

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE:)
)
PETITION OF INTEGRATED RESOURCE)
MANAGEMENT, INC. d/b/a IRM UTILITY, INC.) **Docket No. 11-00059**
TO AMEND ITS CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO SERVE)
AN AREA IN WILLIAMSON COUNTY, TENNESSEE)
KNOWN AS ARRINGTON VINEYARDS)

**RESPONSE TO PETITION TO INTERVENE OF TENNESSEE WASTEWATER
SYSTEMS, INC.**

Integrated Resource Management, Inc. d/b/a IRM Utility, Inc. (“IRM Utility”), by and through its undersigned counsel, hereby files this Response to Petition to Intervene of Tennessee Wastewater Systems, Inc. (“Petition to Intervene”). IRM Utility would show the Authority the claim by Tennessee Wastewater Systems, Inc. (“TWS”) to have a right of intervention to serve Arrington Vineyards is not well-taken as there has not been sufficient information provided that defines a previously authorized service area, TWS does not have an existing plant or facilities to meet the needs of Arrington Vineyards for wastewater service, and Arrington Vineyards desires IRM Utility to provide wastewater services as evidenced by the existing contract for service.

**1. TWS Has Not Shown it has a Certificate of Public Convenience and Necessity to
Serve Arrington Vineyards.**

The Rules of the Tennessee Regulatory Authority Rule 1220-1-2-.08(2) states, “A petition for intervention shall set forth **with particularity** those facts that demonstrate that the petitioner’s legal rights, duties, privileges, immunities or other legal interests may be determined in the proceeding or that the petitioner qualifies as an intervenor under any provision of law.

Intervention may be denied or delayed for failure to provide such specific facts.” (emphasis added). The same requirement is contained within T.C.A. §4-5-310, which equally applies.

In its Petition to Intervene, TWS claims to have a “CCN to serve the area where Arrington Vineyards, the customer identified by IRM, is located” per TRA Docket No. 97-01393. (Petition to Intervene at 1). According to the Authority’s archived dockets index, the original petition for this docket was filed on August 1, 1997.¹ Unfortunately, the link that purports to contain the original Petition to Expand Service Area as filed by TWS does not provide that document, but rather an unrelated document dealing with TDEC permits from a different docket. TWS failed to include any pertinent information relative to defining the service area allegedly granted by the TRA within Docket No. 97-01393 for an on-site system. A service area map or other description for which the CCN was granted could provide the information necessary to establish a right of intervention, but nothing in the record identifies a service area. Per the procedural rules of the TRA and state law the burden for providing such information clearly lies with TWS as the intervenor. TWS has not met this burden.

The filings in the record indicate the CCN referenced by TWS does not include all of the Milcrofton District as erroneously suggested by TWS in their Petition to Intervene. The Order approving the original Petition in Docket No. 97-01393 clearly states, “The Petition of On-Site Systems, Inc., [now known as TWS] to amend its Certificate of Convenience and Necessity to expand its service territory to include **a portion of the Milcrofton Utility District** in Williamson County is hereby approved.” (emphasis added). A copy of this March 31, 1998 order is attached as Exhibit 1. Additionally, TWS filed a petition to amend its CCN on July 25, 2005 in which it acknowledges its existing CCN is to “serve a **portion of the Milcrofton Utility District.**” (Emphasis added). A copy of this Petition is attached as Exhibit 2. Upon information and belief,

¹ <http://www.tn.gov/tra/dockets/9701393.htm>

the portion of the Milcrofton Utility District for which TWS maintains a CCN does not include the property upon which Arrington Vineyards lies.

TWS cites T.C.A. §65-4-203(b) in pointing out it did not receive notice of the filing of the underlying Petition filed by IRM Utility. (Petition to Intervene at 1). T.C.A. §65-4-203(b) states, “In all proceedings under this section, the authority shall give at least ten (10) days’ notice to the authorities of, and the public utilities operating in, the municipality or territory affected.” As previously stated, there is nothing of record to put IRM Utility or the TRA on notice that TWS was issued a CCN for the subject service area in Docket No. 97-01393 or elsewhere. Accordingly, the fact TWS did not receive notice of the filing of the underlying Petition as of the date of its Petition to Intervene is consistent with the record and the lack of notice alone does not give rise to a ground upon which to grant an intervention.

