily water use. Excess water directed into the septic tank will cause a hydraulic failure.

Use commercial bathroom cleaners and anti-bacterial soaps in moderation. Treatment in the wastewater system depends on natural bacteria. The Utility does not recommend the use of septic tank additives. These products are not necessary for proper system operation.

Do not plant trees or bushes on top of the septic or pump tank. Root intrusion may damage and block the line.

Do not dig without knowing the location of your septic and pump tank. Landscape the site to allow surface water to drain off of these tanks. Divert roof drains from these tanks. Standing water over these tanks will cause increased load saturations and potential pump failure.

Do not park or drive over the septic and pump tank. This can damage or compromise the tanks.

Do not pour grease, oil, paint or other chemical products down the drain. Do not put not-biodegradable items such as cigarette butts, feminine hygiene products, condoms, disposable diapers or other similar solid waste into the septic tank. Remember living microbes clean the wastewater.

Do not enter your septic or pump tank. Gases from inside the tank can be fatal. Keep the lids secure and screwed down.

Do not turn off the main circuit breaker to the wastewater pumps when going on vacation. The pumps will need to handle any infiltration into the system.

If there is a power failure, your alarm might go off when the power comes back on. Wait at least 2 hours; if the alarm is still going off please call the customer service number. If you have had no power failure and the alarm goes off, call customer service without delay.

Customer Service: 865-622-2452

Jon Trimbach

320 Echo Valley Drive
Vandalia, OH 45377
877-204-0785

► **Lakeside Estate HOA**

Attn: Lakeside Estate Property Owners

[Address Stamp Here]

Trimbach Development, LLC has engaged DSH & Associates (DSH), LLC (a waste water utility company) to replace LaFollette Utility District for waste water utility services. Their rate sheets and other pertinent information are attached. This transition will be effective August 1st, 2011.

Please contact me by phone if you have any transitional questions. The DSH point of contact is Doug Hodge who can be reached at 865-622-2452 or hodge.dsh@gmail.com.



Jon Trimbach

Managing Member

Trimbach Development, LLC

11/1/10

DSH & Associates, LLC

Individual STEP septic tank requirements.

Only configurations and equipment approved by DSH may be used. Not following these configurations shall be cause for disconnect until the specifications are met.

All connections to the septic and dosing will be:

- 4" schedule 40 PVC at not less than 1/8" fall per 1'
- Have an Inspection port relief valve between the septic tank and pump tank. The Inspection port relief valve will be on an elevation of not less than 6" below the elevation where the building outfall line leaves the home. (see approved products)
- Foam core pipe is approved if it meets local code requirements

The line from the pump tank to the main line will be:

- Pressure rated Schedule 40 PVC minimum 1.25 inch
- Have a piece of single strand insulated copper wire included in the ditch turned up in the utility box at the road and alarm post for future locating needs.
- Pumped line from pump tank to service connection should be buried at least 18" deep.

The STEP septic must meet the Utility's design requirements:

- All tanks must be on the Utility's approved list. Other tanks may be added to approved list if they meet all requirements. Contact the Utility for details on adding additional equipment to approved list.
- Shall be of a watertight design and all joints must be sealed to stop ground water intrusion and sewage leaks. Concrete/Fiberglass tanks must be 1 piece tanks with sealed lid.
- The STEP septic tank will be a two chamber design at least 1500 gallon capacity.
- The septic tank will have PVC tees in each end at least 1/3 the water depth.
- The outlet tee will include a septic tank filter.
- The top of the tanks shall not be buried deeper than 24" from the surface.
- The septic tank will include two approved risers to the surface.
- The dosing tank will include one approved riser to the surface.
- The risers will have two forms of entry security. Safety screws in outer lid and a riser pan with cement lid or a safety screen.
- The dosing tank will have a 1.5 inch metal pipe entering at least 46" on center from the bottom of the tank at the riser end. The total length of the installed pump and piping shall be 46" from center of the line entering the tank to the bottom of the pump.
- The pipe in the tank will have a 1/16 hole pointed downward in the tank to relieve air after pump cycle.
- The pump tanks will have an EZ pull adapter for quick pump service.
- A1 pipes in the dosing tank will be galvanized water pipe, aluminum or stainless steel
- Metal pipe must extend at least 3' from tank toward Utility connection before converting to using PVC.

- The metal elbow shall have a 1/16 hole at a 30 degree downward angle drilled into it'
- A non spring check valve shall be connected to the Utility service just inside the Utility service box. This will make a total of two check valves at the service box.

Electrical Connections

- All connections shall meet the national electrical code.
- All connections shall be located outside of the tank.
- An approved alarm post with a high level alarm shall be located at the pump tank riser.
- No electrical connections are allowed inside the pump tank or riser.
- Two 110 volt electrical circuits are required from the house to the alarm post. One 12 gauge dedicated for the pump and one 14 gauge for the alarm, so the alarm will work even if the pump throws a circuit breaker. Wire in PVC conduit or direct burial wire is required.
- The conduit connecting the riser to the alarm post must be sealed so as to keep corrosive gasses from entering the alarm post.

