

FARRIS MATHEWS BOBANGO PLC

ATTORNEYS AT LAW

Nashville - Memphis

HISTORIC CASTNER-KNOTT BUILDING
618 CHURCH STREET, SUITE 300
NASHVILLE, TENNESSEE 37219

2011 MAY -9 PM 2:20

T.R.A. DOCKET ROOM

(615) 726-1200 telephone • (615) 726-1776 facsimile

C. Corum Webb
cwebb@farrismathews.com

Direct Dial:
(615) 687-4253

May 6, 2011

Ms. Patsy Fulton
Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37219

Re: Arrington Vineyard CCN Application Follow-up; Docket No. 11-00059

Dear Ms. Fulton,

Please find enclosed the additional materials you requested from my client, Jeffrey Cox, relative to the above referenced CCN Application. I hope and trust this will address your questions but if for any reason you need additional clarification, please don't hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BOBANGO, PLC



C. Corum Webb (BPR 023956)

Enclosures



Integrated Resource Management, Inc. *RECEIVED*
A Privately Owned Public Utility
P.O. Box 642
3444 Saint Andrews Drive
White Pine, Tennessee 37890
Telephone (Vol) 674-0828
Facsimile (Vol) 674-2352
Toll Free (877) 746-2910

2011 MAY -9 PM 2:20
T.R.A. DOCKET ROOM

May 5, 2011

Ms. Patsy Fulton
Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

RE: Arrington Vineyards – Docket # 11-00059
Williamson County
Additional Requested Information

Dear Ms. Fulton,

Please accept the enclosed additional information as you requested for the Tennessee Regulatory Authority (“TRA”). The information included is:

- An updated amended Utility Services Agreement with Arrington Real Estate, LLC, to replace Exhibit B of the initial submittal. This document explains the responsibilities of the existing Arrington Vineyards and sewer service proposed for the customer Russell/Brooks LLC on Parcel 43.
- An updated letter from Rogers Anderson the Williamson County Mayor, to replace Exhibit D of the initial submittal.
- An updated ten year “Build-out Plan” or pro forma revenue, to replace Exhibit E entitled Implementation Plan of the initial submittal.

The first two amendments to the Exhibits B and D should answer your questions with regard to the structure of understanding between all parties and the need for the sewer system in Williamson County.

The third amendment, Exhibit E is further explained: IRM has attached an updated pro forma revenue calculation that includes a ten-year cost of service analysis. This analysis indicated that we needed to increase our proposed rates for this project from what we originally filed. This change in rate structure ensures that Arrington Vineyards will not impose an incremental rate burden on any of IRM’s other customers. IRM has also embedded an escrow accrual rate of

23% within these same calculations in recognition of the TRA's most recent decision in a wastewater rate case.¹

Additionally IRM submits the following information as requested:

1. Soils information from a TDEC approved Soil Scientist, and
2. A revised statement of proposed "Value of Contribution in Aid of Construction.

With regard to the first consideration listed above, IRM Utility as in the past will never take on a system with poor soil conditions. The President of IRM Utility, Jeffrey W. Cox, Sr. is a Soil Scientist approved by the Tennessee Department of Environment and Conservation to make soil maps for these systems. A Preliminary Soil Report is attached. The Preliminary Soil Report used an illustration of property suitability by comparing rates of water use for restaurants. This is not the intended use but was used as a manner of comparison of the suitability of the areas. Jeffrey Cox and IRM Utility contend and assure that there are soils suited for the proposed use in the petition.

With regard to Item 2 above, the initial amount of \$165,000.00 was submitted as the estimated value of contribution in aid of construction for the new system upgrades. The initial system that is currently in use cost Arrington Vineyards \$123,502.82. Therefore, the total of the two is \$288,502.82.

Please call if you have any questions. Thank you.

Respectfully submitted,

Jeffrey W. Cox Sr.
President IRM Utility, Inc.

Enclosures: As discussed in body of letter.

CC Via Electronic Mail: Mr. Charles Welch; Farris Mathews Bobango PLC

¹ Petition of Tennessee Wastewater Systems, Inc. for approval to amend its rates and charges, TRA Docket 08-00202; Approved Tariff Rate Filing of December 8, 2009, Page 12 of 17; \$10.13 Escrow / \$44.54 Total Bill = 23%.



Integrated Resource Management, Inc.

Integrated Resource Management, Inc.

P.O. Box 642

3444 Saint Andrews Drive

White Pine, Tennessee 37890

Phone (Vol) 674-0828

Facsimile (Vol) 674-2352

Toll Free (877) 746-2910

AMENDMENT TO UTILITY SERVICES AGREEMENT

This Utility Services Agreement (the "Agreement") is made and entered into effective the 5th day of May, 2011, by and between Integrated Resource Management, Inc. d/b/a IRM Utility, Inc., a Tennessee Corporation, with its principal office located at 3444 Saint Andrews Drive, White Pine, Tennessee, 37890 (the "Utility") and Arrington Vineyards Real Estate, LLC, a Tennessee limited liability company, with its principal office located at 6211 Patton Road, Arrington, Tennessee, 37014 (the "Developer"), (collectively, the "Parties").