IRM Utility is unable to fully respond to TWS’s unfounded assertion it has a CCN for the area including Arrington Vineyards and TWS has failed to meet its requirement to show it has standing to intervene in the immediate docket.

2. TWS is Not Prepared to Meet the Needs of Arrington Vineyards for Wastewater Service.

TWS claims, in its Petition to Intervene, it “has facilities located approximately one and one-half mile from Arrington Vineyards and is prepared to meet the reasonable needs of the customer for wastewater service,” pursuant to T.C.A § 65-4-203(a). (Petition to Intervene at 1). TWS has failed to indicate the nature and size of this “facility.” Upon information and belief, however, the facility referenced deals with a small service area and does not have the capacity or the range to provide wastewater services to Arrington Vineyards. Further, by definition, on-site

systems constructed, maintained and operated by TWS are limited to smaller, specific commercial and residential developments incapable of providing service to broad geographic areas in the same manner or to the same extent as centralized systems constructed and operated by many municipalities. These on-site systems are not economically or operationally feasible to be expanded over such a great distance. TWS's bald statement of owning a facility of some unknown description a mile and a half away from the subject site certainly does not demonstrate existence of available service nor does this assertion demonstrate the standing of TWS to intervene.

3. There is an Existing Contract for Service between Arrington Vineyards and IRM Utility.

Arrington Vineyards has owned its self-contained on-site wastewater system since 2006. The proposed CCN filed by IRM Utility includes a special service contract with commercial applications. The previously-filed Utility Services Agreement between Arrington Vineyards and IRM Utility evidences the parties' detailed agreement to maintain and manage the subsurface pretreatment filter system. The letter of intent has already been filed and letters of support for IRM Utility by Arrington Vineyards have been submitted to the Authority. These documents reiterate the intent of the parties as memorialized by their existing contract: Arrington Vineyards desires to have IRM Utility manage its already existing, self-contained wastewater system.

T.C.A. §65-4-203 was drafted prior to the prevalence of on-site wastewater systems. The proposed management of Arrington Vineyards' system by IRM Utility does not represent competition with another existing route, plant, line or system. Everything about the Arrington project is completely self-contained. To allow the intervention of TWS between two contracting


parties is against public policy and unnecessarily burdensome to the progress of a successful local business. Granting this Petition to Intervene would be contrary to the interests of justice and would impair the orderly and prompt conduct of the proceedings.

For the foregoing reasons, IRM Utility respectfully requests the TRA deny the Petition to Intervene filed by TWS and hereby requests this matter be placed on the first available docket for disposition of this issue.

Respectfully submitted,

FARRIS MATHEWS BOBANGO PLC

By:



C. Corum Webb, BPR No. 023956

Charles B. Welch, Jr., BPR No. 005593

618 Church Street, Suite 300

Nashville, Tennessee 37219

Telephone: (615) 726-1200

Facsimile: (615) 726-1776

Email: cwebb@farrismathews.com

*Attorneys for Integrated Resource Management, Inc.
d/b/a IRM Utility, Inc.*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document has been served upon the following persons by hand delivery or by United States Mail, postage prepaid.

Henry Walker
Bradley Arant Boult Cummings, LLP
1600 Division Street, Suite 700
Nashville, TN 37219

This the 21 day of June, 2011.



C. Corum Webb

Exhibit 1

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

March 31, 1998

IN RE: PETITION OF ON SITE)	
SYSTEMS, INC. TO AMEND ITS)	DOCKET NO.: 97-01393
CERTIFICATE OF CONVENIENCE)	
AND NECESSITY)	

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY FOR EXPANSION OF SERVICE
AREA**

This matter is before the Tennessee Regulatory Authority (the "Authority") for a decision on the Petition of On-Site Systems, Inc. (hereafter the "Company") to amend its Certificate of Convenience and Necessity for expansion of its service area to include a portion of Williamson County, now a part of the Milcrofton Utility District.