Approved Materials: (contact the Utility in advance to recommend an addition to this list)

Risers: Can use either Orenco System or Polylok System risers as outlined below:

- Orenco: Jeff Brownfield at 423-331-2036
 - 2.000 FL24G-4BU Fiberglass Lid, 24" W/ Urethane Gasket, Angled Core; 4 bolts, Inlet & outlet
 - 2.000 RR2436 Pvc Access Riser, 24" Dia.
 - 2.000 MA320 200 G Epoxy Kit
 - 1.000 SB4 Pvc Splice Box W/4 Cord Grips
 - 1.000 PV55-1817 Simplex Biotube Pump Vault for 24" Riser, 18" Cartridge
- Polylok: www.polylok.com 877-POLYLOK
 - Polylok 3008 HD Heavy Cover or
 - Polylok 3008 RC Light Duty Cover
 - Polylok 3008-RP 24" Riser Pan or
 - Polylok 3008-SS 24" Safety Screen
 - Polylok 3008 24" Riser 6" tall
 - Polylok 3008-R12 24" Riser 1,2" tall
 - Polylok PL-68 Filter Cartridge (septic tank filter)
 - Polylok 3009-AR (adapter ring for plastic tanks)

Alarm Post:

- SJE Rhombus model PSPL20V6HL7 A www.sierhombus.com 1-888-DIALSJE
- Septic Products Inc. - Observer 100 www.septicproducts.com 419-282-5933

EZ pull adapter -EZ-Puller 1.5 inch www.webtrol.com 800-769-7867

Inspection Port Relief Valve 562-304 www.Plum.com 800-462-6991

STEP Septic Tank: 1 piece 2 chamber

- Orenco Step Tank: Jeff Brownfield 423-331-2036
- Norwesco 1050 Septic tanks part number 42250,42248,42283, 42293 www.norwesco.com
- Ashley Cement Tanks: Must be L piece 2 chamber poured tanks with two Polylok 24" risers and sealant between lid and tank.
- Watson Septic, Madisonville, TN
- Dixie Concrete, LaFollette, TN
- Tays Septic, Crossville, TN
- Morrison Tank & Vault, Morrison, TN

Approved Pumps:

- Myers 2NFLs1-8E www.femvers.com 419-289-1144
- Orenco: Jeff Brownfield at 423-331-2036
 - 1.000 PF100511 Effluent Pump; 1/2Hp, 10gpm, 115V, 60Hz, 10' Lead
 - 1.000 HV100BCFCPRX Hose & Valve Assembly, 1" Pressure, w/B,C,FC,X
 - 1.000 MF3A-Y,B,R-27V Fl. Assem.:(Y,B,R);27" step pump vault
 - 1.000 S1ETM Simplex Panel, 115V W/Etm

Some local Installers: (if an installer does poor work, the Utility reserves the right to not allow him/her to do further work) To add your installer, please call the Utility first:
Doug Hodge at 865-851-8351.

For additional technical assistance call DSH & Associates, LLC. 865-622-2452.

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03/24/11
Accrual Basis

DSH & Associates, LLC
Balance Sheet
As of March 24, 2011

	<u>Mar 24, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
BB&T DSH Checking	71,457.78
DSH & Associates	1,057.28
Hodge Personnal	-26.23
Money Market	328.38
Total Checking/Savings	<u>72,817.21</u>
Accounts Receivable	
11000 · Accounts Receivable	16,610.40
Total Accounts Receivable	<u>16,610.40</u>
Total Current Assets	89,427.61
Fixed Assets	
15000 · Furniture and Equipment	7,485.68
Total Fixed Assets	<u>7,485.68</u>
TOTAL ASSETS	<u>96,913.29</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
24000 · Payroll Liabilities	9.69
Total Other Current Liabilities	<u>9.69</u>
Total Current Liabilities	<u>9.69</u>
Total Liabilities	9.69
Equity	
30300 · Doug's Draws	-103,820.75
32000 · Retained Earnings	152,636.36
Net Income	48,087.99
Total Equity	<u>96,903.60</u>
TOTAL LIABILITIES & EQUITY	<u>96,913.29</u>

2:49 PM
03/24/11
Accrual Basis

DSH & Associates, LLC
Profit & Loss
January 1 through March 24, 2011

	<u>Jan 1 - Mar 24, 11</u>
Ordinary Income/Expense	
Income	
42600 · Construction Income	6,902.67
42700 · Consulting Income	41,185.32
	<hr/>
Total Income	48,087.99
	<hr/>
Gross Profit	48,087.99
	<hr/>
Net Ordinary Income	48,087.99
	<hr/>
Net Income	<u><u>48,087.99</u></u>

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06/28/11

DSH & Associates, LLC
Statement of Cash Flows
January 1 through March 24, 2011

	<u>Jan 1 - Mar 24, 11</u>
OPERATING ACTIVITIES	
Net Income	36,467.83
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 - Accounts Receivable	-5,000.40
Net cash provided by Operating Activities	<u>31,467.43</u>
Net cash increase for period	31,467.43
Cash at beginning of period	<u>20,258.62</u>
Cash at end of period	<u><u>51,726.05</u></u>