

BEFORE THE TENNESSEE REGULATORY AUTHORITY

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SHOW CAUSE PROCEEDING AGAINST )  
TENNESSEE WASTEWATER SYSTEMS, )  
INC. FOR MATERIAL )  
NON-COMPLIANCE AND/OR )  
VIOLATION OF TENN. COMP. R. )  
& REGS. 1220-04-13, et seq. )

DOCKET NO. 14-0041

\* \* \* \* \*

DEPOSITION OF GEORGE POTTER

Monday, May 12th, 2014

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5  
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9  
10 FOR GEORGE POTTER:

11 Mark Troutman, Esq.  
12 Troutman & Troutman  
124 Independence Lane  
LaFollette, Tennessee

13 ALSO PRESENT:

14 Robert Pickney, Tennessee Wastewater Systems

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## D E P O S I T I O N

The deposition of GEORGE POTTER, taken at the request of Tennessee Wastewater Systems, for purposes of discovery, pursuant to the Tennessee Rules of Civil Procedure, on the 12th day of May, 2014, at the offices of Concord Title, 10690 Murdock Drive, Knoxville, Tennessee, before Ginger Truesdel, Licensed Court Reporter #003 and Notary Public at Large for the State of Tennessee.

It is agreed that the deposition may be taken in machine shorthand by Ginger Truesdel, Licensed Court Reporter #003 and Notary Public for the State of Tennessee, and that she may swear the witness and thereafter transcribe her notes to typewriting and sign the name of the witness thereto, and that all formalities touching caption, certificate, filing, transmission, etc., are expressly waived.

It is further agreed that all objections except as to the form of the questions are reserved to on or before the hearing.

Truesdel &amp; Rusk

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1                   GEORGE POTTER,  
2 called as a witness at the instance of Tennessee  
3 Wastewater Systems, having been first duly sworn,  
4 was examined and deposed as follows:

5                   (Proceedings commenced at 1:57 p.m.)

6                   MR. WALKER: The standard  
7 stipulation, which all objections except as  
8 to the form of the question are reserved for  
9 the hearing. The witness has been sworn.

10                   EXAMINATION

11 BY MR. WALKER:

12                   Q.           State your name and address and  
13 phone number for the record.

14                   A.           George L. Potter, 1321 Rudder Oaks  
15 Way, that's R-U-D-D-E-R O-A-K-S W-A-Y, Knoxville  
16 Tennessee, 37919. And my number is (865)755-7430.

17                   Q.           Have you had your deposition taken  
18 before?

19                   A.           Regarding this case?

20                   Q.           No, any -- have you ever had a  
21 deposition?

22                   A.           Yes.

23                   Q.           Okay. So are you familiar with the  
24 process generally?

25                   A.           Yes.

1 Q. And you've talked about the process  
2 with Mr. Troutman?

3 A. Yes.

4 Q. Okay. So you understand, you're  
5 under oath, I'm going to ask you a series of  
6 questions and the court reporter will take  
7 everything down. And if you don't understand a  
8 question that I ask, stop me and ask me and I'll try  
9 to restate it.

10 A. I understand.

11 Q. If you need to take a break at any  
12 time, just let me know.

13 MR. WALKER: Do we want to read and  
14 sign the deposition or waive signature?

15 MR. TROUTMAN: Let's wait until the  
16 end, but I contemplate that we'll waive  
17 signature. Don't let me forget.

18 MR. WALKER: Of course, of course.

19 MR. TROUTMAN: Unless you want to  
20 absolutely read it. Do you normally do  
21 that?

22 THE WITNESS: (Witness nods in the  
23 negative). I don't like to listen to what I  
24 said before.

25 MR. TROUTMAN: I got it.

1 BY MR. WALKER:

2 Q. Let's just start at the beginning.  
3 I seem to -- how did you first become involved with  
4 Villages at Norris Lake?

5 A. We were operating -- I say "we," it  
6 was a management group, were operating Stardust  
7 Marina, in very close proximity to the Villages. My  
8 partner at the time was contacted by Land Resource  
9 to discuss possible management of the marina at the  
10 Villages for TVA Lakes. They prefer to have people  
11 that have experience already on their lakes to take  
12 over new marinas and they had recommended us as a  
13 possibility.

14 Soon after, they filed bankruptcy,  
15 so we had already started doing some due diligence  
16 on the project and the operation prior to that  
17 bankruptcy, so we continued because we definitely  
18 thought there might be an opportunity for us on the  
19 marina side.

20 That led to learning about the  
21 bankruptcy process and the bidding process, the  
22 purchase of the land, which eventually led to us  
23 purchasing the land, which then led to trying to  
24 work out a bond, resolve the bond issue with the  
25 bond safeguards. The county had already started

1 that process, but they weren't having a lot of  
2 success.

3 We eventually were able to get --  
4 to negotiate a settlement of the bond amount.

5 Wow, I'm answering a lot of  
6 questions which have nothing to do with how I got  
7 started. Sorry.

8 Q. That's all right.

9 Was the homeowners association  
10 involved in your decision to purchase the land out  
11 of bankruptcy?

12 A. We reached out to the homeowners  
13 association when we were in the due diligence  
14 process. They were supportive in our acquisition  
15 because they knew we had local presence. And we  
16 kind of initiated a working relationship from the  
17 very beginning that has continued to this day.

18 Q. So, is it fair to say that you went  
19 to them as opposed to them coming to you?

20 A. That's correct.

21 Q. And what did you -- do you remember  
22 what you paid for the land out of bankruptcy?

23 A. \$1,000,000.

24 Q. And how was that financed?

25 A. Bank loan.



1           Q.       Okay. And then you said you began  
2 to look at the bond issue. Tell me a little more  
3 about that, how did that process work?

4           A.       Well, it was a first time for me,  
5 so there was a lot of just general understanding  
6 that we had to establish. What we realized in  
7 working with the county planning commission was that  
8 the project in certain aspects had been -- was  
9 overbonded, in other aspects of the project, it was  
10 underbonded and --

11          Q.       If you would go into specifics.

12          A.       The best way to explain that, for  
13 example, the water and -- well, let me start by  
14 saying this, each phase had separate bonds.

15          Q.       Right.

16          A.       And within each phase you would  
17 have separate bonds for different types of  
18 infrastructure. You would have a road bond, which  
19 is primarily the excavation and the asphalt  
20 associated with creating the roads, and then you'd  
21 have a water utility bond, you know, for the  
22 installation of the water lines in a particular  
23 phase, and you would have that same thing with the  
24 sewer lines and with the electric lines.

25                   In Phase II specifically, the total

1 bonds for that portion of the project, and I'm going  
2 off of memory, but I want to say it was  
3 approximately three and a half million dollars.

4 When we did --

5 Q. For all of Phase II?

6 A. For all of Phase II.

7 Q. Okay.

8 A. And it could have been closer to  
9 four. But when we started doing the cost estimates  
10 to complete the work that needed to be done in Phase  
11 II, and there had been no work done in Phase II, it  
12 was going to cost between six and seven million to  
13 do what had been engineered. So that was a perfect  
14 example of something that was underbonded.

15 Then in Phase I, you had water and  
16 electric bonds that were the full value of the  
17 original cost of installation and there was only a  
18 small portion of that phase that needed to be  
19 completed. It was just actually one road, the  
20 very -- it's called Waterside Lane. It was the road  
21 that was the lakefront lots. And just that stretch  
22 was the only thing that had not been completed when  
23 it came to water, sewer and electric.

24 So those bonds for Phase I, the  
25 utility bonds for Phase I, again, going off memory,

1 I want to say they were close to maybe two and a  
2 half, three million, or maybe \$2,000,000, I think is  
3 a fair assessment.

4 But to do the water, sewer and  
5 electric on that one stretch of road, it was maybe  
6 \$300,000, something like that. So, in that case,  
7 you had a situation where it was overbonded.

8 And the county had a \$3,000,000  
9 bond, but if the work associated with that bond had  
10 already been completed, then all they really had was  
11 the cost of the remaining work. So if they have a  
12 \$3,000,000 bond, but it's only going to cost  
13 \$300,000 to complete the work, the most they're  
14 every going to get out of that insurance company is  
15 \$300,000.

16 So, understanding that -- and then  
17 reverse for the thing that was underbonded, if  
18 something cost \$6,000,000 and you've only got a bond  
19 for three and a half million dollars, you're only  
20 going to get three and a half million dollars so  
21 you're not going to be able to complete that work,  
22 so, then, that would leave it to the county to make  
23 up the difference, which they obviously didn't have  
24 the funds to do that.

25 So we quickly discovered with

1 working with the planning commission that we -- they  
2 and we, I guess, by association, were in a situation  
3 where we were going to have to be creative to come  
4 up with a solution that we could work with the bond  
5 company. The bond company was very combative,  
6 typical insurance company, they don't want to pay.

7 I think to this day, you know, they  
8 had -- they had, I want to say, about \$100 million  
9 in bonds associated with Land Resource projects at  
10 the time spread over a number of projects when the  
11 bankruptcy occurred. So they were in an extremely  
12 defensive position. There are some of those  
13 developments to this day, five years later, they  
14 still have not paid out on the bonds.

15 We had been informed that their  
16 bond rating was declining. So for all those  
17 purposes, when having discussions with the county  
18 and with the HOA, everybody felt like trying to get  
19 some money now was better than trying to get a large  
20 amount later on, especially considering that what  
21 the face -- total face value of the bonds and what  
22 the reality of real collection were two totally  
23 different numbers, so . . .

24 Q. When you were discussing this with  
25 the county and the HOA, did you actually have some

1 sort of contract with the county that allowed you to  
2 get the bond money?

3 A. No. What we had was the fact that  
4 we had bought the remaining property and we acquired  
5 in that the development rights, I guess, and we were  
6 in a position more of a facilitator to try to work  
7 toward a solution, obviously benefiting us from the  
8 lots that we owned, and hopefully benefiting the  
9 existing lot owners, and also benefiting the  
10 planning commission.

11 So because of that unique position  
12 of facilitator, then, that's why they worked with  
13 us.

14 Q. So, there is no legal document  
15 that -- by the way, whose name was on the bond? Was  
16 it the planning commission?

17 A. Yeah, Campbell County Planning  
18 Commission.

19 Q. So, is there a piece of paper that  
20 says that you were entitled to get the bond money?

21 A. There is a -- there's minutes from  
22 the Campbell County meeting that approved our  
23 negotiation to do a bond settlement and also  
24 approved for us to replace those bonds with new  
25 letters of credit that would apply to what would be

1 developed because we all decided, going back to my  
2 Phase II example, that that would never be  
3 developed, that there was no solution to get that  
4 completely developed.

5 So what we offered, as part of a  
6 facilitator and a win-win scenario, is we offered to  
7 swap lots that were in Phase II, that were owned by  
8 third parties in Phase II, we would swap them lots  
9 that we owned in either Phase I or Phase III, or the  
10 very front portion of Phase II, so that they could  
11 move into a developed portion of the property.

12 And the county agreed that that was  
13 the best plan. So they only made us rebond or  
14 resecure, because we didn't use bonds, you couldn't  
15 get bonds at that time, you had to go with letters  
16 of credit, just the portions of the development that  
17 were going to be completed.

18 Q. And is that -- so, those bonds are  
19 out there now?

20 A. Most of them -- most of them have  
21 been released because we've completed most of that  
22 work.

23 Q. Oh, okay. Does that include, was  
24 there a bond for a sewer in Phase I?

25 A. Sewer in Phase I, yes, there was.

1 Q. And has that bond been released?

2 A. Uh-huh. We completed that work.

3 Q. Okay.

4 A. Paid for that work and they

5 released it.

6 Q. How much was that bond for; do you

7 recall?

8 A. Again, the sewer in Phase I was a

9 very small number, I want to say maybe \$60,000.

10 Q. Okay.

11 A. Approximately 60, \$70,000.

12 Q. Because that was all that was

13 required to finish the water and sewer or, excuse

14 me, the sewer?

15 A. Just the sewer.

16 Q. How big was Phase I?

17 A. Oh, I don't know.

18 Q. Hundred lots, 50?

19 A. No, no, no. I don't know. Do you

20 know?

21 Q. That's all right. We can --

22 A. You can look it up on a map.

23 Q. We can look it up on a map.

24 So, you were released from this

25 sewer bond for Phase I?

1           A.       Uh-huh.

2           Q.       So, does that mean that the sewer  
3 system for Phase I is now complete?

4           A.       Just means the lines are in, they  
5 have been pressure tested.

6           Q.       The collection lines?

7           A.       Yes, the collection lines.

8           Q.       But is the treatment facility  
9 complete?

10          A.       No.

11          Q.       Why would they release the bond  
12 before the treatment facility was complete?

13          A.       All they required was for us to  
14 pressure test the lines to make sure that they were  
15 installed correctly.

16          Q.       Did the bond not include the  
17 building of the treatment facility?

18          A.       There's a separate bond for the  
19 treatment facility.

20          Q.       Oh, okay. What's the status of  
21 that bond?

22          A.       They still hold it. It's not a  
23 bond, excuse me, it's a letter of credit.

24          Q.       Thank you. How much is that for?

25          A.       \$600,000.



1 Q. Okay.

2 A. Do you want a copy of it?

3 Q. I would. Thank you for reminding  
4 me that you brought documents to give me.

5 A. You record everything, I need to be  
6 quiet. There's that.

7 Q. Thank you.

8 Are those copies of documents that  
9 you brought in response to the subpoena?

10 A. Yes.

11 Q. Do you have separate copies for me  
12 or is that just one --

13 A. I have one copy for you.

14 Q. Oh, thank you.

15 A. I have my own copies of these.

16 Q. Could you slide them over here,  
17 please?

18 A. I didn't make a copy for you.

19 Q. We can get copies made.

20 A. Do you want them all?

21 Q. Yes, just hand them all to me, if  
22 you don't mind.

23 A. Okay.

24 Q. I'll go through them and if I have  
25 any questions about them, I'll ask you.

1 (Documents handed to Mr. Walker)

2 MR. BOZARTH: Do you want to make  
3 those Exhibit 1 to his deposition?

4 MR. WALKER: This will be  
5 Collective Exhibit 1 to his deposition.

6 (Exhibit No. 1 marked)

7 (Discussion off the record)

8 BY MR. WALKER:

9 Q. Did you by any chance get a copy of  
10 the minutes of when the planning commission approved  
11 what you described earlier?

12 A. I did get a copy at the time. I  
13 don't have a copy that I included in that packet. I  
14 will need to try to look that up.

15 Q. If you could find it, could you  
16 make that an exhibit -- would you try to find it,  
17 please?

18 A. Yes, I will.

19 Q. Okay. I know it's public record,  
20 but it would be helpful if you could find it and  
21 we'll make that Exhibit No. 2 to your deposition.

22 (Exhibit No. 2, requested)

23 Q. So there is a \$600,000 bond to  
24 finish the -- or to build the treatment center?

25 A. Yeah, that's to build what we call

1 the first phase of the treatment center.

2 Q. Tell me how you propose to finance  
3 that.

4 A. The letter of credit.

5 Q. No, the actual construction.

6 A. Oh, well, we paid for most of it  
7 already.

8 Q. To whom?

9 A. Braeburn Utility Construction. And  
10 there's a few of those Braeburn invoices that are in  
11 that packet. I need to go look up the rest of them.  
12 I printed out the ones that I had handy.

13 Q. So, what's the total amount that  
14 you anticipate paying Braeburn for building the  
15 treatment center?

16 A. It's very close to \$600,000.

17 Q. And how much have you already paid?

18 A. I don't recall. I want to say at  
19 least half. It's a little difficult because we've  
20 paid them also for the collection lines in Phase III  
21 and we've paid for all of that. Even though we have  
22 a -- there's another letter of credit for that of  
23 \$200,000 for the Phase III collection sewer lines,  
24 that letter of credit is still in place because,  
25 unlike the Phase I, which was done long, long ago

1 before all this started up, the planning commission  
2 would not release that letter of credit with all our  
3 legal issues with you guys pending, so it's still  
4 out there even though we've paid Braeburn 100% of  
5 the cost to put those collection lines in.