On April 4, 1994, On-Site Systems, Inc., received a Certificate of Convenience and Necessity, in Docket No. 93-09040, from the Tennessee Public Service Commission, to provide sewage collection, treatment and disposal for the proposed Oakwood development in Maury County, Tennessee. On August 4, 1997, the Authority approved the Company's Petition to expand its service territory in Montgomery County and in Rutherford County. The Company's current tariff provides for a monthly rate of \$8.49 for sewer service.

This Petition was filed by the Company on August 6, 1997, to expand their service territory to include a portion of the Milcrofton Utility District in Williamson County. The Company represents in its Petition that the Milcrofton Utility District does not currently provide


sewer services to its customers. The Company further represents that a small portion of the Milcrofton Utility District receives sewer service from the City of Franklin, Tennessee. This portion is not included in the current Petition by the Company. The Petition also states that the Microfton Utility District desires sewer service in the proposed service area in the Petition, but does not want either the expense or responsibility of operating the system. The Company further states that the Milcrofton Utility District has given permission to the Company to provide sewer service by letter agreement. A copy of the letter with attached site map from the Utility District is attached as Exhibit A.

On September 23, 1997, this Petition came before the Authority at a regularly scheduled Directors' Conference. Upon consideration of the Petition and pertinent portions of the record, the Directors find the Petition to be consistent with other service-area territory expansion requests previously approved by the Authority for On-Site Systems, Inc. Therefore, the Authority unanimously approves the Company's Petition.

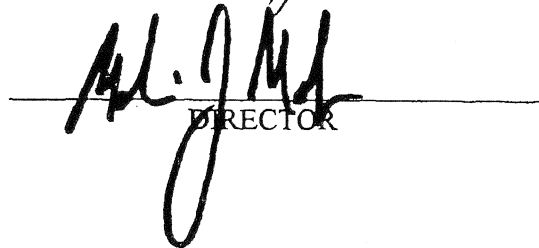
IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc., to amend its Certificate of Convenience and Necessity to expand its service territory to include a portion of the Milcrofton Utility District in Williamson County is hereby approved;
2. Any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order; and

3 Any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order


CHAIRMAN


DIRECTOR


DIRECTOR

ATTEST


EXECUTIVE SECRETARY

Exhibit 2

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

July 25, 2005

*IN RE. Petition of on Site Systems, Inc to
Amend Its Certificate of Convenience and
Necessity*

Docket No. 97-01393

PETITION OF ON SITE SYSTEMS, INC. TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY

Tennessee Wastewater Systems, Inc. ("TWS"), formerly known as On Site Systems, Inc., requests that its certificate of convenience and necessity to serve a portion of the Milcrofton Utility District (see Order issued March 31, 1998) be amended to eliminate duplication with the service area requested by King's Chapel Capacity in Docket 04-00335 (see Petition of King's Chapel, Exhibit 2 for a map of the requested service area).

This request is made pursuant to a settlement agreement between TWS and King's Chapel. A copy of the Agreement is attached.

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

RECEIVED

JUL 25 2005

TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

By: 

Henry Walker
1600 Division Street, Suite 700
P.O. Box 340025
Nashville, Tennessee 37203
(615) 252-2363

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing is being forwarded via U.S. mail and/or electronic transmittal, to:

Charles B. Welch, Jr.
Farris, Mathews, Branan, Bobango, Hellen & Dunlap, PLC
Historic Castner-Knott Bldg , Suite 300
618 Church Street
Nashville, TN 37219

Richard Militana
Militana & Militana
5845 Old Highway 96
Franklin, TN 37064

on this the 25 day of July 2005.