Recitals:

1. Developer is the record owner of Arrington Vineyards (the "Development") as shown in Book 4046, and Page 600, in the Williamson County, Tennessee Register of Deeds Office;

2. The Parties entered into an Agreement on April 5, 2007 ("Original Agreement"). A copy of this Agreement is attached as Exhibit A. The Development has been constructed and the Parties desire to amend the Original Agreement as per Section 8, Section 15, and Section 16 of said Original Agreement.

3. The Developer has constructed a Subsurface Sewage Disposal System under the regulations of the Williamson County Sewerage Department, which is a Contract County with the Tennessee Department of Environment and Conservation. The Developer now wishes to construct and install a sewage collection, treatment, and disposal system (the "System") in the Development to supply additional capacity, consistent with the regulations of the Tennessee Department of Environment and Conservation and subject to issuance of a state operating permit. Once the System is completed, the Developer desires to convey and deliver the System to the Utility for the purpose of providing wastewater services to the Development.

4. Developer desires Utility to provide service to the Development and Parcel 43, the Russell/Brooks LLC property. A copy of the Williamson County tax map detailing this property is attached as Exhibit B. A copy of the Sewer

Subscription Agreement with Russell/Brooks LLC, endorsed by managing partner John Russell is attached as Exhibit C.

5. The Developer is aware that the Utility will petition the TRA as a Special Contract that may contain rates unique to this Development.

6. Developer and Utility enter into this Agreement to establish the terms and conditions for the conveyance, operation, and maintenance of the System.

7. This Agreement is intended to amend the Original Agreement only to the extent of the items contained herein. In the event of a conflict of terms between this Agreement and the Original Agreement, the terms of this Agreement shall control. Any term in the Original Agreement not affected by this amended Agreement shall remain in full force and effect.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree the following amendments:

1. The Developer shall construct and install the System to serve the Development in accordance with drawings, plans, and specifications selected and approved by Utility's engineers or representatives. The repair, maintenance, and replacement of the System installed to serve the Development shall be the responsibility of the Utility after the construction of the System is complete and accepted by the Utility.

2. The Developer shall provide a performance bond, irrevocable letter of credit or other appropriate financial security, in the amount required by local and state authorities on behalf of the Utility.

3. The Developer shall provide for the payment of all necessary engineering and construction costs and/or fees. The Developer shall perform all of the work necessary for the complete and final installation of the System in accordance with the drawings, plans, and specifications approved by Utility's engineers or representatives.

4. Construction of the System shall be subject to the supervision and approval of Utility. The Utility shall have a right of inspection throughout the progress of the work. Developer agrees that it shall not backfill soils over or cover any pipe, fittings, or connections until first inspected and approved by Utility.

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized officers, have caused this Agreement to be executed and their corporate seals to be affixed hereto, effective as of the day of year first above written.

IRM UTILITY, INC.

ARRINGTON VINEYARDS
REAL ESTATE, LLC

By 
Jeffrey W. Cox, its President

By 
[illegible]

EXHIBIT A



Integrated Resource Management, Inc.

1000 North Central Expressway
P.O. Box 642
3444 Saint Andrews Drive
White Pine, Tennessee 37890
Phone (Vol) 674-0828
Facsimile (Vol) 674-2352
Toll Free (877) 746-2910

UTILITY SERVICES AGREEMENT

This Utility Services Agreement (the "Agreement") is made and entered into effective the _____ day of _____, 2007, by and between Integrated Resource Management, Inc. d/b/a IRM Utility Inc., a Tennessee Corporation, with its principal office located at 3444 Saint Andrews Drive, White Pine, Tennessee, 37890 (the "Utility") and Arrington Vineyards Real Estate, LLC, a Tennessee limited liability company, with its principal office located at 6211 Patton Road, Arrington, Tennessee, 37014 (the "Developer"), (collectively, the "Parties").

Recitals:

1. Developer is the record owner of Arrington Vineyards (the "Development") as shown in Book _____, and Page _____, in the Williamson County, Tennessee Register of Deeds Office.
2. Developer is constructing and installing a sewage collection, treatment, and disposal system (the "System") in the Development and now the Developer desires to convey and deliver the System to the Utility for the purpose of providing wastewater services to the Development upon completion of the construction and installation; and
3. Developer and Utility enter into this Agreement to establish the terms and conditions for the conveyance, operation, and maintenance of the System.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

SECTION 1. ACKNOWLEDGEMENT

The Parties acknowledge and agree that the recitals set forth herein are true and correct and are incorporated herein by this reference describing specifically the understandings and intentions of the respective Parties. The Parties further

acknowledge that no Party hereto nor any agent or attorney of such Party has made any promise, representation or warranty, express or implied not contained herein to induce them to execute this Agreement. The Parties also acknowledge that they are not executing this Agreement in reliance upon any promise, representation or warranty not contained herein.