6 Q. So you've paid them, roughly  
7 speaking, 100% percent of the cost of doing the  
8 collection lines? Roughly half the cost -- excuse  
9 me, only Phase III or all --

10 A. Braeburn did the lines in Phase  
11 III, we paid 100% of that.

12 Q. Okay.

13 A. A different contractor did the  
14 sewer collection that was left to do in Phase I, we  
15 paid 100% of that. And, yes, I think we've paid --  
16 I think we've paid around 50% of the cost of the  
17 treatment plant.

18 Q. So, is it fair to say that the  
19 collection lines are finished?

20 A. In Phases I and III --

21 Q. Okay.

22 A. -- the collection lines are  
23 finished.

24 Q. Will the treatment plant serve all  
25 three phases?

1           A.       Yes. Just remember, though, Phase  
2       II is a totally different modified phase. It's a  
3       very small section of what it originally was. It's  
4       really just the front road. And those -- that  
5       collection has not been installed yet.

6           Q.       Okay. How do you propose to get  
7       the money to finish paying for the treatment system?

8           A.       My partner and I will fund it --

9           Q.       Okay.

10          A.       -- as we have been.

11          Q.       Will you be collecting tap fees  
12       from the customers?

13          A.       No.

14          Q.       Will the customers pay any tap fees  
15       when they hook onto the system?

16          A.       That is what's proposed, yes.

17          Q.       How much? Have you decided yet?

18          A.       The HOA has been leading that up,  
19       and I think it's approximately \$5,000.

20          Q.       And is there a document in here  
21       that discusses the \$5,000 tap fee?

22          A.       No.

23          Q.       Is that in writing anywhere or is  
24       that just oral discussions with the HOA?

25          A.       We are still -- it's oral

1 discussion, we're still trying to finalize it. This  
2 scenario kind of put everything on hold.

3 Q. Understood.

4 In the big picture, can you  
5 describe to me how you came up with the \$5,000  
6 figure?

7 A. Again, I didn't come up with the  
8 \$5,000. That was a combination of working with the  
9 HOA and the engineers that they've been working  
10 with, and the utility, Braeburn, the utility  
11 contractor, of what it would cost to build future  
12 expansion of the system.

13 The concept was that we would build  
14 this first phase of the treatment plant, then the  
15 HOA would collect tap fees as people connected to  
16 the system, and that would be set aside in a  
17 separate escrow account, and it would fund future  
18 expansion.

19 There's no certainty as to how soon  
20 and how quick homes will be built and would connect,  
21 that's why we came up with a system with the  
22 engineer that works with CJU on a wastewater  
23 treatment plant that was expandable.

24 So the first phase is supposed to  
25 handle the first 100 homes. And, so, as those 100

1 homes tap on, then money is set aside. For example,  
2 if it's \$5,000, then \$500,000 would be set aside  
3 once that 100 homes is on and then you have half a  
4 million dollars to do the second phase of that  
5 development taking care of the next 100 homes.

6 The first phase is the most  
7 expensive phase because of work with the land and  
8 the soils and the drip field and things of that  
9 nature. The future phases of expansion of the  
10 wastewater treatment plant will be less expensive  
11 than this first phase.

12 Q. Would any of that \$500,000  
13 reimburse you for completing the treatment plant for  
14 Phase I?

15 A. Unfortunately, not. I don't get  
16 any money back. But if you want to put in a good  
17 word for me.

18 Q. How much would it cost in a  
19 guesstimate to build the treatment system for Phase  
20 III?

21 A. My understanding is if you use that  
22 guide of 100 homes, that the second and third and  
23 fourth phases are all going to cost approximately  
24 \$400,000.

25 Q. I see. So, in other words, each

1 set of tap fees will be used to fund the building of  
2 the treatment center for the next phase?

3 A. Correct.

4 Q. So your initial outlay, hopefully,  
5 will be no more than the 600,000?

6 A. That was the plan.

7 Q. Is that still the plan?

8 A. That's still the plan, and that's  
9 why the letter of credit that we had to provide for  
10 the county was the \$600,000.

11 Q. Is there an escrow account being  
12 held now by the HOA?

13 A. I believe so. I believe they --  
14 when we thought that we were going to be pretty  
15 close to completion and we were at the first of  
16 their tax year or their billing year, they started  
17 to go ahead and -- they were going to start to bill,  
18 but I don't think they ever collected a tap fee, so  
19 I can't answer that question.

20 Q. You're on the HOA board?

21 A. I am on the HOA board, but I am  
22 definitely -- I'm more of the developer  
23 representative to the HOA board. I try not to get  
24 too involved in their day-to-day business.

25 Q. Do you hold an office on the board?



1 A. I do.

2 Q. What is the office?

3 A. Treasurer, and I do no treasuring.

4 It's kind of like those churches, you know, how  
5 everybody has a thing and nobody really does their  
6 job that they're supposed to.

7 Q. Do you even get the financial --

8 A. Yeah.

9 Q. -- report of the board?

10 A. The HOA is managed by a separate  
11 property management group, and they really do all  
12 the work. You know, the board members are -- we  
13 have a title because the bylaws say that we have to,  
14 but the management company does all the work. They  
15 prepare the financial statements. I get copies of  
16 the balance sheet and P&L and P&L to budget on a  
17 quarterly basis.

18 Q. So, on a quarterly basis, you would  
19 be told whether or not there was an escrow account  
20 with any money in there set aside for sewer?

21 A. Yeah.

22 Q. Sitting here now, can say whether  
23 there is or there isn't?

24 A. I don't think there is. There's  
25 several bank accounts, and I can tell you that they

1 have approximately \$300,000 in all those bank  
2 accounts combined. How that breaks out, I just  
3 haven't paid that close attention.

4 I've never really thought of it as  
5 -- I just -- I'm almost positive they don't have  
6 money set aside in that escrow because they haven't  
7 collected a tap fee.

8 Q. Okay. If there were an escrow  
9 account and they had collected the tap fee, would  
10 that -- could that be used to reduce your outlay in  
11 completing Phase I?

12 A. No, it would be used as we  
13 discussed for future expansion.

14 Q. Okay.

15 A. The understanding is I'm going to  
16 pay for all of Phase I, I'm not going to be  
17 reimbursed for all of Phase I.

18 Q. Got it. Is this written down  
19 anywhere?

20 A. No, it's just basically been the  
21 plan with the county, with the planning commission  
22 since the very beginning, that we -- when we went in  
23 and we approached them about CJU being the provider  
24 or the sewer permit holder and we had their engineer  
25 come up with what the cost would be to build this

1 system, and we agreed that doing an expandable  
2 system, and the first phase covering the first 100  
3 homes, we set -- we did get cost estimates and we  
4 set those bond rates based on those cost estimates.  
5 So it's all kind of grandfathered from that point  
6 on.

7 Q. But you're responsible for the  
8 600,000 to finish the treatment plant for Phase I  
9 and there's also a letter of credit held by the  
10 county planning commission for the same amount for  
11 finish -- and is that also just for Phase I?

12 A. It's just for Phase I. And when we  
13 say Phase I, it's Phase I of the treatment facility,  
14 not to be confused with Phase I of the development.

15 Q. Thank you for pointing that out.

16 And are there other bonds being  
17 held by the county for Phases II, III or higher for  
18 the treatment facility?

19 A. There are not.

20 Q. Okay.

21 A. And, again, the plan was that tap  
22 fees would be collected and those would fund  
23 themselves.

24 Q. Do you have a contract with someone  
25 to actually operate the system?

1 A. Not yet.

2 Q. Do you have any idea who that might  
3 be with?

4 A. We've talked -- CJU is obviously  
5 the permit holder. It's up to them to decide how  
6 they want to service the permit. There has been  
7 some discussion about DSH & Associates being the  
8 day-to-day maintenance arm, so to speak, with  
9 servicing the treatment plant.

10 Q. Who is SOS?

11 A. DHS.

12 Q. Same thing, same company? So, SOS  
13 is the same as DHS?

14 A. I don't know what SOS is.

15 Q. Okay.

16 A. I didn't say SOS, I don't think.

17 Q. I understand.

18 A. SOS is state operating permit,  
19 that's what --

20 Q. No, that's SOP.

21 A. SOP, sorry.

22 SOS, doesn't that mean like you  
23 need help when you're --

24 Q. I'm just curious because  
25 Mr. Wallace said something about that he thought you

1 would be contracting with a company that he called  
2 SOS and I'm just wondering if he actually meant DHS.

3 A. I don't know.

4 Q. What does DHS stand for?

5 A. Doug Hodge & Associates. No, I  
6 don't know what that stands for. Yes, Doug Hodge &  
7 Associates, sorry.

8 Q. Okay. So you've talked to  
9 Mr. Hodge --

10 A. Uh-huh.

11 Q. -- about operating this system?

12 A. Yes.

13 Q. But you don't have a written  
14 contract yet?

15 A. Not yet. That was -- the  
16 conversations with Mr. Hodge have also been with Tim  
17 Slone, who's the engineer for Caryville-Jacksboro  
18 that they've used to sign the system.

19 Q. Excuse me. Does Mr. Slone work for  
20 Caryville-Jacksboro or does he have his own company?

21 A. His own company is called IRTECH.

22 Q. Right.

23 A. And I believe you will see in some  
24 of the documents that I gave you, most of the stuff  
25 from TDEC is directed to Tim Slone at IRTECH as the

1 engineer and designer of the system.

2 Q. Now, go ahead, what were you saying  
3 about --

4 A. I just said most of the  
5 conversations with Doug have been in conjunction  
6 with Mr. Slone. I guess the best way to explain it  
7 is when we spoke to -- when I initially spoke to  
8 Caryville-Jacksboro about being the sewer provider  
9 for the Villages, he directed me to Tim Slone, who's  
10 their engineer and designer of their systems. And  
11 so in those conversations, that leads to  
12 conversations with Doug Hodge about being a part of  
13 the system from a maintenance standpoint.

14 Q. Maintenance and operation?

15 A. Yeah, maintenance and operation.  
16 And I don't, to be honest, I don't know the details  
17 of what his role is in comparison to what CJU's role  
18 is.

19 Q. Do you have -- have you estimated  
20 how much you would have to pay Mr. Hodge to operate  
21 and maintain the system?

22 A. No, because I -- my plan would be  
23 that once this system is online, there is a fee that  
24 all lot owners will pay annually. This is not a tap  
25 on fee, but this is an annual fee that will be paid

1 for maintenance, in essence.

2 So even if they don't have -- you  
3 only pay a tap fee if you have a home. If you don't  
4 have a home, you have an annual maintenance fee, and  
5 that that money, which will also be, you know,  
6 administered by the HOA and CJU, how often they  
7 decide to do it, will be used to fund the  
8 maintenance expenses.

9 So my plan is that I'm going to  
10 build this first phase of the treatment plant, get  
11 it operational, and all the contracts and parties  
12 that are going to be there forever, the HOA, CJU,  
13 they're all in place, and I'm going to wash my hands  
14 of it.

15 Q. So, in other words, the building of  
16 the Phase II and III of the treatment plant would be  
17 up to the HOA?

18 A. It will be up to the HOA and CJU  
19 and whoever else they want to get involved in it.

20 Q. So, who would set the amount of  
21 that annual fee?

22 A. I guess it will be the HOA and CJU  
23 and whoever else.

24 Q. Who would set the monthly sewage  
25 charge?

1           A.           I would assume that would be CJU  
2 because isn't that regulated by the state?

3           Q.           Have you had any discussion with  
4 the homeowners association about what that monthly  
5 charge would be?

6           A.           Yeah. I think it was around --  
7 yes, we have.

8           Q.           How much do you think it will be?

9           A.           I think it was less -- right around  
10 fifty bucks and it changed per size of the home.

11          Q.           And where were those numbers coming  
12 from?

13          A.           Tim Slone.

14          Q.           And was he basing -- do you know  
15 what he was basing that on?

16          A.           Usage. I know they were talking  
17 about number of bedrooms and how that would change  
18 the amount of the monthly fee.

19          Q.           And, once again, do you know at the  
20 end of the day who's the final person who decides  
21 what the rate's going to be? Do you know?

22          A.           I would assume that's CJU.

23          Q.           Okay. But it's not you?

24          A.           It ain't me.

25          Q.           Okay. Do you think that you could



1 find, not now, but after -- just find the most  
2 recent quarterly financial report of the HOA and  
3 just attach that and make that the next numbered  
4 exhibit?

5 A. I can actually probably give it to  
6 you before -- I store them all in e-mails in a  
7 folder, and if I ever have a situation where I need  
8 to look something up, like right now, then I can go  
9 look it up.

10 Q. Thank you, appreciate that.

11 (Exhibit No. 3, requested)

12 THE WITNESS: I have a question.

13 May I have a brief off the record?

14 MR. WALKER: Sure.

15 (Discussion off the record)

16 BY MR. WALKER:

17 Q. So, will you go look at the  
18 financial reports, maybe we'll take a break here  
19 shortly, and verify whether there is or is not an  
20 escrow account for sewer service?

21 A. I will.

22 Q. Okay. And then come back and tell  
23 us. You'll agree to do that?

24 A. Yes.

25 Q. Thank you.

1                               Is there any connection between  
2 Doug Hodge & Associates and Braeburn?

3               A.           They work together on different  
4 projects.

5               Q.           Okay. And is Braeburn actually  
6 doing the construction?

7               A.           Uh-huh, Braeburn Utility --

8               Q.           Okay.

9               A.           -- Construction.

10              Q.           How long do you think it would take  
11 for Braeburn to complete Phase I of the treatment  
12 facility?

13              A.           Couple of months.

14              Q.           Okay. And are you prepared to go  
15 ahead and pay them to complete the rest of the  
16 facility?

17              A.           Yes.

18              Q.           But after they complete the  
19 facility and it's up and running, you don't  
20 anticipate being involved in this anymore, correct?  
21 At least in terms of the sewer aspect.

22              A.           That's correct. I mean, I still  
23 own a lot of lots. I've got to try to sell a lot of  
24 these lots. I'm going to be a participant as an HOA  
25 member --

1 Q. Sure.

2 A. -- as an HOA officer, but, you  
3 know, from a developer standpoint, the plan has  
4 always been since we bought this project and worked  
5 out the arrangement with the Caryville -- with the  
6 planning commission, was that we would build the  
7 first phase and that future expansion would be  
8 funded through tap fees that were collected by the  
9 HOA.

10 That conceptually had been the plan  
11 all along, and we've just never gotten to the point  
12 where we got to finalize the details because of all  
13 of our litigation.

14 Q. The bond that you have for the  
15 completion of Phase I of the treatment center, you  
16 said that's \$600,000?

17 A. Yeah, I gave you a copy of it.

18 Q. Thank you.

19 What utility's name is on there to  
20 be the provider of the treatment system?

21 A. Let me look at it. I don't think  
22 there is one. I think this just basically says that  
23 they're giving this to the Campbell County Planning  
24 Commission and they don't have a specific utility  
25 listed.

1           Q.       If you were unable -- if you were  
2           unable to -- sorry, let me rephrase that.

3                   How do you plan to raise the  
4           \$600,000 to complete Phase I of the development?

5           A.       Again, we've paid already about  
6           half of it.

7           Q.       I see. And --

8           A.       So the remaining would be funded by  
9           my partner and myself.

10          Q.       Through a bank loan?

11          A.       Probably out of pocket at this  
12          point.

13          Q.       Ah, okay.

14          A.       There may be some. We still have a  
15          line of credit established with that same bank for  
16          development expenses, but again, we've not been able  
17          to do anything for two years now. I don't remember  
18          how much availability is on there and I would have  
19          to refresh my memory.