Henry Walker

SETTLEMENT AND MUTUAL RELEASE AGREEMENT

THIS SETTLEMENT AND MUTUAL RELEASE AGREEMENT ("Settlement Agreement") is entered into by and between J. POWELL DEVELOPMENT, LLC, (a non existent entity) JOHN POWELL, ELAINE POWELL, C. WRIGHT PINSON, ASHBY COMMUNITIES, LLC, HANG ROCK, LLC, ARRINGTON MEADOWS, LLC, and KINGS CHAPEL CAPACITY, LLC ("KCC"), on behalf of themselves, their agents, officers, employees and directors, hereinafter cumulatively referred to as Parties of the First Part and TENNESSEE WASTEWATER SYSTEMS, INC. f/k/a ON-SITE SYSTEMS, INC. ("TWS"), ON-SITE CAPACITY DEVELOPMENT COMPANY, PICKNEY BROTHERS, INC., ROBERT PICKNEY and CHARLES PICKNEY, on behalf of themselves, their agents, officers, employees and directors, hereinafter cumulatively referred to as Parties of the Second Part;

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged;

THE PARTIES INTEND BY THIS SETTLEMENT AGREEMENT TO COMPROMISE AND SETTLE ALL MATTERS that may exist between them including, without limitation, those pertaining to that certain civil litigation between them pending in Chancery Court in Williamson County, TN Case # 31074, subject to the provisions and conditions herein.

WHEREAS, the parties hereto desire to achieve the following objectives:

- I. The transfer of the State Operating Permit for Kings Chapel from TWS to KCC by the Tennessee Department of Environment and Conservation ("TDEC") if allowed by applicable TDEC rules or KCC securing a State Operating Permit if such transfer is not allowed.
- II. The granting of a Certificate of Need and Necessity ("CCN") by the Tennessee Regulatory Authority ("TRA") to KCC.
- III. Acceptance of the wastewater plant and final Plat Re-Approval by Williamson County for Kings Chapel Development.
- IV. The transfer and acknowledgement that the wastewater treatment plant is owned by Parties of the First Part permitting the Parties of the First Part to service and therefore sell all buildable lots in the subdivision known as Kings Chapel.
- V. Execution by the appropriate Party of the Second Part of the documentation necessary for the transfer of the State Operating Permit ("SOP") for Kings Chapel before TDEC (if such transfer is allowed by TDEC) and removal of the Objection to the CCN for KCC ("Intervention") must be completed upon the reasonable request of the Parties of the First Part at a time and in forms acceptable to Parties of the First Part.
- VI. Ownership by KCC of the Wastewater Treatment Plant and the unconditional licensure of to use any copyrighted or non-copyrighted materials related to the design of the Wastewater Treatment Plant at the site of the Kings Chapel Development.

[Handwritten initials: JEP, CWP, and others]

VII. All other provisions and conditions of this Settlement Agreement relating to the Parties obligations herein, over which they have control, must be completed without delay, upon demand and the form reasonably requested by the respective party.

THE PARTIES AGREE, WITHOUT LIMITATION, TO THE FOLLOWING CONDITIONS:

1. The Parties of the Second Part agree Kings Chapel Capacity, LLC (hereinafter referred to as "KCC") is the owner of the wastewater plant subject to the litigation including, without limitation, drip fields, buildings, wastewater transmission lines, valves, hardware, including computer equipment, gauges and other installations in the building and outside the building (all the "Wastewater Treatment Plant"), identified in the above referenced litigation and located on or in Kings Chapel Development.

2. With regard to the condition of the Wastewater Treatment Plant, the Drip Field has been constructed and the Recirculating Sand Filter System has been constructed. Parties of the Second Part represent that the Drip Field and the Recirculating Sand Filtration portion of the Wastewater Treatment Plant has been properly constructed and installed pursuant to the SOP 03032 granted by the Tennessee Department of Environment and Conservation ("TDEC") to the best of the information and belief of the Parties of the Second Part. The effluent transmission line between the above referenced facilities has not been connected across the creek located between them. The building is complete with all hardware installed therein. The software for use in the computer system located therein has not been installed but will be installed within seven days of full execution of this Settlement Agreement. Williamson County requires the additional construction of a retention pond which has not yet been constructed.