SECTION 2. DEFINITIONS

When used in this Agreement, the following terms shall have the meanings set forth next to the same as follows:

2.1 "CCN" means a Certificate of Public Convenience and Necessity.

2.2 "Services" means wastewater services delivered to the Development by the Utility through the System.

2.3 "TDEC" means the Tennessee Department of Environment and Conservation.

2.4 "TRA" means the Tennessee Regulatory Authority.

SECTION 3. CERTIFICATION

The Utility, for a fee of \$1,800.00 payable by the Developer to the Utility, shall petition the TRA for a CCN for the Development. In the event that a CCN is not issued by the TRA to the Utility, the Developer agrees to release, indemnify and hold the Utility harmless from any and all obligations associated with the Development. The Developer obtained a Permit for Construction of Subsurface Sewage Disposal System ("Construction Permit") from the Williamson County Department of Sewage Management for the Development. A copy of the Construction Permit is attached hereto as **Exhibit A**.

SECTION 4. REPAIRS

The Developer shall have the duty, at its sole cost and expense, to immediately repair, all breaks, leaks, or defects in the System of any type which occur after the System is accepted by the Utility. In the event that the Developer shall fail to make such immediate repairs, then the Utility shall be authorized to make such repairs at the sole cost and expense of the Developer. If Developer fails to reimburse Utility for any costs associated with these repairs within thirty (30) days of receipt of a written demand for payment, Utility will also be entitled to recover any attorneys' fees, court costs, and any other expenses incurred to recover costs and expenses associated with repair of the System.

SECTION 5. RESERVATION OF RIGHTS

Nothing contained herein shall be construed so as to restrict the Utility's right to increase the capacity or to extend the System as it may in its sole discretion deem appropriate, including, without limitation, extending the System for the purpose of providing wastewater sewer service to customers outside of the Development.

SECTION 6. REPRESENTATIONS AND WARRANTIES

The Developer hereby represents and warrants that all materials and labor attributable to the System shall be paid in full at the time of the completion of the construction and installation of the System and the System shall be free from any and all liens and encumbrances. Such representation shall survive the conveyance of the System by the Developer to the Utility, as required by Section 7 of this Agreement.

SECTION 7. CONVEYANCE

Upon the Utility's acceptance of the System, the Developer shall convey all right, title and interest in and to the System to the Utility. The Developer shall, upon request of the Utility, execute and deliver any and all documents necessary to convey the System and to grant the Utility an easement in and to the real property surrounding the System to such extent necessary for access to inspect, repair, replace and maintain the System.

SECTION 8. NOTICES

Any notices under this Agreement shall be in writing and shall be deemed delivered on the date of delivery if delivered by personal service, telecopy (and confirmed by first class mail), or recognized commercial courier service with postage or charges prepaid, and on the third day following dispatch if sent only by registered or certified mail with postage or charges prepaid. Unless subsequently notified in writing in accordance with this Section by a Party, any notice or communication hereunder shall be addressed

If to the Utility, as follows:

Jeffrey W. Cox, Sr., President
IRM Utility, Inc.
3444 Saint Andrews Drive
White Pine, Tennessee 37890

If to the Developer, as follows:

Richard K. Summers, General Manager

Arrington Vineyards Real Estate LLC
6211 Patton Road
Arrington, Tennessee 37014

SECTION 9. INDEMNIFICATION

Developer agrees to indemnify and hold Utility harmless from any and all claims, costs or expenses, including reasonable attorneys fees, arising from the performance or construction of the System necessary to provide the services contemplated by this Agreement. All upgrades needed to conform the System with the rules and regulations of the State of Tennessee or Williamson County will be at the sold cost and expense of the Developer.

SECTION 10. CHOICE OF LAW; REMEDIES AND JURISDICTION

The terms and conditions of this Agreement and the performance thereof shall be interpreted in accordance with and governed by the laws of the State of Tennessee, irrespective of it conflicts of law principles. Any claim, dispute, or other matter in question arising out of or relating to this Agreement or the breach thereof, except for claims which have been waived pursuant to this Agreement, shall be governed by the laws of Tennessee and all actions shall be instituted and litigated in the State of Tennessee in the Davidson County courts, and the Parties hereto submit to the jurisdiction of said courts. In any litigation, the prevailing party shall be entitled to recover its reasonable attorneys fees from the losing party.