20          Q.       So, it would either be through the  
21          line of credit or out of pocket?

22          A.       Correct.

23          Q.       And it's about \$300,000 ballpark?

24          A.       Ballpark.

25          Q.       Just help me as a non-real estate

1 attorney understand if something were to happen and  
2 you couldn't raise that \$300,000, what would happen  
3 with the bond?

4 A. The county would call the bond,  
5 letter of credit.

6 Q. And what would the county do with  
7 the money?

8 A. They would probably try to finish  
9 the plan that I'd already started, but I don't know  
10 exactly what the county would do.

11 Q. Once this plant -- okay, now, you  
12 said that you're going to finish the plant and it  
13 will be up and running and you're going to have a  
14 contract with either DHS or someone else to operate  
15 the system. Would you have any other contracts,  
16 other than the one with DHS?

17 A. I won't have any contracts.

18 Q. Okay.

19 A. I'm going to be out of it as we  
20 discussed.

21 Q. Who will have the contract with DHS  
22 or whoever --

23 A. The HOA will have a contract.

24 Q. Okay.

25 A. The goal here is that the HOA is

1 going to be here forever. You know, the goal is  
2 that -- not the goal, but I'm not, you know. I'm  
3 here for a period of time and I'm going to move on.

4 Q. Okay. So, if there were a problem,  
5 if CJUC found out that there was a problem with this  
6 system, I guess then they would go to the HOA if  
7 more money were needed, say, to fix a pump or  
8 something like that?

9 A. I assume.

10 Q. So you'd be out of it?

11 A. I'm out of it.

12 Q. Okay.

13 A. I'm going to -- I've already  
14 granted a perpetual easement of the land that I own  
15 to CJU. Once I finish this Phase I, I plan on  
16 deeding the land over, and at that point, I'm just a  
17 lot owner.

18 Q. Well, didn't you say the land was  
19 mortgaged?

20 A. Huh?

21 Q. Isn't the land mortgaged?

22 A. I don't believe that portion of the  
23 land's mortgaged. The lots are -- the lots are  
24 mortgaged.

25 Q. Well, when you said "deed the land

1 over," what land were you talking about?

2 A. The land that's going to have the  
3 wastewater treatment plant on it.

4 Q. Okay. Is that land mortgaged?

5 A. I don't think so. It may be in a  
6 blanket lien, but it's already been preapproved to  
7 be released.

8 Q. Okay.

9 A. So I don't think of it as a  
10 mortgage because of that, because the lots are the  
11 value.

12 Q. Got it. Got it.

13 So, in other words, you don't  
14 anticipate a problem deeding the land?

15 A. No. I think the last thing the  
16 bank wants to do is own the wastewater treatment  
17 plant.

18 Q. I had the -- I agree with you on  
19 that.

20 Do you know when the HOA will make  
21 their decision about who to contract with to operate  
22 the system?

23 A. Again, I don't think it's the HOA's  
24 decision, I think it's CJU's decision, and I think  
25 they just are working in tandem to get this

1 resolved. It wasn't the HOA that went out and found  
2 DHS. That was suggested by the engineer for  
3 Caryville-Jacksboro.

4 So it's all been initiated through  
5 Caryville-Jacksboro, through the relationship of  
6 Caryville-Jacksboro. The phasing plan, the -- this  
7 whole plan has been initiated through  
8 Caryville-Jacksboro.

9 Q. Let me ask you something. You've  
10 said that they could finish this within two months,  
11 right?

12 A. Approximately.

13 Q. And let's assume that it was  
14 finished within two months and it was inspected and  
15 it was all in good operating order, does it make any  
16 difference to you at that point who the HOA picks to  
17 operate it or maintain it?

18 A. Because I'm a party to getting this  
19 first phase completed and getting it approved and  
20 getting the relationship in place so that I can  
21 exit, then I think I have an interest. Once I'm out  
22 and no longer a party to it, you know, if they want  
23 to change and -- or CJU or whoever decides that they  
24 want it to be a different provider or structure it a  
25 different way, I don't really have a say in it.



1 But up to this point, because I'm  
2 the one that's been paying for things to be  
3 completed, and as long as I'm in that position, then  
4 it does matter to me.

5 Q. CJUC is not putting any money into  
6 the completion of the system, are they?

7 A. No.

8 Q. Okay.

9 A. They're not paying all the fees for  
10 their engineers and everything.

11 Q. All right.

12 A. There's a couple of those bills in  
13 there, too.

14 Q. If the system got -- if Braeburn  
15 went ahead and completed the system in two months  
16 and you paid them to do that, and then Tennessee  
17 Wastewater came in and actually operated and  
18 maintained the system, would that make any  
19 difference to you?

20 A. That's an interesting question.

21 Q. Well, I'm assuming that it would be  
22 completed in two months, just like you're getting  
23 ready to do, everything would be the same except  
24 instead of DHS or whoever they pick, it turns out to  
25 be Tennessee Wastewater. I just -- I don't see why

1 it would matter.

2 A. Well, I don't see how it's  
3 practical. The HOA views Tennessee Wastewater  
4 unfavorably, to make it lightly. They feel like  
5 that they've -- their tactics throughout this whole  
6 process, primarily delay type tactics --

7 Q. Right.

8 A. -- and all the other stuff that  
9 we've gotten into, they don't trust that utility and  
10 they don't want to have a relationship with that  
11 utility.

12 Whereas CJU is a local utility  
13 there in Campbell County, good reputation, people  
14 are there local that operate the utility there in  
15 the county. So I think they're going to want to go  
16 with that, for the same reason I think that's the --  
17 if you have the choice, that's the wiser choice.

18 Q. Can you think of any other reason,  
19 other than the mistrust, assuming again, that the  
20 system will otherwise run just like you said,  
21 finished in two months and operating, is it just a  
22 matter of mistrust?

23 A. I don't know, mistrust is . . .

24 Q. Let me ask you a follow-up  
25 question. Do you think that if Tennessee Wastewater

1     went out and met with the HOA and said you win,  
2     we're going to allow Braeburn to finish the system  
3     as quick and as cheaply as possible, and the only  
4     thing that's going to be different is that Tennessee  
5     Wastewater is going to actually manage and maintain  
6     the system subject to the regulation of the TRA, if  
7     they went out and met with the homeowners and said  
8     that, what do you think the reaction would be?

9             A.         Hell, no.

10            Q.         What would your reaction be?

11            A.         It depends on what day you ask me.

12     At this point, my reaction is going to be whatever  
13     gets done the fastest.

14            Q.         Exactly. Exactly.

15            A.         And I know that the HOA is  
16     comfortable with CJU. I know that the HOA is not  
17     comfortable with Tennessee Wastewater, and I feel  
18     like if we start over with Tennessee Wastewater or  
19     any other utility, that means we're going to take  
20     even longer and even further delays. And so that's  
21     why I'm pushing forward with the CJU model.

22            Q.         Sure.

23                         Well, thanks, that's -- I  
24     appreciate that answer, that what you want is get it  
25     done as quickly as possible, and I think I heard

1 some homeowners say the same thing.

2 A. I'm sure you did.

3 Q. Would you briefly tell me what you  
4 have provided for me in this packet?

5 A. Can I have it back?

6 Q. Sure.

7 A. All right, the first two items are  
8 existing letters of credit for the first phase of  
9 the sewer plant that we talked about, 600,000, and  
10 then there's 200,000 for the completion of the  
11 collection in Phase III.

12 Next is a letter from Frank Wallace  
13 for Caryville -- on behalf of Caryville-Jacksboro  
14 Utilities, is to confirm the approval was received  
15 by the Board of Commissioners for the  
16 Caryville-Jacksboro Utility Commission to both  
17 submit the application and assume responsibility for  
18 the sewer operating permit associated with the  
19 wastewater treatment plant for the subdivision known  
20 as Villages at Norris Lake, and that the application  
21 has been sent to TDEC.

22 Q. Remember, we have a court reporter,  
23 so --

24 A. She's quick.

25 There's a couple of invoices here

1 from IRTECH, again, that's the engineer that  
2 Tennessee Wastewater told us that we needed to use  
3 to design the system.

4 MR. TROUTMAN: You said Tennessee  
5 Wastewater.

6 THE WITNESS: Caryville-Jacksboro,  
7 thank you. I knew there was a reason I  
8 brought you.

9 The next one is a copy of an  
10 Agreement of Services that we signed with  
11 IRTECH for them to design the system.  
12 Again, they're the --

13 MR. TROUTMAN: Is that an original?

14 THE WITNESS: No.

15 MR. TROUTMAN: Or is that a copy?

16 THE WITNESS: It's an original.

17 There was never originals of his signature.  
18 He signed, like, two or three and sent them  
19 to me.

20 MR. TROUTMAN: Do you want to make  
21 a copy of that to replace it?

22 THE WITNESS: Yeah, that's a good  
23 idea.

24 BY MR. WALKER:

25 Q. Have you finished describing the

1 documents and then we can take care of that.

2           A.           The next is just a copy, I'm sure  
3 you got this, this is a copy of the permit that was  
4 given to Frank Wallace and Caryville-Jacksboro. I'm  
5 sure you've got that.

6                       The next is a letter from the State  
7 of Tennessee, from TDEC to Tim Slone approving the  
8 design and the treatment plant that we were -- that  
9 we're building.

10                      There's some e-mails in here and  
11 some invoices from Braeburn and the e-mails are when  
12 Jeff Brown filled the owner of Braeburn, and some of  
13 the construction discussions and costs and things of  
14 that nature.

15                      There's also an e-mail from him on  
16 some of the expenses that will be associated with  
17 IRTECH, and then also Soil Solutions, which is the  
18 company that did the soils analysis, that they do  
19 that for Caryville-Jacksboro, and which I paid for  
20 all that already. So e-mails and bills.

21                      Then there's a copy of the easement  
22 that we granted to Caryville-Jacksboro for the land  
23 that the treatment facility is going to be on.

24                      And then there's copies of the  
25 drafts, I couldn't find for some reason my signed

1 copies of the contracts for construction of the  
2 collection in Phase III and then the tie-in of Phase  
3 I along with the system.

4 So I will say that you have to take  
5 the tie-in estimate of 141 and put it with the  
6 treatment contract of 460, and that's where you get  
7 600,000.

8 That's everything.

9 Q. Thanks. Let's take a break and  
10 I'll let you go make a copy.

11 MR. BOZARTH: Are you going to ask  
12 any questions?

13 MR. WALKER: Oh, I'm sorry. I was  
14 going to take a break.

15 MR. BOZARTH: I've got one  
16 question.

17 MR. WALKER: Sure, go ahead.

18 EXAMINATION

19 BY MR. BOZARTH:

20 Q. On the record.

21 Under the current design of the  
22 system, the wastewater treatment system, will any  
23 customers of the wastewater treatment system be  
24 nonmembers of the HOA?

25 A. No.

1 MR. BOZARTH: Okay. That's all I  
2 needed to know.

3 (Recess from 2:51 p.m. to 3:07 p.m.)

4 FURTHER EXAMINATION

5 BY MR. WALKER:

6 Q. Back on the record.

7 A. Back on the record. No escrow.

8 Q. Okay. What was the total amount of  
9 the bond money that you settled for; do you  
10 remember?

11 A. It was just under \$7,000,000.

12 Q. Is it all gone?

13 A. Yes.

14 Q. Do you have --

15 A. But there's been a lot of  
16 development.

17 Q. I know, I know.

18 A. Nice roads and utilities.

19 Q. Do you have to account to anyone  
20 for where that money was spent?

21 A. Not officially. The deal was, is  
22 that we had the new letters of credit put in place  
23 with the planning commission and they are the body  
24 that releases these things when they're finished,  
25 so -- but, you know, that stuff doesn't get done for



1 free.

2 Q. Understood.

3 To your knowledge, has the  
4 homeowners association ever met with Tennessee  
5 Wastewater?

6 A. I believe Pat met with -- he didn't  
7 meet with you, did he? Pat met with --

8 Q. Charles High.

9 A. Charles High.

10 Q. Was that the only meeting that you  
11 know of between those two groups?

12 A. Uh-huh, that's the only meeting I  
13 know of.

14 Q. So their impression of Tennessee  
15 Wastewater is based really on what --

16 A. Most of the correspondence that's  
17 gone out. They've seen the copy of the, you know,  
18 the letters that went to Caryville-Jacksboro to stop  
19 and they have seen -- they've been a party to -- you  
20 know, they were involved in the hearing, obviously.

21 Q. Right.

22 A. They've seen all the motions and  
23 things of that nature, so -- and it's all -- they  
24 basically, anything that's put up on the website  
25 gets sent out to the entire group.

1           Q.        Would you say they have an interest  
2 in getting this thing up and running as soon as  
3 possible?

4           A.        Yes.

5           Q.        And do you think they understand  
6 that if we don't settle this matter, it could go on  
7 for a while longer to the Court of Appeals?

8           A.        I think they believe that when this  
9 show cause hearing is over, that they will be able  
10 to move forward one way or another.

11                   MR. WALKER: I don't have anything  
12 else.

13                   MR. BOZARTH: I don't have anything  
14 else either. We're good. I'll waive.

15                   (Proceedings concluded at 3:10 p.m.)

16                   FURTHER THIS DEPONENT SAITH NOT.

17

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## C E R T I F I C A T E

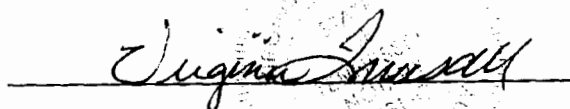
STATE OF TENNESSEE:

COUNTY OF KNOX:

I, Virginia B. Truesdel, Notary Public and Licensed Court Reporter in the State of Tennessee, do hereby certify that I reported in machine shorthand the foregoing proceedings; that the foregoing pages, numbered 1 to 50, inclusive, were typed by me using computer-aided transcription and constitute a true and accurate record of said proceedings.

I further certify that I am not an attorney or counsel of any attorney or counsel connected with the action, nor financially interested in the action.

Witness my hand and official seal  
this the 13th day of May, 2014.



Virginia B. Truesdel  
LCR #003; Expiration: 6/30/2014.  
My commission expires: 7/16/2016.

**Exhibit A**  
**Scope of Work**

Construction and Installation of 1,100 lineal feet of 6" Ductile Iron water line including a 10-12' wide access way with 45 degree elbows, 6" valve, concrete kickers on an as needed basis along with 1,900 lineal feet of 6" HDPE sewer force main starting from across the road at the entrance to Phase I & Phase III sections, traveling along Rainbow Road and then traversing along the backsides of two lots in Phase II sewer to the treatment facility location including casing underneath the ductile iron water line.

## AGREEMENT FOR ENGINEERING AND SURVEYING SERVICES

This Agreement made this \_\_\_\_ day of August, 2010, by and between **MIROBO, LLC**, (hereinafter referred to as CLIENT) and **IRTEC, Inc.** (hereinafter referred to as IRTEC).

Whereas, the CLIENT desires to engage IRTEC to perform certain professional services in connection with permitting activities, permitting regulatory coordination and other environmental coordination (hereinafter referred to as the project).

Now, therefore, the CLIENT and IRTEC do hereby agree as follows:

- 1) IRTEC shall provide engineering and surveying services for the project as outlined in attached Appendix B, Scope of Services, in accordance with the terms and conditions of this Agreement.
- 2) The CLIENT shall assume responsibilities relative to the project as outlined in the attached Appendix B, Scope of Services.
3. For the hourly rate services provided by IRTEC as outlined in the attached Appendix B, Scope of Services, IRTEC will be paid at the following hourly rates plus 118 percent of direct non-salary expenses.