No warranty with regards to the above referenced installations is given by Parties of the Second Part. The Parties of the First Part acknowledge that additional construction is necessary to complete the Wastewater Treatment Plant as set forth above. Additionally, installation of collection lines, septic tanks, pumps and other such items has not occurred within the subdivision. Parties of the Second Part are not responsible for any of the remaining construction or cost thereof. Parties of the Second Part acknowledge that no further monies are owed for the Wastewater Treatment Plant by Parties of the First Part. Parties of the Second Part will provide and assign to the Parties of the First Part any manufacturer's warranties on components to the extent they are in the possession of the Parties of the Second Part.

3. Parties of the Second part represent that the electronic boards, panels and software LCD equipment installed, or to be installed onsite for the purpose of monitoring the wastewater system, along with the telemetry required, is proprietary. However such representations are subject to proper evidence thereof. Parties of the Second Part hereby grant to KCC the license to the use of the electronic boards, panels and software and associated and appurtenant installations for use in the operation of the wastewater system that is proprietary and further agree KCC may secure monitoring services from any third party it desires to utilize. Such license shall be unconditional and at no cost to KCC, but is limited to the wastewater treatment site which is the subject of this Settlement Agreement.

[Handwritten initials]

4 There will be no refund of sums already paid to Parties of the Second Part and Parties of the First Part owe no further sums to Parties of the Second Part.

5. TWS will immediately execute a document, in a form and substance reasonably satisfactory to Parties of the First Part prior to submittal, upon full execution of this Settlement Agreement, transferring the State Operating Permit before TDEC in a form consistent with the requirements of TDEC, and the Parties of the Second Part will fully cooperate in this process, provided Parties of the Second Part will bear no unreasonable cost associated therewith.

6. Upon execution of this Settlement Agreement, TWS shall file a cancellation and/or transfer as appropriate, in a form and substance satisfactory to Parties of the First Part prior to submittal, of that portion of its certificated area which is described in the pending KCC petition for authority and shall withdraw any objection or opposition to the CCN Application before the Tennessee Regulatory Authority filed by KCC for the establishment of the wastewater treatment facility in the area set forth in the Application, or as such application may be amended provided such amendment does involve a revision or change of the geographic area and number of customers to be served.

7. It is understood by the parties hereto, that this Agreement is not conditioned upon the granting of a CCN for Kings Chapel Development in the name of KCC. It is specifically a condition of this Agreement that the Parties of the Second Part including without limitation, their representatives and attorneys will take no action to negatively influence, delay or prevent the granting of such CCN.

8. Parties of the Second Part will withdraw any objections and take no action to negatively influence, delay or prevent Party of the First Part from obtaining all approvals from any government and/or governmental agency including without limitation, Federal, State and County, necessary for Kings Chapel development to sell buildable lots and operate the wastewater plant.

9. All parties release all other parties from the various claims, causes of action, etc., except those necessary to enforce this Settlement Agreement and associated agreements.

10. Parties of the Second Part agree to execute any documents reasonably requested to facilitate the securing of the approvals, permits, licenses and certificates by Parties of the First Part as contemplated above in this Settlement Agreement, provided the execution of any such documents is at no unreasonable cost to Parties of the Second Part and creates no obligation to incur unreasonable cost or expense on the part of the Parties of the Second Part.

THE PARTIES FURTHER AGREE TO RELEASE EACH OTHER, SUBJECT TO THE PROVISIONS AND CONDITIONS HEREIN, on behalf of themselves, their employees, agents, officers and directors to release, cancel, forgive and forever discharge, one unto the other, their agents, members, partners, shareholders, owners, officers, employees and directors from all actions, claims, demands, damages, obligations, liabilities, controversies and executions, of any kind or nature whatsoever, whether known or unknown, whether suspected or not, which have arisen, or may have arisen, or shall arise by reason of the incidents described above pertaining to

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INITIALS ON BEHALF OF ALL PARTIES OF THE FIRST PART
INITIALS ON BEHALF OF ALL PARTIES OF THE SECOND PART

[Handwritten initials]

civil litigation between them pending in Chancery Court in Williamson County, TN Case # 31074 and each does specifically waive any claim or right to assert any cause of action or alleged cause of action or claim or demand which has, through oversight or error intentionally or unintentionally or through a mutual mistake, been omitted from this Release against the other.