SECTION 11. SEVERABILITY

If any part of this Agreement for any reason shall be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any remaining portion, which shall remain in full force and effect, provided, however, that in the event a part of this Agreement is declared invalid and the invalidity or enforceability of such part has the effect of materially altering the obligations of any party under this Agreement, the Parties agree, promptly upon such declarations being made, to negotiate in good faith to amend this Agreement so as to put such Party in a position substantially similar to the position such party was in prior to such declaration.

SECTION 12. ASSIGNMENT

No Party shall have any right to assign this Agreement or any of their respective rights or obligations under this Agreement to any third party except by operation of law or with the prior written consent of the other Party, such consent shall not be unreasonably delayed, conditioned, or withheld. The Utility shall have no right to assign, transfer, convey, pledge or hypothecate the permits or certificates or any interest thereto without any necessary approval of the applicable issuing

authority, and the prior written agreement of the purchaser or assignor to be bound by the terms and conditions of this Agreement

SECTION 13. COUNTERPARTS

This Agreement may be executed in multiple counterparts and so executed shall constitute an agreement binding on all Parties notwithstanding that all the Parties are not signatories to the original or same counterpart

SECTION 14. HEADINGS

The headings of the sections of this Agreement are for the purpose of convenience only and shall not be deemed to expand or limit the provisions contained in such sections

SECTION 15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements or understandings of the parties with regard to the subject matter hereof. No interpretation, change, termination, or waiver of any provision hereof shall be binding upon a party unless in writing and executed by the other party. No modification, waiver, termination, recession, discharge or cancellation of any right or claim under this Agreement shall affect the right of any party hereto to enforce any other claim or right hereunder.

SECTION 16. AMENDMENT

This Agreement shall not be amended or modified except in writing signed by the parties hereto

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized officers have caused this Agreement to be executed and their corporate seals to be affixed hereto, effective as of the day of year first above written.

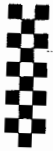
IRM UTILITY, INC.

**ARRINGTON VINEYARDS
REAL ESTATE, LLC**

By 
Jeffrey W. Cox, Sr., its President

By _____

Approximate North
NTS



MAY-05-2011 THU 04:12 PM COUNTY MAYOR

FAX NO. 1 615 790 5818

P. 01/01



WILLIAMSON COUNTY

Rogers C. Anderson, County Mayor
1320 West Main Street, Suite 125
Franklin, Tennessee 37064
(615) 790-5700, Fax (615) 790-5818

May 5, 2011

VIA UNITED STATES MAIL

Mr. Jeffrey W. Cox, Sr.
Integrated Resource Management, Inc.
P.O. Box 642
White Pine, TN 37890

Re: Arrington Vineyards, 6211 Patton Road, Arrington, Tennessee

Dear Mr. Cox:

In response to your inquiry, this correspondence confirms that Williamson County Government does not currently provide public sanitary sewer service to the Arrington Vineyards property at 6211 Patton Road, Arrington, Tennessee and has no plans in the foreseeable future to provide said service.

I hope this information is helpful. Should you need anything further, please do not hesitate to contact me.

Sincerely,

Rogers Anderson
County Mayor

IRM UTILITY

CCN APPLICATION TO PROVIDE SERVICE TO ARRINGTON VINEYARDS

EXHIBIT IRM-E

CALCULATION OF PRO FORMA RATES AND COST OF SERVICE

IRM UTILITY
Pro Forma Rate Calculation for Arrington Vineyards
Proposed Rates

Exhibit IRM-E
Schedule 1

	10 Year Billing Determinants	Proposed Rates	10 Year Revenue Projection
Pro Forma Ten Year Revenues:			
Site #1 - Arrington Vineyards:			
First 300 Gallons per Month	34,200 A/	\$0.250	\$8,550
Next 700 Gallons per Month	79,800 A/	0.200	15,960
Next 2,000 Gallons per Month	228,000 A/	0.170	38,760
Over 3,000 Gallons per month	500,460 A/	0.130	65,060
Customer Charges (Bills)	114 A/	0.000	0
Site #2 - Commercial Resort Facility			
Customer Charges (Bills)	342	75.000	25,650
Gross Ten Year Pro Forma Revenues			\$153,980
Less Escrow Requirements @ 23%			35,415
Net Ten Year Pro Forma Revenues			\$118,564
Ten Year Cost of Service			\$118,004 A/
Ten Year Net Operating Income Surplus/Deficiency			\$560

Arrington Vineyards will need consumption rates of \$0.250, \$0.20, \$0.170, and \$0.13 along with a monthly billing rate of \$0 and a separate monthly billing rate of \$75 for the Commercial Resort Facility in order to cover its projected ten year cost of service of approximately \$118,000.

A/ Schedule 2.