IRTEC Personnel Classification	Hourly Rate
Three Man Survey Crew	\$ 140.00
Two Man Survey Crew	\$ 120.00
Professional Engineer, PE	\$ 110.00
Professional Surveyor, PLS	\$ 90.00
Geologist	\$ 80.00
Project Manager	\$ 85.00
Senior Project Representative	\$ 75.00
Senior Cad Operator	\$ 70.00
Jr. Cad Operator	\$ 55.00
Drafter/Technician	\$ 50.00
Senior Clerical/Secretarial Support	\$ 45.00
Clerical/Secretarial Support	\$ 35.00

Hourly rates are effective through December 31, 2010

4. Additional services may be performed when authorized in writing by the CLIENT. Compensation for these additional services shall be at the above hourly rates plus 118 percent of direct non-salary expenses.
  5. Invoices will be submitted by IRTEC, Inc. for hourly rate services, the invoice amount will be based upon the time and expenses chargeable to the project during the period.
- \* Preparation for and time dedicated to trials or hearings shall be at indicated rates times 2

6. Payments for invoices submitted by IRTEC are due and payable upon receipt. Payments due IRETC under this agreement are subject to a service charge of 1-1/2 percent per month on all balances not paid within twenty-five (25) days after the date of receipt of invoice. Lack of prompt payment of submitted invoices within a 30 day timeframe may result in the delay of work on the project and could result in total suspension of all work on the project.

Unless otherwise stipulated in writing, IRTEC is authorized to begin work on the project immediately. Due to the nature of the project at hand, commencement of this agreement shall be construed to have begun on May 10, 2010.

The following appendices are attached hereto and made part of this Agreement as if written herein: Appendix A, General Conditions, and Appendix B, Scope of Services.

In witness whereof, both parties have caused this Agreement to be executed by their duly authorized representative as of the day and year first written above.

ACCEPTED BY CLIENT:

MIROBO, LLC

BY

NAME

TITLE

DATE

ACCEPTED BY IRTEC:

IRTEC, INC.

BY

NAME

TITLE

DATE

## APPENDIX A GENERAL CONDITIONS

1. **Standard of Care.** Services performed by IRTEC under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. IRTEC makes no warranty or guarantee, either expressed or implied, as part of this Agreement. IRTEC shall not be liable in the event that erroneous information is supplied by the CLIENT or a responsible third party not under contract to IRTEC, and IRTEC in good faith subsequently relies upon and incorporates such information into its documents.
2. **Non-Disclosure.** IRTEC shall not disclose or permit disclosure of any information designated in writing by the CLIENT as confidential, except to its employees and subcontractors who need such information in order to execute the services under this Agreement.
3. **Opinions of Cost.** Where applicable, statements concerning probable construction cost or cost estimates prepared by IRTEC represent the judgment of design professionals familiar with the construction industry. It is recognized, however, that neither the CLIENT nor IRTEC has any control over the cost of labor, materials, or equipment; the contractor's methods of determining bid prices; or competitive bidding or market conditions. Accordingly, IRTEC cannot and does not guarantee that bids or construction costs will not vary from any statements of probable construction cost or other cost estimate prepared by IRTEC.
4. **Ownership and Reuse of Documents.** Any calculations, drawings, specifications, manuals, and reports developed pursuant to the Agreement, including files and documents in electronic format, are instruments of service, and IRTEC shall retain all ownership copyrights, and intellectual property interests therein. The CLIENT may, at its expense, make copies for information and reference in connection with use and occupancy of the project. However, such documents are not intended to be suitable for reuse by the CLIENT without verification and adaptation by IRTEC, and any reuse will be at the CLIENT'S sole risk and without liability to IRTEC.
5. **Electronic Copies of Documents.** IRTEC shall not be required to provide electronic copies of documents or CADD files unless specifically required by the Scope of Services. Any electronic or CADD file shall be considered a convenience to the CLIENT. Format and layering shall be IRTEC'S standard unless required otherwise by the Scope of Services. In the event of a discrepancy or difference between an electronic or CADD file and a hard copy, the sealed paper copy shall govern. Due to the easily alterable nature of electronic files, IRTEC makes no warranty, express or implied, with respect to the accuracy, completeness, absence of viruses, or fitness for any particular purpose or use. The CLIENT shall not make modifications to or permit others to make copies of or modifications to electronic copies of documents or CADD files without prior written authorization of IRTEC.
6. **Insurance.** IRTEC shall, during the performance of the Agreement, keep in force statutory Workers Compensations Insurance, Comprehensive General Liability and Automobile Liability Insurance with a combined single limit of \$1 million for bodily injury and property damage, and Professional Liability Insurance with an aggregate limit of \$1million.

7. **Limitation of Liability.** In recognition of the relative risks and benefits of the project to the CLIENT and to IRTEC, the CLIENT agrees to an allocation of risks such that IRTEC'S total liability to the CLIENT for any and all injuries, claims, losses, expenses, damages, or claim expenses arising out of this Agreement from any cause or causes shall not exceed \$250,000. CLIENT agrees that IRTEC'S officers, employees, and agents will have no personal liability to the CLIENT for any damages arising out of or relating to this Agreement. It is further agreed that the parties each waive their right to indirect, incidental, special, consequential, or punitive damages.
8. **Suspensions, Cancellations, and Termination.** The CLIENT may terminate the Agreement for the CLIENT'S convenience and without cause upon giving IRTEC not less than 30 calendar days' written notice. Either party may terminate the Agreement immediately upon the other's filing for bankruptcy, insolvency, or assignment to creditors. This Agreement may be terminated by either party for cause upon 30 calendar days' written notice of a substantial failure by the other party to perform in accordance with the terms of this Agreement and through no fault of the terminating party; cancellation of the project; suspension of IRTEC'S services for more than 90 calendar days; or material changes in conditions or the nature of the project and failure of the parties to reach agreement on compensation and schedule adjustments necessitated by such changes. During the 30-day period, the party receiving the termination notice shall have the right to cure the failure or submit a plan to cure acceptable to the other party. In the event the Agreement is terminated by either party, IRTEC shall be compensated for services performed up to the date of termination.
9. **Non-Payment.** If the CLIENT does not make timely payments on invoices to IRTEC, IRTEC may, upon giving 10 calendar day's written notice of its intent to do so, suspend its services or terminate this Agreement by reason of non-performance on the part of the CLIENT. Should an attorney or agency be required for the collection of any payments due under this Agreement, the CLIENT agrees to pay the full cost of collection, including reasonable attorney's or agency's fees, in addition to any other fee or payment due.
10. **Disputes.** All claims, disputes, and other matters in question between the parties relative to this Agreement shall first be submitted to nonbinding mediation, unless the parties mutually agree otherwise. In the event the parties are unable to reach a settlement of any dispute or claim arising out of services under the Agreement through mediation, the matter shall be decided by arbitration in accordance with the rules of the American Arbitration Association. A panel of three arbitrators shall be required for any disputes in which the amount in controversy exceeds \$250,000. The decision rendered by the arbitrator(s) shall be final and shall be specifically enforceable under the prevailing law of any court having jurisdiction. Fees of the American Arbitration Association shall be shared equally by both parties.
11. **Construction Phase Services.** Neither the activities of IRTEC under this Agreement nor the presence of its employees or agents at the job site shall imply any responsibility for the CLIENT'S or construction contractor's methods of work performance, superintendence, supervision, sequencing or construction, or safety on or about the job site. IRTEC shall not be responsible for the failure of any contractor, subcontractor, or supplier not under contract to IRTEC to fulfill its responsibilities to the CLIENT or to comply with federal, state, or local laws/regulations/codes. IRTEC shall not be bound by any provision or obligation contained in



the construction contract documents unless specifically included or referenced in the Scope of Services of this Agreement.

12. **Resident Observation.** Where applicable, services under "Resident Observation" or "Resident Project Representation" are provided to help minimize the risk of defects and deficiencies in the work of the construction contractor. Such services will consist of visual observations of the construction work and the equipment and materials used therein to enable IRTEC to render its professional opinion as to whether the work, in general, is proceeding in accordance with the contract documents. Such observation activities shall not be relied upon by any party as acceptance of the work, nor shall they relieve any party from fulfillment of customary and contractual responsibility and obligation.
13. **Subsurface Investigation.** For services involving underground investigations and borings, the CLIENT understands that there is a risk that underground conditions may vary between, below, and beyond the actual locations explored. Accordingly, IRTEC cannot and does not guarantee that underground conditions encountered during construction will not differ from those indicated by the investigation.
14. **Hazardous Materials.** Hazardous material may exist at a site when there is no reason to believe they could or should be present. The CLIENT agrees that discovery of unanticipated hazardous materials constitutes a changed condition which may be cause for additional compensation. At no time shall the actions of IRTEC on or off the project site be interpreted to make IRTEC an owner, operator, generator, transporter, or disposer of hazardous materials. IRTEC shall notify the CLIENT upon discovery of unanticipated hazardous materials. The CLIENT shall make any disclosures required by law to appropriate regulatory agencies or to the property owner, if the site is not owned by the CLIENT.
15. **Fees and Taxes.** The CLIENT shall pay any applicable sales taxes, review fee(s), and/or permit fee(s) in the manner and amount required by law.
16. **Expert Witness Services.** IRTEC'S services under this Agreement do not include participation in mediation, litigation, arbitration, or administrative judicial hearings on behalf of the CLIENT. Such services, if required, would be considered additional services subject to additional compensation.
17. **Purchase Orders.** The CLIENT agrees that these conditions supersede any standard terms and conditions contained in a preprinted purchase order issued by the CLIENT in connection with the project, if applicable.
18. **Assignment and Successors.** Neither party shall assign, transfer, or sublet any rights under or interest in this Agreement without the written consent of the other party. This provision shall not prevent IRTEC from employing independent subconsultants and subcontractors to assist IRTEC in the performance of its duties. Each party binds itself to the successors, administrators, and assigns of the other party in respect to all covenants of this Agreement. Nothing in this Agreement shall be construed to give any rights, benefits, or causes of action to anyone other the CLIENT or IRTEC.
19. **Wavier.** Any failure by IRTEC to require strict compliance with any provision of this Agreement shall not be construed as a waiver of such provision, and IRTEC may subsequently require strict compliance at any time.

20. **Severability.** Should any provision of this Agreement be later found to be unenforceable for any reason, it shall be deemed void, and all remaining provisions shall continue in full force and effect.
21. **Governing Law.** This Agreement shall be governed by the laws of the State of Tennessee.
22. **Entire Agreement.** This Agreement represents the entire agreement between the CLIENT and IRTEC and supersedes all prior negotiations, understandings, or agreements, either written or oral, for the project. This Agreement may only be amended or supplemented by a duly executed written instrument. IRTEC is not obligated to begin services under this Agreement until it receives a fully executed, original copy (not a fax) of the Agreement.

## **APPENDIX B SCOPE OF SERVICES**

### **1. SERVICES BY IRTEC**

IRTEC will provide regulatory coordination/permitting services for the CLIENT on The Villages at Norris Lake project for a wastewater treatment facility and drip irrigation, as support with others on the project for CLIENT, including all engineering and surveying services relative to that project. Unless otherwise specified by CLIENT, these services will include regulatory coordination with the Tennessee Department of Environment and Conservation, and local authorities.

### **2. Responsibilities of CLIENT**

The CLIENT will be responsible to:

- A. Provide all criteria and full information as to its requirements for the project(s).
- B. Upon identification by IRTEC and approval by the CLIENT of the necessity and scope of information required, furnish IRTEC with data, maps, surveys, reports, and other materials and information required for this project, except those included in IRTEC'S scope of services.
- C. Provide access to the project site and make all provisions for IRTEC to enter upon public and private lands as required for IRTEC to perform its services under this Agreement.
- D. Examine all reports and other documents presented by IRTEC to the CLIENT, and render in writing the CLIENT'S decisions pertaining thereto within a reasonable time so as not to delay the services of IRTEC.
- E. Give prompt written notice to IRTEC whenever the CLIENT observes or otherwise becomes aware of any defect in the project.
- F. Provide prompt payment for services and/or draws made in a manner stipulated by IRTEC or its representatives.

## IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: FIRST STATE FINANCIAL, INC  
1810 CUMBERLAND AVE  
MIDDLESBORO, KY 40965

Date of Issue: 03-18-2014

Letter of Credit Number: 605

Amount: U.S. \$ 600,000.00

( six hundred thousand and no/100

U.S. DOLLARS)

For Benefit Of:  
Beneficiary Name and Address

CAMPBELL COUNTY PLANNING COMMISSION  
(PHASE III WASTE WATER TREATMENT PLANT) PO BOX 8075  
LAFOFFETTE TN 37766

For Account Of:  
Applicant Name and Address

EMERSON PROPERTIES LLC  
10325 YELLOW PINE LANE  
KNOXVILLE, TN 37932

LETTER OF CREDIT. Issuer establishes this Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary in the amount indicated above. Beneficiary may draw on this Letter of Credit with a Draft (or Drafts, if the maximum number of drawings is greater than one) together with the documents described below. Each Draft shall be signed on behalf of Beneficiary and be marked "Drawn under [Issuer name] Letter of Credit No. [Letter of Credit number] dated [Letter of Credit date]." Drafts must be presented at Issuer's address shown above on or before the Expiration Date. The presentation of any Draft shall reduce the Amount available under this Letter of Credit by the amount of the Draft.

This Letter of Credit sets forth in full the terms of Issuer's obligation to Beneficiary. This obligation cannot be modified by any reference in this Letter of Credit, or any document to which this Letter of Credit may be related.

This Letter of Credit expires on the Expiration Date.

### DRAWINGS.

- ☐ Partial drawings shall not be permitted under this Letter of Credit.  
☒ Partial drawings are permitted. The maximum number of drawings that may be made is FIVE (5).

DOCUMENTS. Each Draft must be accompanied by the following, an original and two copies except as stated:

- ☒ The original Letter of Credit, together with any amendments.  
☒ A sight draft drawn by Beneficiary on Issuer.  
☒ A signed statement by Beneficiary including the following statement: THE AMOUNT DRAWN IS DUE UNDER THE TERMS OF THIS LETTER OF CREDIT.  
☒ Other documents: A SIGNED STATEMENT BY BENEFICIARY STATING THE DOLLAR AMOUNT OF WORK LEFT TO COMPLETE PHASE III WASTE WATER TREATMENT PLANT

Issuer shall be entitled to accept a draft and the documentation described above, as required by the terms of this Letter of Credit, from any person purporting to be an authorized officer or representative of Beneficiary without any obligation or duty on the part of Issuer to verify the identity or authority of the person presenting the draft and such documentation.

### SPECIAL INSTRUCTIONS:

000119

EXPIRATION DATE. This Letter of Credit expires at the close of business at Issuer's address at 2:00 (Time)  
on 07-30-2014 (Date). Issuer agrees to honor all Drafts presented in  
strict compliance with the provisions of this Letter of Credit on or before the Expiration Date.

- ☐ If Beneficiary has not drawn the full amount of this Letter of Credit prior to the Expiration Date, the Expiration Date shall be  
extended for a period of \_\_\_\_\_ days from the Expiration Date, unless Issuer notifies Beneficiary in writing at least  
\_\_\_\_\_ days prior to the Expiration Date that Issuer elects not to extend this Letter of Credit. In any event, this Letter  
of Credit shall expire on \_\_\_\_\_ without any notice from Issuer to Beneficiary.

TRANSFERABILITY. This Letter of Credit is ☐ transferable ☒ non-transferable.

APPLICABLE LAW. This Letter of Credit shall be governed by:

- ☒ the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication  
No. 600 (UCP), or any later version or amendment.  
☐ the International Standby Practices 1998 (ISP98).

This Letter of Credit shall also be governed by the laws of Kentucky, the United States of  
America, so long as such laws are not inconsistent with the UCP or ISP, as applicable.