THE PARTIES HERETO AGREE TO REFRAIN from making any disparaging statements to any party concerning the matters addressed in this Settlement Agreement or any negative statements concerning any other party to this Settlement Agreement with relation to the matters addressed herein, (excepting governmental agencies, counsels, tax advisors or other professionals retained by a party hereto).

ANY COMPLAINT OR PROCEEDING brought by a party hereto in any other forum shall be withdrawn by the party bringing such complaint or proceeding, if possible, subject to the faithful performance of the provisions herein by the parties hereto.

PARTIES OF THE SECOND PART agree to use their best efforts to accomplish the objectives and conditions of this Agreement to the benefit of the Parties of the First Part including, without limitation, the execution of any documents reasonably requested to facilitate the conditions and objectives of the is Settlement Agreement, provided the execution of any such documents is at no unreasonable cost to Parties of the Second Part and creates no obligation to incur unreasonable cost or expense on the part of the Parties of the Second Part.

THE PROVISIONS OF THIS AGREEMENT must be read as a whole, are not severable and/or separately enforceable by either party hereto. It is further understood and agreed that until a formal motion to dismiss the above referenced case, with prejudice, is duly executed, filed and accepted by the Court, no party hereto waives any rights under the aforementioned litigation and upon the failure of any condition or default herein may proceed with such litigation as if this Settlement Agreement did not exist.

The term "unreasonable expense" or "unreasonable cost" as contemplated herein is not meant to reflect the party incurring normal minimal expense of overhead such as local travel, food, normal overhead, copy or telephone expense, courier expense, etc. shall not be deemed to have incurred "unreasonable expense". Transfer fees, permits or such expenses charged by any governmental entity for transfer or to otherwise secure the objectives of this Settlement Agreement shall be borne by Parties of the First Part.

No admission or concession is made by either party regarding the legitimacy and/or existence of copyrighted material described herein and each party reserves all rights incident thereto.

ALL PARTIES HERETO FURTHER AGREE AND ACKNOWLEDGE that each accepts the considerations and conditions herein and, subject to the above described dismissal and conditions and will be accepted by both as a full, complete, final and binding compromise of all disputed issues only upon realization of the conditions and objectives cited herein. The receipt of considerations herein shall not be considered admissions by any of the Parties hereto of any liability or wrongdoing: that, in fact, such liability and/or wrongdoing are expressly denied by

Page 4 of 7

INITIALS ON BEHALF OF ALL PARTIES OF THE FIRST PART

INITIALS ON BEHALF OF ALL PARTIES OF THE SECOND PART

SP CWP
CS

each of the Parties hereto; and that no past or present wrongdoing on the part of any Party shall be implied by the giving of the considerations or the execution of this Agreement. All parties further agree that this Agreement rather reflects an effort to reconcile honest differences between all concerned.

THIS SETTLEMENT AGREEMENT CONTAINS THE ENTIRE AGREEMENT between the Parties with regard to the matters set forth herein. There are no other understandings or agreements, verbal or otherwise, in relation thereto between the Parties except as herein expressly set forth.

IN ENTERING INTO THIS SETTLEMENT AGREEMENT, each of the Parties represents to the others that they have read completely all terms hereof and that such terms are fully understood and voluntarily accepted. Each of the Parties further acknowledges and represents that they have been adequately represented by counsel of their own choosing or that they have had the opportunity to obtain such counsel in connection with the negotiation and execution of this Settlement Agreement.

THE PARTIES agree to execute any documentation or perform any act that may be required and/or reasonably requested by the other party to implement the provisions and/or objectives of this Settlement Agreement.

If any party shall default in its obligations herein, the non-defaulting party may recover all costs and expenses incident thereto including, without limitation, reasonable attorney fees.