IRM UTILITY
Pro Forma Rate Calculation for Arrington Vineyards
Ten Year Income Projection

Exhibit IRM-E
Schedule 2

	Billing Rate	(6 Months)												10 Year Total
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020			
Site #1 - Arrington Vineyard:														
Projected Gallons per Month:														
Winery Tasting Facility		640	640	640	640	640	640	640	640	640	640	6,400		
Winery Processing Facility (High Strength Waste)		1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	12,500		
High Strength Upgrade Equivalent (11,000 BOD)		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000		
Two Additional Restrooms		500	500	500	500	500	500	500	500	500	500	5,000		
Total Projected Gallons per Month		7,390	7,390	7,390	7,390	7,390	7,390	7,390	7,390	7,390	7,390	73,900	73,900	
Projected Bill Count														
		6	12	12	12	12	12	12	12	12	12	114		
Arrington Vineyard Pro Forma Revenue:														
First 300 Gallons per Month	\$0.250 A/	\$450	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$8,550		
Next 700 Gallons per Month	0.200 A/	840	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	15,960		
Next 2,000 Gallons per Month	0.170 A/	2,040	4,080	4,080	4,080	4,080	4,080	4,080	4,080	4,080	4,080	38,760		
Over 3,000 Gallons per Month	0.130 A/	3,424	6,848	6,848	6,848	6,848	6,848	6,848	6,848	6,848	6,848	65,080		
Monthly Customer Charge Revenue	0.000 A/	0	0	0	0	0	0	0	0	0	0	0	0	
Arrington Vineyard Gross Pro Forma Revenues		\$6,754	\$13,508	\$13,508	\$13,508	\$13,508	\$13,508	\$13,508	\$13,508	\$13,508	\$13,508	\$128,330	\$128,330	
Less Escrow Requirements	-23.00%	\$1,553	\$3,107	\$3,107	\$3,107	\$3,107	\$3,107	\$3,107	\$3,107	\$3,107	\$3,107	\$29,516	\$29,516	
Arrington Vineyard Net Pro Forma Revenue		\$5,201	\$10,401	\$10,401	\$10,401	\$10,401	\$10,401	\$10,401	\$10,401	\$10,401	\$10,401	\$98,814	\$98,814	
Site #2 - Commercial Resort Facility:														
Facilities/Buildings:														
Wedding Facility (Equivalent to a 3 Bedroom House)		1	1	1	1	1	1	1	1	1	1	10	10	
Building #1 (Equivalent to a 3 Bedroom House)		1	1	1	1	1	1	1	1	1	1	10	10	
Building #2 (Equivalent to a 3 Bedroom House)		1	1	1	1	1	1	1	1	1	1	10	10	
Total Facilities/Buildings		3	3	3	3	3	3	3	3	3	3	30	30	
Projected Bill Count														
		18	36	36	36	36	36	36	36	36	36	342	342	
Commercial Resort Facility Pro Forma Revenue:														
Monthly Customer Charge Revenue	\$75.00 A/	\$1,350	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$25,650	\$25,650	
Less Escrow Requirements	-23.00%	-311	-621	-621	-621	-621	-621	-621	-621	-621	-621	-5,900	-5,900	
Commercial Resort Facility Net Proforma Revenue		\$1,040	\$2,079	\$2,079	\$2,079	\$2,079	\$2,079	\$2,079	\$2,079	\$2,079	\$2,079	\$19,751	\$19,751	
Total Net Pro Forma Revenue														
Less Pro Forma Cost of Service	B/	\$6,240	\$12,480	\$12,480	\$12,480	\$12,480	\$12,480	\$12,480	\$12,480	\$12,480	\$12,480	\$118,564	\$118,564	
Net Income/Loss		\$29	\$659	\$659	\$659	\$659	\$659	\$659	\$659	\$659	\$659	\$560	\$560	

A/ Schedule 1.

B/ Schedule 3 with Year 1 @ 50% of annual cost.

IRM UTILITY
Pro Forma Rate Calculation for Arrington Vineyards
Estimated Annual Cost of Service

Budget Item	Cost Classification	Monthly Cost	Annual Cost	Assumption Basis for Cost Estimates
Telephone / Telemetry	Variable	\$55.00	\$660.00	Current monthly cost for telemetry service for each subdivision.
Electric	Variable	55.00	660.00	Our experience has been that electric costs are approximately \$55 per month for each subdivision.
Quarterly Monitoring - Analysis	Variable	61.67	740.04	Analysis from Microbac Laboratories.
Quarterly Monitoring - Sampling	Variable	61.67	740.04	4 hours per Quarter @ \$30.00 per hour <u>plus</u> travel of 90 miles round trip @ \$0.505 per mile <u>plus</u> \$20.00 Reporting Fee.
Monthly OnSite Inspection	Variable	165.45	1,985.40	4 hours per Month @ \$30.00 per hour <u>plus</u> travel of 90 miles round trip @ \$0.505 per mile.
Permit Fee	Variable	29.17	350.00	TDEC Annual Permit Fee Rate per subdivision
Billing	Variable	50.00	600.00	4 hours per commercial customer per month @ \$12.50 per hour.
STEP Inspections	Variable	150.00	1,800.00	This system will have between three and four installed STEP Systems at an estimated annual cost of \$1,800.
Office Administration	Fixed	208.33	2,500.00	Annual cost = \$25,000. We expect new systems with less than 50 taps to contribute 10% towards this cost.
Regulatory (Accounting Fees)	Fixed	10.00	120.00	Annual cost = \$1,200. We expect new systems with less than 50 taps to contribute 10% towards this cost.
Accounting	Fixed	41.67	500.00	Annual cost = \$5,000. We expect new systems with less than 50 taps to contribute 10% towards this cost.
Attorney Fees (Regulatory)	Fixed	120.00	1,440.00	Annual cost = \$14,400. We expect new systems with less than 50 taps to contribute 10% towards this cost.
Insurance	Fixed	12.17	146.00	Annual cost = \$1,460. We expect new systems with less than 50 taps to contribute 10% towards this cost.
Ad Valorem Taxes	Fixed	15.00	180.00	Annual cost = \$1,800. We expect new systems with less than 50 taps to contribute 10% towards this cost.
Total		\$1,035.12	\$12,421.48	