FIRST STATE FINANCIAL, INC  
(Issuer Name)

By Kim Johnson  
(Signature)

3/18/14  
(Date)

KIMBERLY G JOHNSON, VICE PRESIDENT KGI  
(Signer Name and Title)

000120

## IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: FIRST STATE FINANCIAL, INC  
1810 CUMBERLAND AVE  
MIDDLESBORO, KY 40965

Date of Issue: <u>03-18-2014</u>		Letter of Credit Number: <u>603</u>	
Amount: U.S. \$ <u>200,000.00</u>			
( <u>two hundred thousand and no/100</u>		U.S. DOLLARS)	
For Benefit Of: Beneficiary Name and Address		For Account Of: Applicant Name and Address	
CAMPBELL COUNTY PLANNING COMMISSION PO BOX 8075 LAFOLLETTE TN 37766		EMERSON PROPERTIES LLC 10325 YELLOW PINE LANE KNOXVILLE, TN 37932	

LETTER OF CREDIT. Issuer establishes this Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary in the amount indicated above. Beneficiary may draw on this Letter of Credit with a Draft (or Drafts, if the maximum number of drawings is greater than one) together with the documents described below. Each Draft shall be signed on behalf of Beneficiary and be marked "Drawn under [Issuer name] Letter of Credit No. [Letter of Credit number] dated [Letter of Credit date]." Drafts must be presented at Issuer's address shown above on or before the Expiration Date. The presentation of any Draft shall reduce the Amount available under this Letter of Credit by the amount of the Draft.

This Letter of Credit sets forth in full the terms of Issuer's obligation to Beneficiary. This obligation cannot be modified by any reference in this Letter of Credit, or any document to which this Letter of Credit may be related.

This Letter of Credit expires on the Expiration Date.

### DRAWINGS.

- ☐ Partial drawings shall not be permitted under this Letter of Credit.  
☒ Partial drawings are permitted. The maximum number of drawings that may be made is 5

DOCUMENTS. Each Draft must be accompanied by the following, an original and two copies except as stated:

- ☒ The original Letter of Credit, together with any amendments.  
☒ A sight draft drawn by Beneficiary on Issuer.  
☒ A signed statement by Beneficiary including the following statement: **THE AMOUNT DRAWN IS DUE UNDER THE TERMS OF THIS LETTER OF CREDIT.**  
☒ Other documents: **A SIGNED STATEMENT BY BENICIARY STATING THE DOLLAR AMOUNT OF WORK LEFT TO COMPLETE PHASE III SEWER**

Issuer shall be entitled to accept a draft and the documentation described above, as required by the terms of this Letter of Credit, from any person purporting to be an authorized officer or representative of Beneficiary without any obligation or duty on the part of Issuer to verify the identity or authority of the person presenting the draft and such documentation.

### SPECIAL INSTRUCTIONS:

000121

EXPIRATION DATE. This Letter of Credit expires at the close of business at Issuer's address at 2:00 (Time) on 07-30-2014 (Date). Issuer agrees to honor all Drafts presented in strict compliance with the provisions of this Letter of Credit on or before the Expiration Date.

☐ If Beneficiary has not drawn the full amount of this Letter of Credit prior to the Expiration Date, the Expiration Date shall be extended for a period of \_\_\_\_\_ days from the Expiration Date, unless Issuer notifies Beneficiary in writing at least \_\_\_\_\_ days prior to the Expiration Date that Issuer elects not to extend this Letter of Credit. In any event, this Letter of Credit shall expire on \_\_\_\_\_ without any notice from Issuer to Beneficiary.

TRANSFERABILITY. This Letter of Credit is ☐ transferable ☒ non-transferable.

APPLICABLE LAW. This Letter of Credit shall be governed by:

☒ the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (UCP), or any later version or amendment.

☐ the International Standby Practices 1998 (ISP98).

This Letter of Credit shall also be governed by the laws of Kentucky, the United States of America, so long as such laws are not inconsistent with the UCP or ISP, as applicable.

FIRST STATE FINANCIAL, INC

(Issuer Name)

By

(Signature)

KIMBERLY G JOHNSON, VICE PRESIDENT KGJ

(Signer Name and Title)

(Date)

3/18/14

000122

# *Caryville-Jacksboro Utilities Commission*

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P. O. Box 121 — Jacksboro, Tennessee 37757

COMMISSIONERS

ROBERT M. BURDEN, Chairman  
JAMES F. WRIGHT, Secretary  
ROBERT H. BURRELL, Treasurer

TELEPHONE

OFFICE: 562-9776  
WATER PLANT: 562-2234  
WASTEWATER PLANT: 562-9895

March 28, 2011

Boog Potter  
Emerson Properties, LLC  
10325 Yellow Pine Lane  
Knoxville, TN 37932

Re: Villages at Norris Lake

Dear Mr. Potter:

The purpose of this letter is to confirm that approval was received from the Board of Commissioners of the Caryville-Jacksboro Utilities Commission to both submit the application and assume responsibility for the sewer operating permit associated with the waste water treatment plant for the subdivision known as The Villages at Norris Lake. The application has been submitted to the Tennessee Department of Environment and Conservation, as we hope to receive the permit in the coming weeks.

Sincerely,



Franklin D. Wallace,  
Executive Secretary

FDW/pft

000123



### Phase III Development Sewer Contract Agreement

THIS AGREEMENT made this 10th day of July, by and between Braeburn Utility Construction Services, LLC., hereinafter called the "Contractor," and Emerson Properties LLC, hereinafter called the "Owner."

WITNESSETH that the Contractor and Emerson Properties for the considerations named agree as follows:

#### Article 1. Scope of the Work

The Contractor shall furnish all of the materials and perform all of the work as described below and to the Specifications (entitled Exhibit A), as annexed hereto as it pertains to work to be performed on property at Villages on Norris Lake, LaFollette, TN.

#### Article 2. Contract Commencement Date

The work to be performed under this Contract shall be commenced on or before 10 July, 2012. Time is of the essence for completion.

#### Article 3. The Contract Price

The Owner shall pay the Contractor as follows: Contract amount for the Construction of the Phase III Development Section Force Main Sewer shall be One Hundred Ninety-Nine Thousand Three Hundred Dollars, (\$199,300.00).

#### Article 5. General Provisions

Any alteration or deviation from the above specifications, including but not limited to any such alteration or deviation involving additional material and/or labor costs, will be executed only upon a written order for same, signed by the Owner and Contractor, and if there is any charge for such alteration or deviation, the additional charge will be added to the contract price of this Contract.

In addition, the following general provisions apply:

1. All work shall be completed in a workmanlike manner and in compliance with all building codes and other applicable laws.
2. To the extent required by law, all work shall be performed by individuals duly licensed and authorized by law to perform said work.
3. Contractor may at its discretion engage subcontractors to perform work hereunder, provided Contractor shall fully pay said subcontractor and in all instances remain responsible for the proper completion of this Contract.
4. The Contractor shall furnish the Owner appropriate releases or waivers of lien for all work performed or materials provided at the time the next periodic payment shall be due.
5. All change orders shall be in writing and signed both by the Owner and Contractor, and shall be incorporated in, and become a part of the Contract.
9. All disputes hereunder shall be resolved by binding arbitration in accordance with rules of the American Arbitration Association.
10. Modifications to the details, specifications, layouts, or materials shall be approved by the Owner prior to construction, otherwise Contractor shall be responsible for any corrections required to return the plan to original or previously revised and approved plans and costs that arise therein.

11. Contractor will provide a one (1) year Warranty to the Owner, which shall be transferable to DSH.
12. Contractor is responsible for maintaining Project Safety, and as such shall provide proof of General Liability / Workman's Comp Insurance policies, maintained for at least 1 year after the life of the Project.
13. The Contractor shall maintain liability insurance coverage with a policy value not less than \$1,000,000.
14. Contractor also warrants that each subcontractor employed/utilized by the Contractor shall maintain Workman's Compensation insurance for the life of the Project. The insurance policies are required prior to the LLC allowing access to the project site.
15. Contractor will immediately notify the Owner of any operations required beyond the scope of plans and specifications as encountered, requested by the Owner or otherwise. Work may not proceed until the owner or representative of project in contract agrees to pay for the additional work.
16. Where compaction is required and the material excavated is unsuitable for compaction, any cost of replacing that material or improving it to be acceptable will be charged as an extra.
17. Unless specified for reuse, excess pipe spoil material excavated is to remain on site adjacent to ditch where it was excavated.
18. The contractor's responsibility for infiltration, exfiltration, testing, chlorinating and cleaning is eliminated as soon as others are allowed to tap or connect to our lines (sanitary, storm, water line).
19. If project delays occur, requiring remobilization of our equipment, (due to no fault of our own) a remobilization fee of \$2,500.00 per occurrence may be requested.
20. All quotes and prices are partially based on verbal conversations with LaFollette Utilities Board, information received and plans provided for bidding purposes only. Any project changes affecting material, design and or operational procedures that differ from the contractors bid may/will be charged as an extra. Further, some prices have been based on an analysis of existing subdivision layout and in accordance with that layout. Our analysis may or may not be appropriate. Pricing also assumes that road sleeves exist in Phase III development section for all road crossings on services or force main locations. These sleeves have been installed by others prior to our work.

#### Article 6. Payment & Invoice

Contractor shall invoice the Owner every 10 working days. Payment is expected 10 days from date of invoice.

Contractor shall invoice the Owner for any & all stored materials but not necessarily installed. Stored materials invoices will be issued upon delivery of materials.

The Owner agrees to pay contractor a mobilization fee of 5% of the contract price for contracts \$250,000 or less and 3.5% for contracts above \$250,000.

If payment is not made when due, Contractor may suspend work on the job until such time as all payments due have been made. A failure to make payment for a period in excess of thirty (30) days from the payment due date shall be deemed a material breach of this Contract.

For payments not received in 30 days, Contractor may, at his discretion, file appropriate paperwork for liens and interest against the Owner in accordance with Tennessee Prompt Payment Act.

#### Article 7. Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Owner and its agents and employees, from and against claims, damages, losses and

expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the work or providing of materials to the extent caused in whole or in part by negligent or wrongful acts or omissions of, or a breach of this agreement by, the Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone whose acts they are legally responsible for.

#### Article 8. Insurance

The Contractor represents that it has purchased and agrees that it will keep in force for the duration of the performance of the work or for such longer term as may be required by this agreement, in a company or companies lawfully authorized to do business in the State of Tennessee such insurance as will protect the Owner from claims for loss or injury, which might arise out of or result from the Contractor's operations under this project, whether such operations be by the Contractor or by a subcontractor or its subcontractors.

The Contractor represents and agrees that said insurance is written for and shall be maintained in an amount not less than the limits of the liability specified below or required by law, whichever coverage is greater. The Contractor certifies that coverage written on a "claims made" form will be maintained without interruption from the commencement of work until the expiration of all applicable statutes of limitation.

Prior to commencement of work, the Contractor shall file with the appropriate authorities all Certificates of Insurance naming the Owner/person hiring the Contractor as additional insured, in duplicate, and acceptable to all parties, which shall contain a provision that coverage under the policies shall not be canceled or allowed to expire or permit material changes until at least fifteen (15) days written notice has been given to additional insured.

#### Article 9. Additional Terms

No geotechnical testing exists. Soils encountered may be suitable or unsuitable. Contractor shall not be expected to pay for corrective action(s) required where unsuitable soils exist.

#### Article 10. Exclusions

These items are expressly excluded from our standard scope of work unless specifically included in our written scope as is specific to the referenced project.

Fees, permits, bonds, tap fees, meter and meter fees, inspection fees, engineering layout and staking is excluded.

Rock blasting, chipping, hammering, or excavation of any rock is excluded. Excavation of rock and granular backfill in rock excavated areas will be at additional cost.

As no geotechnical testing has been performed; Trench bottom or treatment site stabilization, undercutting or extra bedding materials due to unsuitable or unstable soils, all soil stabilization, all soil and compaction testing, OSHA required soil studies, Environmental or hazardous material assessments or handling, export of unsuitable soil material, debris or other waste material is excluded. Where compaction is required and the material excavated is unsuitable for compaction, the cost of additional suitable material is excluded.

Landscaping, rock hounding or restoration of landscape, retaining wall excavation, or installation is excluded.

Installation, removal, repair or replacement of fences or walls is excluded.

Tree protection of any kind, tree grubbing, chipping, or burning is excluded.

Demolition and export of items not on plans or outside items is excluded.

Erosion control measures or planning is excluded.

As LaFollette Utilities Board has not provided the final electric provision/supply plan; electric conduit, wire, pads, transformers, access roads, etc. to the treatment facility are excluded. Utility relocation, tie downs, protection and or restoration above ground or below ground is excluded. Any utility conduit crossing or material for crossings is excluded.

Asphalt, concrete pavement, or asphalt/concrete patching, temporary access road or lay down storage or staging areas is excluded.

#### Article II. Notices

Any notices required or permitted to be delivered under this contract should be mailed to the party at the following address:

For purposes of this contract, notice is received when sent by certified mail, postage paid, return receipt requested via the United States Postal Service.

THIS CONTRACT CONTAINS ALL OF THE REPRESENTATIVES, WARRANTIES, AND PROMISES OF THE CONTRACTOR. NO AGENT OR REPRESENTATIVE OF THE CONTRACTOR IS AUTHORIZED TO MAKE ANY REPRESENTATION OR PROMISE ON BEHALF OF THE CONTRACTOR OTHER THAN THOSE CONTAINED HERE, AND THE CONTRACTOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF GOOD WORKMANSHIP, HABITABILITY, AND FITNESS OF PURPOSE.

This Agreement shall be binding on both parties hereto, and assigns or representatives.

We the undersigned have read, understood and agree to each of the provisions of this Contract dated this \_\_\_\_ 1 st \_\_\_\_\_ day of \_\_\_\_ July \_\_\_\_\_, 2012.

Owner: Emerson Properties, LLC.

Contractor: Braeburn Utility Construction Services, I.I.C.

BY: \_\_\_\_\_

000127

**Exhibit A**  
**Scope of Work**

Construction and Installation of an estimated 8,800 lineal feet 2" HDPE forcemain, 2,350 lineal feet of 3" forcemain, (102) same side services, (29) opposite side services, (6) 3" flush assemblies, (22) 2" flush assemblies, (15) Gate Valves, (7) Blow-off valves, & (5) Air Release Valves.

# IRTEC

INNOVATIVE RECLAMATION TECHNOLOGIES & ENGINEERING CO., INC.

211 MAIN STREET, P.O. BOX 306, CARYVILLE, TENNESSEE 37714

TELEPHONE: (423)-566-1915

FAX: (423)-566-1966

November 4, 2011

## INVOICE

MR. BOOG POTTER  
MIROBO MANAGEMENT & DEVELOPMENT  
10325 YELLOW PINE LANE  
KNOXVILLE, TN 37923

INV. NO. MRB2011-01  
PAGE 1 OF 1

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Invoice covers period ending November 2, 2011

For professional services rendered for technical support and regulatory coordination with regard to a wastewater treatment system and collection service for The Villages at Norris Lake, Campbell County, Tennessee, including coordination with Caryville-Jacksboro Utilities

### THE VILLAGES AT NORRIS LAKE

Professional Engineer	9.00 hrs	x	\$110.00 /hr	\$990.00
Sr. Permit Specialist	0.00 hrs	x	\$75.00 /hr	\$0.00
Supervisor	0.00 hrs	x	\$70.00 /hr	\$0.00
Sr. CADD Operator	0.00 hrs	x	\$70.00 /hr	\$0.00
Survey Crew (3 man)	0.00 hrs	x	\$140.00 /hr	\$0.00
Survey Crew (2 man)	0.00 hrs	x	\$120.00 /hr	\$0.00
Administration	1.00 hrs	x	\$40.00 /hr	\$40.00

Expenses*	Plots, Postage, Mileage, etc.	\$12,022.98
		<u>\$13,052.98</u>

\*Includes Soils Solutions, Inc.