THE PARTIES FURTHER AGREE that, to the extent permitted by controlling law, the Chancery Court, Williamson County, Tennessee shall have exclusive jurisdiction to resolve any disputes or claims, which may arise under this Settlement Agreement. The Parties further agree that the substantive law of Tennessee shall be applied to and govern all such disputes and claims.

THE PARTIES BY THEIR SIGNATURES BELOW WARRANT that they have the authority to execute this Agreement on behalf of all parties represented above for the respective Parties of the First and Second Part and that a facsimile signature, whether or not followed by an original, shall be binding upon that party and deemed an original for all purposes.

This Settlement Agreement may be signed in counterpart all of which shall form a single agreement.

THE PARTIES AGREE that this Agreement shall not be binding or valid unless duly executed by all parties and further that the rights inuring to one or more of the Parties of the First Part are not name or entity specific but apply to all Parties of the First Part and/or assigns.

WHEREFORE THE PARTIES ENTER THEIR SIGNATURE AND SEAL on the date reflected by their signatures.

[Handwritten initials: JEP CWP]
[Handwritten initials: JES]

PARTIES OF THE FIRST PART

JOHN POWELL

John Powell (Seal)

ELAINE POWELL

Elaine Powell (Seal)

C. WRIGHT PINSON

C. Wright Pinson (Seal)

ASHBY COMMUNITIES, LLC

John Powell (Seal)

HANG ROCK, LLC

John Powell (Seal)

ARRINGTON MEADOWS, LLC

Elaine Powell (Seal)

KINGS CHAPEL CAPACITY, LLC ("KCC")

John Powell (Seal)

7-25-05
Date

7-25-05
Date

7-25-05
Date

7-25-05
Date

7-25-05
Date

7-25-05
Date

7-25-05
Date

John Powell
Elaine Powell

J. POWELL DEVELOPMENT, LLC

7-25-05
Date

(a non-existent entity therefore no signature) (Seal)

PARTIES OF THE SECOND PART

TENNESSEE WASTEWATER SYSTEMS, INC.

7-25-04
Date

[Signature] (Seal)

ON-SITE CAPACITY DEVELOPMENT COMPANY

7-25-05
Date

[Signature] (Seal)

PICKNEY BROTHERS INC.

7-25-05
Date

[Signature] (Seal)

ROBERT PICKNEY

7-25-05
Date

[Signature] (Seal)

CHARLES PICKNEY

7-25-05
Date

[Signature] (Seal)

[Handwritten initials]
[Handwritten initials]

Tennessee Wastewater Systems, Inc.
7638 River Road Pike
Nashville, TN 37209-5733

Kings Chapel Capacity, LLC
1413 Plymouth Drive
Brentwood, TN 37027

July 22nd 2005


Mr. Edward M. Polk
Manager, Permit Section
Division of Water Pollution Control
State of Tennessee
Department of Environment And Conservation
401 Church Street, L&C Annex, 6th Floor
Nashville, TN 37243-1534
VIA Hand Delivered

Dear Mr. Polk,

By this letter, Tennessee Wastewater Systems, Inc. hereby requests that the Department transfer SOP # - 03032 to Kings Chapel Capacity, LLC effective this date.

Tennessee Wastewater Systems Inc. acknowledges that Kings Chapel Capacity, LLC is the owner of the wastewater plant including, without limitation, the drip fields, buildings, wastewater transmission lines, valves, hardware, including computer equipment, gauges and other installations in the building and outside the building (all the "Wastewater Treatment Plant") as further defined by the issuance of SOP # 03032

Respectfully Requested,


Charles Pickney, Jr. – President, Tennessee Wastewater Services, Inc.

By This letter, Kings Chapel Capacity, LLC. hereby accepts the transfer of SOP# 03032 from Tennessee Wastewater Systems, Inc. on this date.

Respectfully Requested,


John Powell, Managing Member, Kings Chapel Capacity, LLC

RECEIVED

JUL 25 2005

Permit Section