Preliminary Soil Investigation

Arrington Vineyards



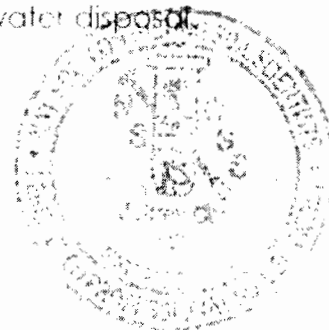
A Preliminary Soil Evaluation was performed for Kip Summers of Arrington Vineyards, Patton Road, Williamson County. *Preliminary Information for Percolation; a Preliminary Soil Map; and System Considerations;* based on Soil Properties are included in this report. Considerations made are with regard to the requirements of the Tennessee Department of Environment and Conservation with regard to on-site waste water disposal.

Please call if you have any questions.

Respectfully submitted

Environmental Soil Consulting

Jeffrey W. Cox



Jeffrey W. Cox, Sr.
Professional Engineering License No. 10,000, State of Tennessee

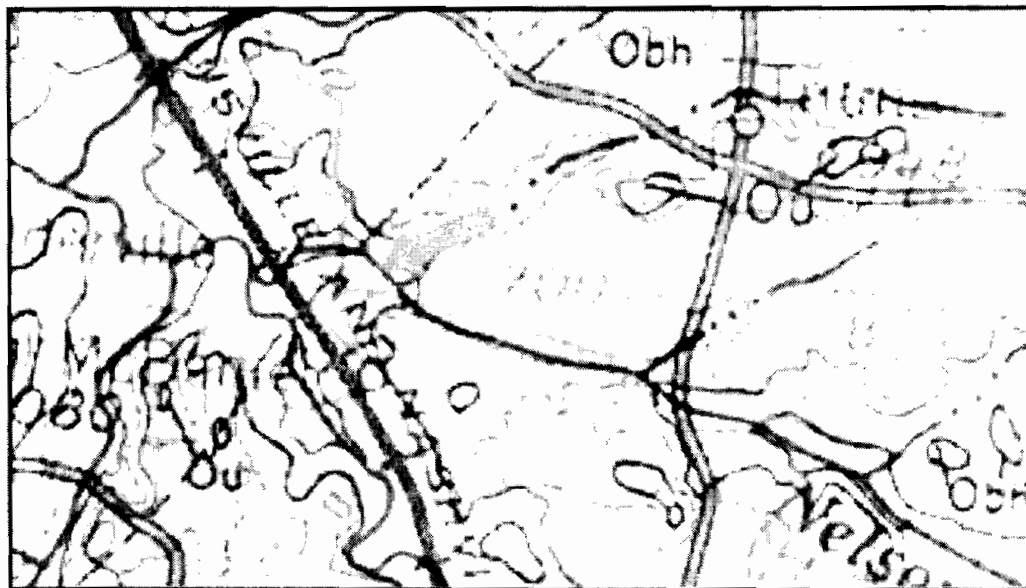
December 1, 2004

General

The purpose of this evaluation is to determine and identify locations of soil areas that are suited for subsurface sewage disposal. The direction of the project is to establish the feasibility of utilizing a wastewater treatment facility with subsurface drip irrigation disposal to provide additional wastewater disposal options for Public Restroom Facilities and "Tasting Areas" as well as other future options of use.