**BALANCE DUE AND PAYABLE ON RECEIPT**

**\$13,052.98**

► NOTE THAT ANY OUTSTANDING INVOICE PAST 25 DAYS WILL BE CHARGED A LATE FEE AND 1.5% PER MONTH INTEREST (18% ANNUAL RATE). ANY OUTSTANDING INVOICE BEYOND 35 DAYS SHALL CONSTITUTE A BREACH OF UNDERSTANDING AND ALL WORK WILL CEASE ON ONGOING PROJECTS. ◀

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# IRTEC

INNOVATIVE RECLAMATION TECHNOLOGIES & ENGINEERING CO., INC.

211 MAIN STREET, P.O. BOX 306, CARYVILLE, TENNESSEE 37714

TELEPHONE: (423)-566-1915

FAX: (423)-566-1966

July 10, 2012

## INVOICE

MR. BOOG POTTER  
MIROBO MANAGEMENT & DEVELOPMENT  
10325 YELLOW PINE LANE  
KNOXVILLE, TN 37923

INV. NO. MRB2012-01  
PAGE 1 OF 1

Invoice covers period ending June 30, 2012

For professional services rendered for technical support and regulatory coordination with regard to a wastewater treatment system for The Villages at Norris Lake, Campbell County, Tennessee.

*pd. by Ray*

### THE VILLAGES AT NORRIS LAKE

Professional Engineer	12.00 hrs	x	\$110.00 /hr	\$1,320.00
Sr. Permit Specialist	0.00 hrs	x	\$75.00 /hr	\$0.00
Supervisor	0.00 hrs	x	\$70.00 /hr	\$0.00
Engineering Technician	0.00 hrs	x	\$50.00 /hr	\$0.00
Drafting Technician	0.00 hrs	x	\$45.00 /hr	\$0.00
Sr. CADD Operator	0.00 hrs	x	\$70.00 /hr	\$0.00
Survey Crew (3 man)	0.00 hrs	x	\$140.00 /hr	\$0.00
Survey Crew (2 man)	0.00 hrs	x	\$120.00 /hr	\$0.00
Professional Surveyor	0.00 hrs	x	\$75.00 /hr	\$0.00
Administrative	1.50 hrs	x	\$40.00 /hr	\$60.00
Expenses*	Plots, Postage, Mileage, Filing Fees, etc.			\$25.74

*Expenses:	0.00 miles	x	\$0.60 /mi	=	\$0.00
	Scanned Maps		20%	=	\$0.00
	Postage/FedEx		20%	=	\$25.74
	Map Plots/Copies, etc =			=	\$0.00
	Total				<u>\$25.74</u>

**BALANCE DUE AND PAYABLE ON RECEIPT**

**\$1,405.74**

► NOTE THAT ANY OUTSTANDING INVOICE PAST 30 DAYS WILL BE CHARGED A LATE FEE AND 1.5% PER MONTH INTEREST (18% ANNUAL RATE). ANY OUTSTANDING INVOICE BEYOND 40 DAYS SHALL CONSTITUTE A BREACH OF UNDERSTANDING AND ALL WORK WILL CEASE ON ONGOING PROJECTS. ◄

000130



IN.GOV



WPC Permits in TN

Exceptional TN Waters

### WPC Permit Information

[Back to Permits Report](#) [Help](#)

**Permit Number** SOP-10051

**Permittee Name** Caryville Jacksboro Utility District - The Villages at Norris Lake

**Permit Type** SOP

**Status** New

**Permit Rating**

**Facility Classification** M

**Application to EFO** 18-OCT-2010

**Application to NCO** 04-NOV-2010

**Application Complete** 02-JUN-2011

**Application Returned** 10-DEC-2010

**Public Notice** 06-JUN-2011

**Issuance Date** 29-JUL-2011

**Effective Date** 01-SEP-2011

**Expiration Date** 31-JUL-2016

**Modification Date**

**Termination Date**

**Receiving Stream** NA

**Effluent Description** No discharge allowed

**SIC Code** 4952

**Activity Description** Treatment of domestic wastewater generated by a 450 lot subdivision with disposal of the treated wastewater via subsurface drip irrigation on 15 acres.

**Treatment Description** AdvanTex Recirculating Filter with UV disinfecting

**Flow Rate (MGD)**

**Record Last Updated** 29-JUL-2011

### Parent Site

Site	Location	City	County
<a href="#">The Villages at Norris</a>	Off of Rain Valley Road	Grantsboro Community	Campbell

1 - 1

### Permit Documents

VIEW	FILE_TYPE
	Draft Permit

1 - 1

[IN.GOV Services](#)

[IN.GOV Directory](#)

[Web Policy](#)

[Accessibility](#)

[Awards](#)

[Survey](#)

Department of Environment & Conservation

401 Church Street

140 Tower

Nashville, TN 37243

(615) 781-7262 (3352)

[ask.tdec@tn.gov](mailto:ask.tdec@tn.gov)

If you have any questions or comments, [Email](#) TDEC.





STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
401 CHURCH STREET  
L & C ANNEX 6TH FLOOR  
NASHVILLE TN 37243  
JUN 06 2011.

Mr. Frank D. Wallace, Executive Secretary  
Caryville-Jacksboro Utilities Commission  
PO Box 121  
Jacksboro, TN 37757

**Re: Draft of State Operating Permit No. SOP-10051  
Caryville Jacksboro Utility District - The Villages at Norris Lake  
Grantsboro Community, Campbell County, Tennessee**

Dear Mr. Wallace:

Enclosed please find one copy of the draft state permit, which the Division of Water Pollution Control (the division) proposes to issue. The issuance of this permit is contingent upon your meeting all of the requirements of the Tennessee Water Quality Control Act and the rules and regulations of the Tennessee Water Quality Control Board.

If you disagree with the provisions and requirements contained in the draft permit, you have twenty-five (25) days from the date of this correspondence to notify the division of your objections. If your objections cannot be resolved, you may appeal the issuance of this permit. This appeal should be filed in accordance with Section 69-3-110, Tennessee Code Annotated.

If you have questions, please contact the division's local Environmental Field Office at 1-888-891-TDEC; or, at this office, please contact Mr. Wade Murphy at (615) 532-0666 or by E-mail at [Wade.Murphy@tn.gov](mailto:Wade.Murphy@tn.gov).

Sincerely,

*Wade Murphy / for*

Vojin Janjić  
Manager, Permit Section  
Division of Water Pollution Control

PWWAT/3S

cc: DWPC, Permit Section & Knoxville Environmental Field Office  
Ms. Michelle Ramsey, Utilities Division, Tennessee Regulatory Authority, [michelle.ramsey@tn.gov](mailto:michelle.ramsey@tn.gov)  
Ms. Patsy Fulton, Utilities Division, TRA, [patsy.fulton@tn.gov](mailto:patsy.fulton@tn.gov)  
Mr. Patrick H. Perry, Secretary of the Board, [popperry@verizon.net](mailto:popperry@verizon.net)  
Mr. Michael Hines, M.S., P.E. Vice President, Tennessee Wastewater Systems, Inc.,  
[mikehines@charter.net](mailto:mikehines@charter.net)  
Mr. Henry Walker, Esq., Bradley, Arant, Boult, Cummings, [hwalker@babco.com](mailto:hwalker@babco.com)

000132



**TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER POLLUTION CONTROL**

**6th Floor, L & C Annex  
401 Church Street  
Nashville, TN 37243**

**Permit No. SOP-10051**

**PERMIT  
For the operation of Wastewater Treatment Facilities**

---

In accordance with the provision of Tennessee Code Annotated section 69-3-108 and Regulations promulgated pursuant thereto:

**PERMISSION IS HEREBY GRANTED TO**

**Caryville Jacksboro Utility District - The Villages at Norris Lake  
Grantsboro Community, Campbell County, Tennessee**

**FOR THE OPERATION OF**

AdvanTex Recirculating Filter with UV disinfecting and 15 acre subsurface drip disposal system located at latitude 36.309667 and longitude -84.055167 in Campbell County, Tennessee to serve approximately 450 homes in the Villages at Norris Lake Subdivision. The design capacity of the system is 0.135 MGD.

This permit is issued as a result of the application filed on November 4, 2010, in the office of the Tennessee Division of Water Pollution Control and in conformity with approved plans, specifications and other data submitted to the Department in support of the above application, all of which are filed with and considered as a part of this permit, together with the following named conditions and requirements.

**This permit shall become effective on:**

**This permit shall expire on:**

**Issuance date:**

---

Paul E. Davis  
Director  
Division of Water Pollution Control

CN-0759

RDAs 2352 & 2366

**000134**

**A. GENERAL REQUIREMENTS**

The treatment system shall be monitored by the permittee as specified below:

<u>Parameter</u>	<u>Sample Type</u>	<u>Daily Maximum</u>	<u>Monthly Average</u>	<u>Measurement Frequency</u>
Flow *	Totalizer			Daily
BOD <sub>5</sub>	Grab	45 mg/l	N/A	Once/Quarter
Ammonia as N	Grab	Report	N/A	Once/Quarter
<i>E. Coli</i>	Grab	941 colonies/100 ml	N/A	Once /Quarter

\* Report average daily flow for each calendar month.

Sampling requirements in the table above apply to effluent being discharged to the drip irrigation plots.

This permit allows the operation of a wastewater drip irrigation system. There shall be no wastewater ponding or pools on the surface of the disposal field as a result of improper application or irrigation of wastewater except in direct response to precipitation. There shall be no discharge of wastewater to any surface stream or any location where it is likely to enter surface waters. There shall be no discharge of wastewater to any open throat sinkhole. In addition, the drip irrigation system shall be operated in a manner preventing the creation of a health hazard or a nuisance.

Instances of ponding or pools under dry weather conditions shall be promptly investigated and remedied. Instances of ponding or pools, or any wastewater runoff shall be noted on the monthly operation report. The report shall include details regarding the location(s), determined cause(s), the actions taken to eliminate the ponding or pools, or any wastewater runoff, and the dates the corrective actions were made. Any wastewater runoff due to improper operation must be reported in writing to the Division of Water Pollution Control, Knoxville Environmental Field Office within 5 days of discovery by the permittee.

The permittee must disinfect the wastewater in order to meet the above *E. Coli* limit.

All drip lines shall be buried and maintained 6 to 10 inches below the ground surface.

The site shall be inspected by the certified operator or his/her designee, at a minimum, once per seven days. The following shall be recorded for each inspection and reported on the quarterly operating report:

- the condition of the treatment facility security controls (doors, fencing, gates, etc.),
- the condition of the drip area security controls (doors, fencing, gates, etc.),
- the condition of the site signage,
- the condition of the drip lines under pressure,
- the condition of the drip area including the location of any ponding and the height of the cover crop,
- the condition of the mechanical parts of the treatment system (pumps, filters, telemetry equipment, etc.)
- the condition of the UV bulbs (if applicable),
- the last date the UV bulbs were cleaned (if UV is used),
- the date and time of inspection,
- the name of the inspector,
- the description of any corrective actions taken.

## **B. MONITORING PROCEDURES**

### **1. Representative Sampling**

Samples and measurements taken in compliance with the monitoring requirements specified above shall be representative of the volume and nature of the monitored discharge, and shall be taken at the following location(s):

Effluent to drip irrigation plots.

### **2. Test Procedures**

Unless otherwise noted in the permit, all pollutant parameters shall be determined according to methods prescribed in Title 40, CFR, Part 136.

## **C. DEFINITIONS**

The "daily maximum concentration" is a limitation on the average concentration, in milligrams per liter, of the discharge during any calendar day.

The "*monthly average concentration*", other than for *E. coli* bacteria, is the arithmetic mean of all the composite or grab samples collected in a one-calendar month period.

A "grab sample" is a single influent or effluent sample collected at a particular time.

For the purpose of this permit, "*continuous monitoring*" means collection of samples using a probe and a recorder with at least one data point per dosing cycle.

A "quarter" is defined as any one of the following three-month periods: January 1 through March 31, April 1 through June 30, July 1 through September 30, and/or October 1 through December 31.

#### **D. REPORTING**

##### **1. Monitoring Results**

Monitoring results shall be recorded monthly and submitted quarterly. Submittals shall be postmarked no later than 15 days after the completion of the reporting period. A copy should be retained for the permittee's files. Operation reports and any communication regarding compliance with the conditions of this permit must be sent to:

Division of Water Pollution Control  
Knoxville Environmental Field Office  
3711 Middlebrook Pike  
Knoxville, TN 37921

The first operation report is due on the 15<sup>th</sup> of the month following permit effective date.

##### **2. Additional Monitoring by Permittee**

If the permittee monitors any pollutant at the location(s) designated herein more frequently than required by this permit, using approved analytical methods as specified in 1200-4-5-.07(4)(h)2, the results of such monitoring shall be included in the calculation and reporting of the values required in the Quarterly Operation Report. Such increased frequency shall also be indicated.

##### **3. Falsifying Reports**

Knowingly making any false statement on any report required by this permit may result in the imposition of criminal penalties as provided for in Section 69-3-115 of the Tennessee Water Quality Control Act.

##### **4. Signatory Requirement**

All reports or information submitted to the commissioner shall be signed and certified by the persons identified in Rules 1200-4-5-.05(6)(a-c).

#### **E. SCHEDULE OF COMPLIANCE**

Full operational level shall be attained from the effective date of this permit.

## **PART II**

### **A. GENERAL PROVISIONS**

#### **1. Duty to Reapply**

The permittee is not authorized to discharge after the expiration date of this permit. In order to receive authorization to discharge beyond the expiration date, the permittee shall submit such information and forms as are required to the Director of Water Pollution Control (the "Director") no later than 180 days prior to the expiration date.

#### **2. Right of Entry**

The permittee shall allow the Director, or authorized representatives, upon the presentation of credentials:

a. To enter upon the permittee's premises where an effluent source is located or where records are required to be kept under the terms and conditions of this permit, and at reasonable times to copy these records;

b. To inspect at reasonable times any monitoring equipment or method or any collection, treatment, pollution management, or discharge facilities required under this permit; and

c. To sample at reasonable times any discharge of pollutants.

#### **3. Availability of Reports**

All reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Division of Water Pollution Control.

#### **4. Proper Operation and Maintenance**

The permittee shall at all times properly operate and maintain all facilities and systems (and related appurtenances) for collection and treatment which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance also includes adequate laboratory and process controls and appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems which are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit. Backup continuous pH and flow monitoring equipment are not required.

The permittee must develop and implement a preventative maintenance schedule which corresponds to the manufacturer's recommendations for each of the appurtenances in the

treatment system. Documentation supporting this preventative maintenance schedule, and its implementation, must be retained for a period of three years.

The monitoring frequency stated in this permit shall not be construed as specifying a minimum level of operator attention to the facility. It is anticipated that visits to the treatment facility by the operator will occur at intervals frequent enough to assure proper operation and maintenance, but in no case less than one visit every seven days. If monitoring reports, WPC inspection reports, or other information indicates a problem with the facility, the permittee may be subject to enforcement action and/or the permit may be modified to include increased parameter monitoring, increased monitoring frequency or other requirements as deemed necessary by the division to correct the problem. The permittee shall ensure that the certified operator is in charge of the facility and observes the operation of the system frequently enough to ensure its proper operation and maintenance regardless of the monitoring frequency stated in the permit.

Dilution water shall not be added to comply with effluent requirements.

Final Plan of Operation, prepared in accordance with the State Design Criteria and manufacturer's specifications, shall be submitted to the Division of Water Pollution Control, Knoxville Environmental Field Office, 3711 Middlebrook Pike, Knoxville, TN 37921 within thirty (30) days of a request by division personnel. The permittee must comply with the submitted Final Plan of Operation.

The drip dispersal area shall not be used for vehicular traffic or vehicular parking. Dozers, trucks, tractors, and other heavy vehicles shall not be allowed to run over the drip dispersal area lines or other parts of the system.

#### 5. Property Rights

The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State, or local laws or regulations.

#### 6. Severability

The provisions of this permit are severable. If any provision of this permit due to any circumstance, is held invalid, then the application of such provision to other circumstances and to the remainder of this permit shall not be affected thereby.

#### 7. Other Information

If the permittee becomes aware that he failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, then he shall promptly submit such facts or information.



**B. CHANGES AFFECTING THE PERMIT**

**1. Planned Changes**

The permittee shall give notice to the Director as soon as possible of any planned physical alterations or additions to the permitted facility.

**2. Permit Modification, Revocation, or Termination**

a. This permit may be modified, revoked and reissued, or terminated for cause as described in section 69-108-(F) The Tennessee Water Quality Control Act as amended.

b. The permittee shall furnish to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

**3. Change of Ownership**

This permit may be transferred to another person (see note below) by the permittee if:

a. The permittee notifies the Director of the proposed transfer at least 30 days in advance of the proposed transfer date;

b. The notice includes a written agreement between the existing and new permittees containing a specified date for transfer of permit responsibility, coverage, and liability between them; and

c. The Director, within 30 days, does not notify the current permittee and the new permittee of his intent to modify, revoke or reissue, or terminate the permit and to require that a new application be filed rather than agreeing to the transfer of the permit.

Note: For the purposes of this part, "person" is defined as a municipality, a public utility, a wastewater authority, or a privately owned public utility (having a Certificate of Convenience and Necessity from the Tennessee Regulatory Authority), or another public agency.

**4. Change of Mailing Address**

The permittee shall promptly provide to the Director written notice of any change of mailing address. In the absence of such notice the original address of the permittee will be assumed to be correct.

**C. NONCOMPLIANCE**

**1. Effect of Noncompliance**

Any permit noncompliance constitutes a violation of applicable State laws and is grounds for enforcement action, permit termination, permit modification, or denial of permit reissuance.

**2. Reporting of Noncompliance**

**a. 24-Hour Reporting**

In the case of any noncompliance which could cause a threat to public drinking supplies, or any other discharge which could constitute a threat to human health or the environment, the required notice of non-compliance shall be provided to the appropriate Division environmental assistance center within 24 hours from the time the permittee becomes aware of the circumstances. (The environmental field office should be contacted for names and phone numbers of emergency response personnel.)

A written submission must be provided within five days of the time the permittee becomes aware of the circumstances unless this requirement is waived by the Director on a case-by-case basis. The permittee shall provide the Director with the following information:

- i. A description of the discharge and cause of noncompliance;
- ii. The period of noncompliance, including exact dates and times or, if not corrected, the anticipated time the noncompliance is expected to continue; and
- iii. The steps being taken to reduce, eliminate, and prevent recurrence of the non complying discharge.

**b. Scheduled Reporting**

For instances of noncompliance which are not reported under subparagraph 2.a. above, the permittee shall report the noncompliance on the Quarterly Operation Report. The report shall contain all information concerning the steps taken, or planned, to reduce, eliminate, and prevent recurrence of the violation and the anticipated time the violation is expected to continue.

**3. Overflow**

a. "**Overflow**" means the unintended discharge to land or waters of Tennessee of wastes from any portion of the collection, transmission, or treatment system other than through permitted outfalls.

b. Overflows are prohibited.

c. The permittee shall operate the collection system so as to avoid overflows. No new or additional flows shall be added upstream of any point in the collection system, which experiences chronic overflows (greater than 5 events per year) or would otherwise overload any portion of the system.

d. Unless there is specific enforcement action to the contrary, the permittee is relieved of this requirement after: 1) an authorized representative of the Commissioner of the Department of Environment and Conservation has approved an engineering report and construction plans and specifications prepared in accordance with accepted engineering practices for correction of the problem; 2) the correction work is underway; and 3) the cumulative, peak-design, flows potentially added from new connections and line extensions upstream of any chronic overflow point are less than or proportional to the amount of inflow and infiltration removal documented upstream of that point. The inflow and infiltration reduction must be measured by the permittee using practices that are customary in the environmental engineering field and reported in an attachment to a Monthly Operating Report submitted to the local TDEC Environmental Field Office on a quarterly basis. The data measurement period shall be sufficient to account for seasonal rainfall patterns and seasonal groundwater table elevations.

e. In the event that more than 5 overflows have occurred from a single point in the collection system for reasons that may not warrant the self-imposed moratorium or completion of the actions identified in this paragraph, the permittee may request a meeting with the Division of Water Pollution Control EFO staff to petition for a waiver based on mitigating evidence.

#### 4. Upset

a. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

b. An upset shall constitute an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the permittee demonstrates, through properly signed, contemporaneous operating logs, or other relevant evidence that:

- i. An upset occurred and that the permittee can identify the cause(s) of the upset;
- ii. The permitted facility was at the time being operated in a prudent and workman-like manner and in compliance with proper operation and maintenance procedures;
- iii. The permittee submitted information required under "Reporting of Noncompliance" within 24-hours of becoming aware of the upset (if this information is provided orally, a written submission must be provided within five days); and
- iv. The permittee complied with any remedial measures required under "Adverse Impact."

## 5. Adverse Impact

The permittee shall take all reasonable steps to minimize any adverse impact to the waters of Tennessee resulting from noncompliance with this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying discharge. It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

## 6. Bypass

a. **"Bypass"** is the intentional diversion of wastewater away from any portion of a treatment facility. "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which would cause them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b. Bypasses are prohibited unless all of the following 3 conditions are met:

i. The bypass is unavoidable to prevent loss of life, personal injury, or severe property damage;

ii. There are no feasible alternatives to bypass, such as the construction and use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass, which occurred during normal periods of equipment downtime or preventative maintenance;

iii. The permittee submits notice of an unanticipated bypass to the Division of Water Pollution Control in the appropriate Environmental Field Office within 24 hours of becoming aware of the bypass (if this information is provided orally, a written submission must be provided within five days). When the need for the bypass is foreseeable, prior notification shall be submitted to the director, if possible, at least 10 days before the date of the bypass.

c. Bypasses not exceeding permit limitations are allowed only if the bypass is necessary for essential maintenance to assure efficient operation. All other bypasses are prohibited. Allowable bypasses not exceeding limitations are not subject to the reporting requirements of 6.b.iii, above.

**D. LIABILITIES**

**1. Civil and Criminal Liability**

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance. Notwithstanding this permit, the permittee shall remain liable for any damages sustained by the State of Tennessee, including but not limited to fish kills and losses of aquatic life and/or wildlife, as a result of the discharge of wastewater to any surface or subsurface waters. Additionally, notwithstanding this Permit, it shall be the responsibility of the permittee to conduct its wastewater treatment and/or discharge activities in a manner such that public or private nuisances or health hazards will not be created.

**2. Liability Under State Law**

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to any applicable State law.

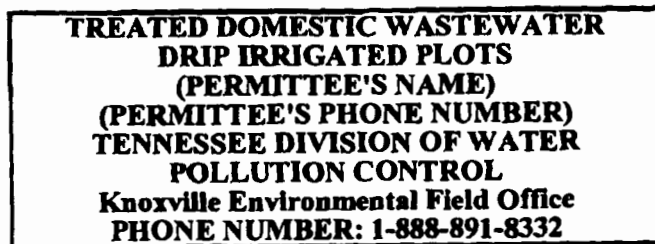
**PART III  
OTHER REQUIREMENTS**

**A. CERTIFIED OPERATOR**

The waste treatment facilities shall be operated under the supervision of a Biological Natural System certified wastewater treatment operator and collection system shall be operated under the supervision of a the grade I certified collection system operator in accordance with the Water Environmental Health Act of 1984.

**B. PLACEMENT OF SIGNS**

Signs shall be posted at regular intervals around the perimeter of the area, and at each entrance. The recommended perimeter distance between any two (2) signs should not exceed one hundred fifty feet at all sites. The sign language shall clearly indicate that the drip areas are being used for the dispersal of treated effluent and advise against trespassing. The minimum sign size should be two feet by two feet (2' x 2') with letters not less than two inches (2") high. Each sign shall be made of durable material and have a white background with black letters.



No later than sixty (60) days from the effective date of the permit, the permittee shall have the above sign(s) on display in the location specified. New facilities must have the signs installed upon commencing operation.

**C. ADDITION OF WASTE LOADS**

The permittee may not add wasteloads to the existing treatment system without the knowledge and approval of the division.

**D. SEPTIC TANK OPERATION**

The proper operation of this treatment system depends, largely, on the efficient use of the septic tank. The solids that accumulate in the tank shall be removed at a frequency that is sufficient to insure that the treatment plant will comply with the discharge requirements of this permit.

**E. SEPTAGE MANAGEMENT PRACTICES**

The permittee must comply with the provisions of Chapter 0400-48-01-.22. If the septage is transported to another POTW for disposal, the permittee shall note the amount of septage wasted in gallons and the name of the facility to which the septage was taken on the monthly operation report. Sludge or any other material removed by any treatment works must be disposed of in a manner which prevents its entrance into or pollution of any surface or subsurface waters. Additionally, the disposal of such sludge or other material must be in compliance with the Tennessee Solid Waste Disposal Act, TCA 68-31-101 et seq. and Tennessee Hazardous Waste Management Act, TCA 68-46-101 et seq.

**F. DRIP SITE MANAGEMENT**

The drip irrigation system must have appropriate site management practices to ensure that the nitrogen design assumptions will be achieved. The cover crop must be able to uptake the prescribed amount of nitrogen (100 lbs/acre/year). For cover crops other than trees, the cover crop shall be cut on a regular basis and the cuttings removed from the site. This requirement shall not be construed to warrant any use of the harvested product and the permittee shall assume full responsibility for its proper use or disposal.

**G. OWNERSHIP OF THE TREATMENT FACILITIES**

a. The permittee shall own the treatment facilities (and the land upon which they are constructed) including the land to be utilized for drip or spray irrigation. A perpetual easement (properly recorded) may be accepted in lieu of ownership. If the permittee elects to make the treated wastewater available for reuse (irrigation of a golf course for example) a backup dedicated land application site must be provided or a perpetual easement must be obtained for the property where reuse is to take place. The perpetual easement must allow year-round application of the wastewater except where the permittee has provided (and the division has approved) storage facilities for periods when reuse is not available. Evidence of ownership of the treatment facility land application site(s) and/or a copy of the perpetual easement(s) must be furnished to the division for approval prior to construction of the wastewater collection and treatment system.

b. Where the treatment facility serves private homes, condominiums, apartments, retirement homes, nursing homes, trailer parks, or any other place where the individuals being served have property ownership, rental agreements, or other agreements that would prevent their being displaced in the event of abandonment or noncompliance of the sewerage system, ownership of the treatment facilities must be by a municipality, a public utility, a wastewater authority, or a privately owned public utility (having a Certificate of Convenience and Necessity from the Tennessee Regulatory Authority), or another public agency.

**H. UIC AUTHORIZATION**

The authorization and requirements associated with the operation of a Class V injection well (drip dispersal field) is attached to this permit in Attachment 1.

Attachment 1

STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER SUPPLY  
GROUND WATER MANAGEMENT SECTION  
9th Floor, 401 Church Street  
Nashville, Tennessee 37243-1549

**MEMORANDUM**

TO: Wade Murphy, WPC-CO

FROM: Allen Rather, DWS- Ground Water Management Section

DATE: 6/02/2011

SUBJECT: LCSS/SFDS (Class V Injection) Approval  
Villages at Norris Lake  
Lafollette, Campbell County, Tennessee  
UIC File CAM 0000016

The Division of Water Supply has reviewed the submittal of an Application for Authorization to Operate a Class V Underground Injection Well (Large Capacity Septic System/Subsurface Fluid Disposal System) utilizing drip disposal for the waste water at the Villages at Norris Lake located at LaFollette, Campbell County, Tennessee. This Division approves the application dated 12/10/2010.

If at any time the Division learns that a ground water discharge system may be in violation of The Tennessee Water Quality Control Act, the Division shall:

- a. require the injector to apply for an individual permit;
- b. order the injector to take such actions including, where required, closure of the injection well as may be necessary to prevent the violation; or
- c. take enforcement action.

All groundwater discharge activities must operate in such a manner that they do not present a hazard to groundwater.

The Caryville Jacksboro Utility District shall also conduct a monthly visual inspection of the complete drip field looking for any signs of failure.

In accordance with Underground Injection Control (UIC) Rule 1200-4-6-.14 (3) "The owner of a Class V well shall be responsible for notifying the Department of change in ownership." This notification must be made to this Division within thirty (30) days of the change in ownership.

Also note that according to Underground Injection Control (UIC) Rule 1200-4-6-.14 (8)(d) "Upon completion of the well, the owner or operator must certify to the Department that the well has been completed in accordance with the approved construction plan, and must submit any other additional information required". The certification must be submitted to the UIC Program within thirty (30) days upon the completion/closure of the Class V well.

Our concurrence with your approach does not imply that this procedure is exempt from future changes or restrictions in the Underground Injection Control (UIC) Regulations, or any additional requirements set forth by the Division in order to protect the groundwater of Tennessee.

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**This Division will require a minimum of seven (7) working days advance notice before the construction on the drip system is to begin to allow for a witness from this Division to be present.**

**No drip emitters are to discharge directly into an open throat or crevice in the subsurface. All drip lines are to be installed on contour.**

**Submit an "as built" drawing with Surveyor/Engineer stamp to the Division of Water Supply certifying that the system has been installed in accordance with the approved construction plans as required by Rule 1200-4-6-.14 (8) (d).**

**A copy of this authorization must be kept on site until the development has been completed and must be made available to inspection personnel.**

**Should you have any questions or comments please feel free to contact me at (615) 532-5819 or [allen.rather@tn.gov](mailto:allen.rather@tn.gov).**

c: Brad Harris, GWP- NCO  
file

**Rationale**  
**Caryville Jacksboro Utility District - The Villages at Norris Lake**  
**STATE OPERATION PERMIT NO. SOP - SOP-10051**  
**Grantsboro Community, Campbell County, Tennessee**

Permit Writer: Wade Murphy

FACILITY CONTACT INFORMATION:  
Mr. Frank Wallace, Executive Secretary  
Phone: (423) 562-9776  
cjuc@ccdi.net  
Off of Rain Valley Road  
Jacksboro TN 37757

Facility location: Off of Rain Valley Road

Name of the nearest stream: NA – No discharge allowed.

Treatment system: AdvanTex Recirculating Filter with UV disinfecting

Permit period: This permit will be issued for a five year period effective from the issuance date on the title page.

This permit action proposes to permit operation of a treatment system whose general scope of activity is currently permitted via SOP-07001. The current permit is issued to Tennessee Wastewater Systems, Inc (TWS). That company holds a Certificate of Convenience and Necessity (CCN) from the Tennessee Regulatory Authority (TRA) to provide sewer service to an area defined in documents associated with TRA Docket #06-00277. To the division's knowledge, the formerly proposed wastewater treatment system is not installed and the original developer/owner is no longer involved with the project. The Caryville-Jacksboro Utility Commission(CJUC) has applied to sewer this development in conjunction with contractual arrangements between the new owner/developer and Evergreen Utility Services.