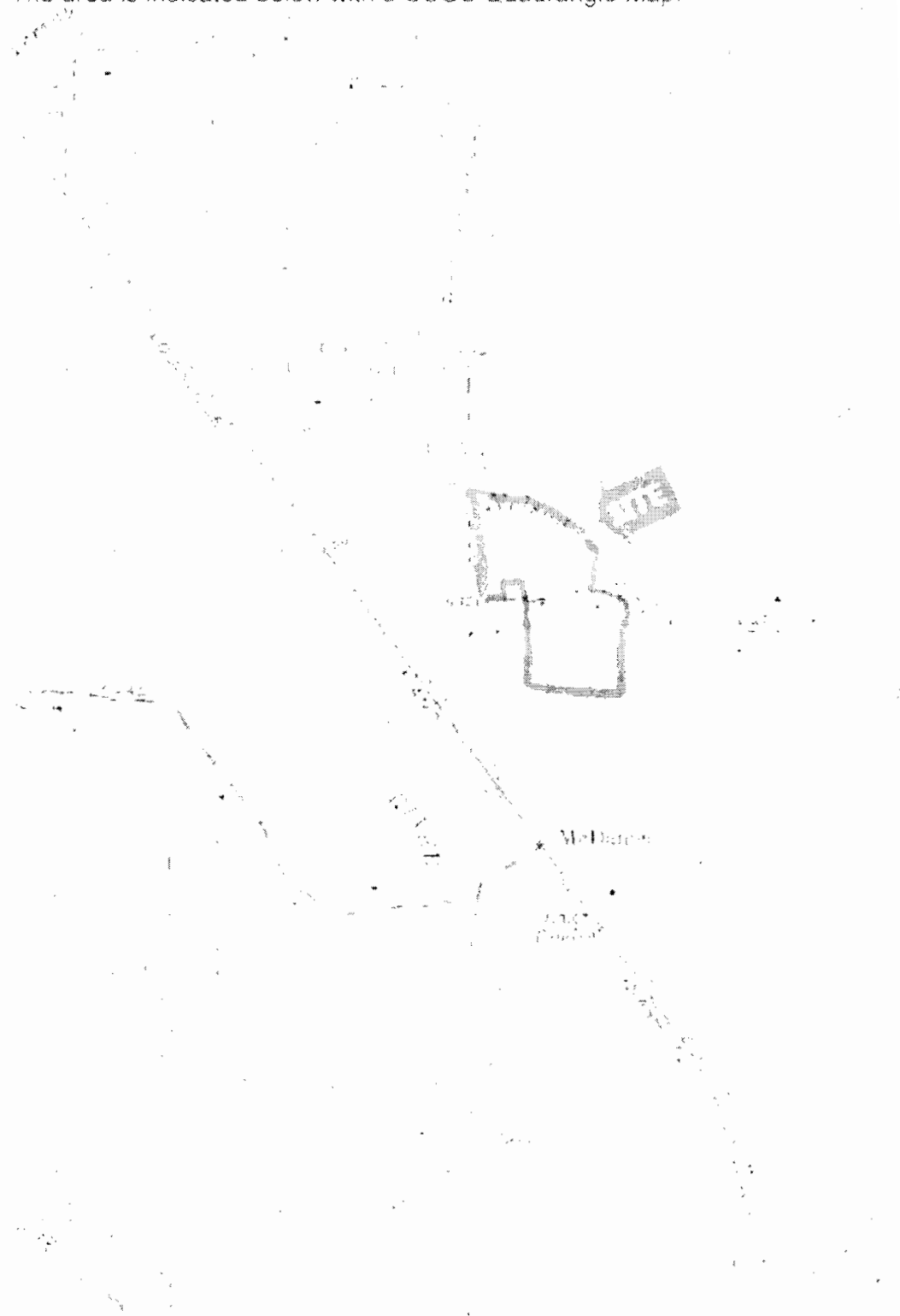
The property was evaluated in the field for slope, depth to rock, permeability, and general considerations for subsurface sewage disposal. Soil borings were made to examine the soil profiles. Slopes were measured with a Clinometer.

The property has soils that are formed from residuum and alluvium from the Bigby-Cannon Limestone and the Hermitage Formation (Obh, Pink Checker) in the upland positions and the alluvium near Nelson Creek has been dissected to the Carters Limestone (Oca, Light Pink). A copy of the West Central Sheet of the Tennessee Geology Map of 1966 is below with the green arrow indicating the Site:



Area Map

The area is indicated below with a USGS Quadrangle Map.



Observations

A Preliminary Soil Map of the property is included at the end of this report. The poor areas are indicated in red, the marginal areas are indicated in yellow, and the good to excellent areas are indicated in green.

Area A

These areas are the broad hilltops that are mainly comprised of well drained, moderately to slowly permeable soil. This area has a thin ancient alluvial deposit with silt loam surface soils and clayey subsoils that have friable moderate defined structure. The slope of the area is generally between 6 and 15 per cent. The soil consociation for this area is Hampshire and Stitersville. These areas are moderately to well suited for use with subsurface drip irrigation systems.

Area A A photograph of the subsoils typical of this area.



Area B

These areas are the broad hilltops that are mainly comprised of well drained, very slowly permeable soil. This area has rock-outcroppings and is shallow to bedrock. The slope of the area is generally between 6 and 15 per cent. The soil consociation for this area is Hampshire and Colbert Complex. These areas are poorly suited for use with subsurface drip irrigation systems due to shallowness to rock and poor permeability.

Area C

This area is comprised of eroded sideslopes exposing parent material. This area contains soils that are clayey and have slow permeabilities. Slopes range from 15 to 30 percent. The soils making up this area are eroded Culleoka, Inman and Colbert Complex. Due to the erosion these areas have tougher clays at shallower depths and are shallower to parent material than typical. Shallow depths and soils with slow permeability make this area poorly suited for subsurface drip irrigation disposal.

Area D

This area is comprised of lower terraces and colluvium on benches that have been dissected by drainage patterns. The slope of the area is generally between 10 and 20 per cent. The soil consociation for this area is Armour and Culleoka. These areas are moderately suited for use with subsurface drip irrigation systems.

Area E

This area is comprised of alluvial soils with some capping of loess. The soils are deep and moderately well drained to somewhat poorly drained. The soils have loamy textures and are moderate to poorly suited for subsurface drip irrigation. Soils in this area are Lanton and Melvin. Slopes range from 0-6 percent. The major limitations in this area are pockets of wetter soils that will need special soil improvement practices and permitting to be utilized.

Area F

This area is comprised of alluvial "Creek Bottom" soils. The soils are deep and well drained. The soils have loamy textures and are with excellent permeability and are well suited for subsurface drip irrigation. Soils in this area are Huntington. Slopes range from 0-6 percent. The major limitations in this area are the natural gas line utility that dissects the area.

System Considerations Based on Soil Properties

Based on your request of evaluating the suitability of the soil for best water use conditions based on soil properties. ESC has considered water use for two (2) public restroom areas at 850 gallons per day and the existing use. The balance has been expressed as an equivalent as seats in a restaurant for your evaluation of capacity after the two restroom areas have been considered. This will be confirmed based on the final findings with High Intensity Soil Mapping when final areas are staked in the field and the results of further detail evaluations are established.

Below is a chart illustrating the different areas with their proposed absorption rates which indicate the concept of wastewater disposal as related to possible water use capacities. ESC has summarized the rates as following:

Arrington Winery	
Estimates on Three Areas Based on Soil Properties	
Irrigation Area Required	Area A
	.15 gal/ft ² /day each
Acres Available	*Gallons of Effluent Per Day
2.300	15000
Gal/ft ² /day	0.150
Gal/acre/day	6521.739
Acre in/day	0.240
Square Feet	100188
# of Seats in Restaurant	180.00
<small>1.500 Two Restroom Units</small>	
Irrigation Area Required	Area D
	1 gal/ft ² /day each
Acres Available	*Gallons of Effluent Per Day
0.600	2600
Gal/ft ² /day	0.099
Gal/acre/day	4333.333
Acre in/day	0.160
Square Feet	26136
# of Seats in Restaurant	-26.67
<small>1.500 Two Restroom Units</small>	
Irrigation Area Required	Area F
	.25 gal/ft ² /day each
Acres Available	*Gallons of Effluent Per Day
4.000	43500
Gal/ft ² /day	0.250
Gal/acre/day	10875.000
Acre in/day	0.400
Square Feet	174240
# of Seats in Restaurant	655.00

These rates are compared to historically and recently approved rates of soil permeability for areas required for disposal.

Conclusions

Generally, much of the property is suited for wastewater disposal. The major limitations are, but are not limited to, areas that are eroded and have slow permeability, disturbed areas, areas near natural drainage, shallow areas, rocky areas, gullied areas, areas that are low and wet, sink hole areas and areas that are eroded.

The intended use and volumes of wastewater production in the future is critical in determining the future application. Area A or a portion of it and Area D can supply some future demand. Area F can facilitate a large project and almost unlimited use of the property. The limitations of use for Area F is the access via trenching through rock to access the region. Area F can be accessed by utilizing good engineering to avoid the rocky excavation. A combination of Area A and Area D may meet initial demands for the existing system and some future growth. This will be with limitations. The proposed use will need to consider existing "Process Treatment", existing waste treatment, and future growth that is imminent.

Additional Considerations

It is cautioned to not utilize the suitable soil areas for roads or other construction. These areas should be identified in the field and preserved for use for subsurface sewage disposal or subsurface drip irrigation. These areas can be managed as common property for picnic, playground, or as a nature area. It is suggested that a master plan be developed to further substantiate the actual use.

Environmental Soil Consulting is not an engineering firm. These recommendations are based on soil properties. It is suggested to get a written endorsement from the Tennessee Department of Environment and Conservation to the suitability of your design. Also, a plat should be submitted to local authorities for approvals and planning commission considerations. Prior to beginning construction, all permit considerations should be made (NOI, ARAP, etc.).