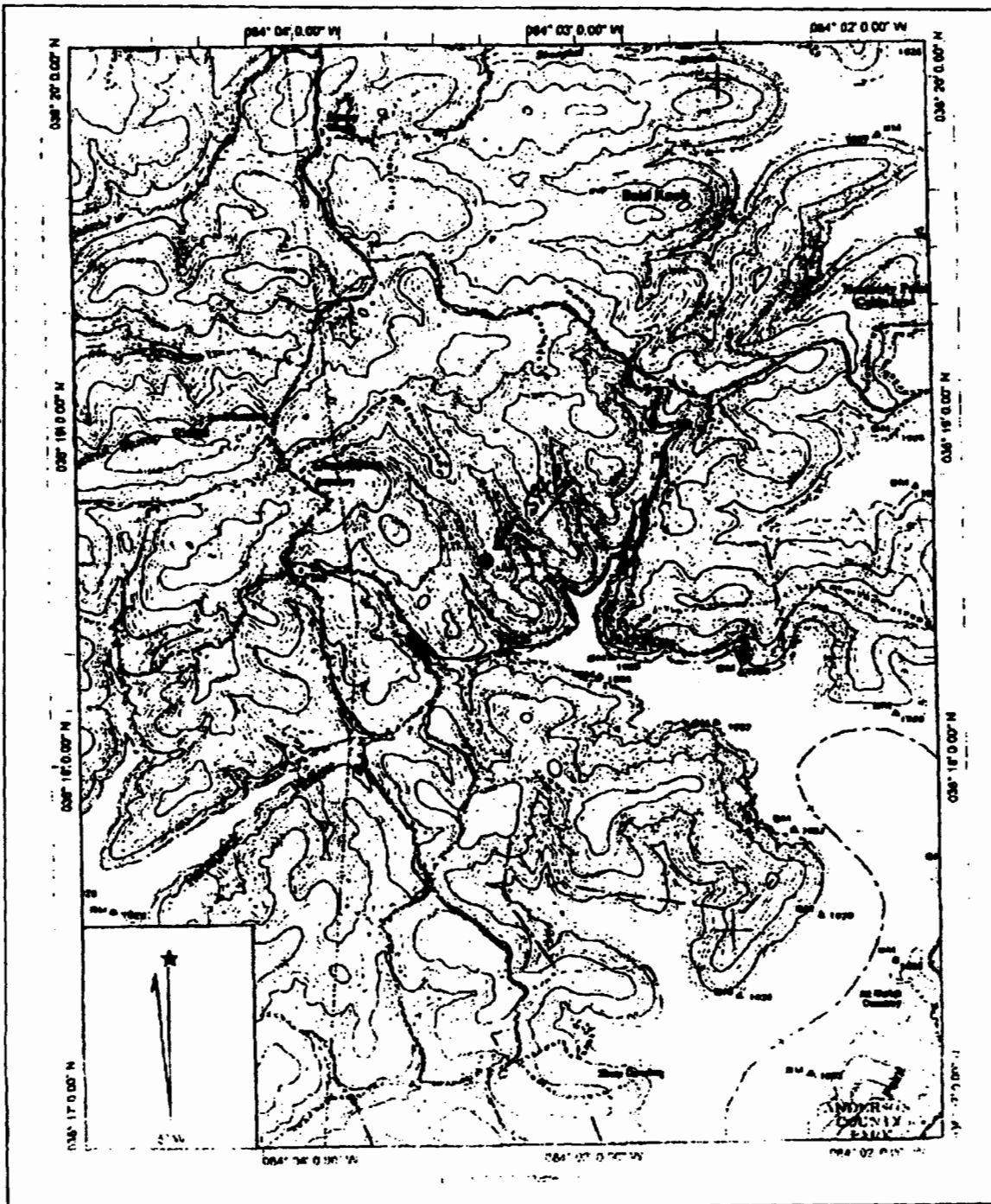
The Water Quality Control Act requires sewer systems to obtain permits with conditions that protect public waters. Protecting waters requires active and proactive management of wastewater collected for treatment and disposal. Additionally, this system will receive residential wastewater generated by persons subscribing to sewer service. Therefore, the division requires the permittee to be an entity engaged in providing wastewater services as a function of their entity operations. More specifically, the division intends for the permit holder to be either a municipality, a public utility, a wastewater authority, or a privately owned public utility (having a Certificate of Convenience and Necessity from the Tennessee Regulatory Authority), or another public agency (such as a utility commission). The change of ownership transfer requirements in Part II.B.3 of this proposed permit are tailored to clearly impose this requirement and to align it with Part III.G.

Both the Caryville-Jacksboro Utility Commission and Tennessee Wastewater Systems, Inc. are entities meeting the division's permit ownership condition. Property rights, or service area rights, of these entities are not conveyed via this sewer system permit process. Therefore, this

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permit is drafted and public noticed for public comment with the CJUC, TWS, Inc., and the TRA being considered interested parties for the purposes of the public participation process. The topographical map submitted with the application is attached for reference.

Proposed site for SOP-10051:



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STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF WATER POLLUTION CONTROL  
401 CHURCH STREET 6<sup>TH</sup> FLOOR L&C ANNEX  
NASHVILLE, TENNESSEE 37243-1534

May 22, 2012

Mr. Tim K Slone, P.E.  
IRTEC, Inc.  
211 Main Street  
P.O. Box 306  
Caryville, TN 37714

Re: Caryville-Jacksboro Utility District - The Villages at Norris Lake (SOP-10051)  
County: Campbell  
Water Pollution Control Number 12-0102  
Project: The Villages at Norris Lake- Phase I

Dear Mr. Slone:

The Tennessee Department of Environment and Conservation, Division of Water Pollution Control, acknowledges the receipt of three (3) sets of construction documents on May 17, 2012.

The project consists of the construction of Bio-Microbics Fast Treatment System for a 105 lots, Phase I and drip irrigation discharge. The design flow rate 31,000 GPD is divided proportionally amongst six zones (A, B, C, D, E, and F).

**Note: Approval of the construction drawings is contingent upon compliance with the terms of state operating permit number (SOP-10051).**

Approval is granted in accordance with certain requirements of the Water Quality Control (WQC) Act of 1977 and Regulations of the Water Quality Control Board. **The SITE set of plans and specifications will be stamped with the APPROVAL and APPROVAL EXPIRES STAMPS on the cover sheets only. Any indication of tampering with the bound set of documents will be subject to investigation and prosecution.** One complete set of construction documents, bearing the official stamp, must be kept at the construction site.

Approval expires one year from the stamped approval date unless construction is either underway or complete. Any request for extension must be made prior to this expiration date. Significant deviations from the approved plan documents must be submitted and approved in writing before such changes are made. Minor changes made during construction need not have prior written approval. Modifications, however, may be required by this Department should the changes be deemed inappropriate. It is advisable, therefore to obtain prior approval in cases where the significance of the change is uncertain.

The Division of Water Pollution Control is authorized to inspect the construction work to verify compliance with the approved plans and specifications, which are on the site. **Therefore, the engineer shall notify Woody Smith of the Water Pollution Control Office at the Knoxville Environmental Field Office (865) 594-6035 at the start of construction.**

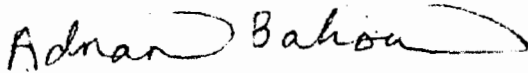
000152

Approval of these construction documents should not be construed as a permit for any activities related to this project. Activities which may require a permit under the WQC Act and Regulations include, but are not limited to, the following: streambank vegetation removal; creek crossing(s) for equipment or utility lines; construction within twenty (20) feet of a stream bank; construction in or near a marshy area or wetland, and/or land disturbance greater than one acre.

**Additionally this approval does not authorize connection and use of sewer that will cause or contribute to collection system overflow or overload of receiving wastewater treatment facility. The Water Pollution Control Office previously referenced should be contacted for determinations regarding whether modification of the existing NPDES or SOP permit, an Aquatic Resource Alteration Permit (ARAP) and/or a National Pollutant Discharge Elimination System (NPDES) Construction Storm water permit will need to be obtained prior to the beginning of construction of this project.**

To expedite matters, please reference the assigned Water Pollution Control number on any future correspondence. If we may be of any assistance, please contact us by e-mail [Adnan.Bahour@tn.gov](mailto:Adnan.Bahour@tn.gov) or by phone (615) 532-0638.

Sincerely,



Adnan Bahour, Ph.D.  
Environmental Protection Specialist, Municipal Facilities Section  
Division of Water Pollution Control

Enclosures

cc: Woody Smith, Knoxville Environmental Field Office, Water Pollution Control

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## Boog Potter

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**From:** jeffbrownfield@gmail.com on behalf of jeff brownfield <jeff@braeburnucs.com>  
**Sent:** Monday, July 16, 2012 3:14 PM  
**To:** Boog Potter  
**Subject:** Fwd: contract  
**Attachments:** Phase III Simple Sewer Contract.pdf; Simple Contract Tie Ins.pdf; Simple Contract Treatment Plant.pdf

Here are the three separate contracts for the tie-ins, forcemain for the existing PIII section, and the treatment facility.

I will be sending an email to the other contact on the electric as I have still not heard from Gary Williams despite my emails to him.

I am assuming that Kevin & I will be digging in separate locations since LUB does not want the sewer and electric in the same ditchline or on top of one another. It should not be an issue since you are supposed to have a 10' easement according to Crutchfield.

Jeff

----- Forwarded message -----

**From:** jeff brownfield <jeff@braeburnucs.com>  
**Date:** Thu, Jun 28, 2012 at 9:08 PM  
**Subject:** Fwd: contract  
**To:** Boog Potter <bpotter@concord-title.com>

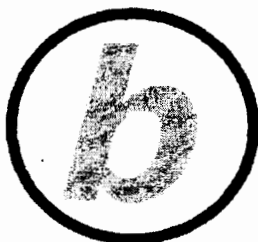
Typical simple contract modified for this project.

I plan on making them separately for the treatment system, the ductile & tie-in will be combined into one contract since they are closely related, and then for the existing Part 3 S/D sewer work.

I will be back on site tomorrow.

----- Forwarded message -----

**From:** jeff brownfield <jeff@braeburnucs.com>  
**Date:** Thu, Jun 28, 2012 at 8:05 PM  
**Subject:** contract  
**To:** Jeff Brownfield <jeff@braeburnucs.com>



**Braeburn Utility Construction Services, LLC.**

4072 Hidden Valley Road

Cleveland, TN 37312

Phone: 423.781.6066

FAX: 423.722.4937

Email: [jeff@braeburnucs.com](mailto:jeff@braeburnucs.com)

Email: [laurie@braeburnucs.com](mailto:laurie@braeburnucs.com)

February 14, 2013

VONL-PIII-2012-0720.4

VONL Phase III Sewer

Emerson Properties

ATTN: Boog Potter

10325 Yellow Pine Lane

Knoxville, TN 37932

**DESCRIPTION**

Work In Progress

Consisting of: 2,5000 Lineal Feet of 2" Force Main, (32) Services, Blow Off Valves

In Line Cleanouts, Isolation Valves

**AMOUNT**

\$35,008.00

Outstanding Balance from Previous Invoice

13,823.00

\$48,831.00

Make all checks payable to **Braeburn Utility Construction Services, LLC.**  
Employer ID# 32-018399.

**TOTAL**

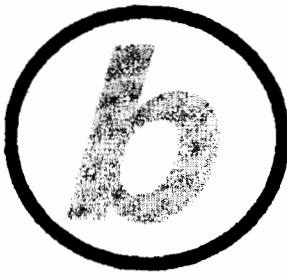
**\$48,831.00**

Payment remittance is expected in 10 Days.

**THANK YOU FOR YOUR BUSINESS!**

**000155**





**Braeburn Utility Construction Services, LLC.**

4072 Hidden Valley Road

Phone: 423.781.6066

Fax: 423.722.4937

Email: [jeff@braeburnucs.com](mailto:jeff@braeburnucs.com)

Email: [laurie@braeburnucs.com](mailto:laurie@braeburnucs.com)

July 24, 2012

VONLPIII.2012.0720.1

VONL-PIII Contract

Emerson Properties

ATTN: Boog Potter

10325 Yellow Pine Lane

Knoxville, TN 37932

**DESCRIPTION**

**AMOUNT**

Prepwork & Mobilization

\$9,965.00

\$9,965.00

Make all checks payable to Braeburn Utility Construction Services, LLC.  
Employer ID #32-018399.

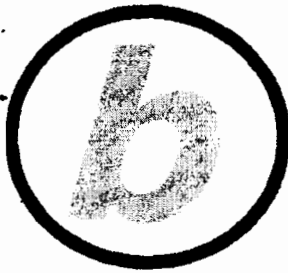
**TOTAL**

**\$9,965.00**

Payment remittance is expected in 10 days.

**THANK YOU FOR YOUR BUSINESS!**

**000156**



**Braeburn Utility Construction Services, LLC.**

4072 Hidden Valley Road

Phone: 423.781.6066

Fax: 423.722.4937

Email: [jeff@braeburnucs.com](mailto:jeff@braeburnucs.com)

Email: [laurie@braeburnucs.com](mailto:laurie@braeburnucs.com)

July 25, 2012

VONL-TP.2012.0720.1

VONL-Treatment Contract

Emerson Properties

ATTN: Boog Potter

10325 Yellow Pine Lane

Knoxville, TN 37932

**DESCRIPTION**

Prepwork & Mobilization

**AMOUNT**

\$23,379.00

\$23,379.00

Make all checks payable to **Braeburn Utility Construction Services, LLC.**  
Employer ID #32-018399.

Payment remittance is expected in 10 days.

**THANK YOU FOR YOUR BUSINESS!**

**TOTAL**

**\$23,379.00**

**000157**

## **Boog Potter**

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**From:** jeffbrownfield@gmail.com on behalf of jeff brownfield <jeff@braeburnucs.com>  
**Sent:** Monday, May 03, 2010 5:23 PM  
**To:** 'Boog Potter'  
**Subject:** Re: Villages at Norris lake

Here's what the breakdown looks like:

Constructed Plant for 50 Homes (or 15,000 gallons), includes materials, taxes and construction for just the plant: \$235,000.00, estimated.

Here's the support services that need to be added to the above as part of the project to get it through the State:

Engineering: \$16,500.00, IRTEC-Tim Slone

Soils Analysis \$16,000.00 Soils Solutions-Randy West (this is for all 16 acres)

Soils Area Survey: \$2,200.00, IRTEC-Tim Slone

Force Main Collection Design: \$.90/per foot-DSH & Associates, If I remember correctly you have about 18,000 feet of roads between Phase 2 and Phase 3.

We'll need someone to bushhog the dripfield area to get the survey and soils analysis done since its a briar patch right now. we can do it but its probably cheaper to have it done locally. Needless to say there are several assumptions on the constructed cost concerning electric location and any rock being encountered (as in, no rock being encountered during excavation), and we'd be leaving the dirt on site for your re-use, along with some site and gradework being possible to make the plant location usable since right now we have just tentatively located it at the top of the hill near the dripfield area.

However, we have been able to phase the design costs on the collection system much easier than the rest of the project. TDEC generally does not mind future roads being shown as "to be added later" as part of the project. We might be able to get that done here as well; there are never any guarantees with TDEC.

As we discussed, the support services are not marked up by me through this process. I'm just there to make sure the work gets done they way it needs to, and as interface between you as client and CJUC as owner, and most of these entities need a contract signed directly with the owner for their insurance to cover their services. Same is true for me.

I've been working with Frank Wallace on the collection system and he is going to be more comfortable using HDPE on the force main work in lieu of PVC. He also would like for me to be involved in the force main installation/construction as well since we have a working agreement on what we will do to lower/eliminate his inspection costs there. He is very concerned with infiltration on PVC since this greatly affects the performance of the treatment process and he is on the hook for its operation. I know he has been having discussions with Steve on the "dock" issue with TVA last week and we need solid HDPE there as well to satisfy them.

One note on the constructed treatment facility cost, the price above is for the least expensive option today, but the overall project cost will be higher if we continue using 50 as the breakpoint for infrastructure. We could spend about 15-20% more on the first few phases but less overall for the life of the project (assuming we get to 400+ connections) by going a little different route but that might not be what you want since your projected buildout rate is assumed to be longer.

Separate note(s), small world at work here. I was discussing the other day me having a meeting at Premier Athletic in Knoxville with my brother in law...He used to own Premier Bus Lines there in Knoxville, he seemed to remember supplying bus transportation to Premier Athletic in prior years, something about how the two companies logo colors were nearly identical...Also, my sister in law and her husband formed a church a few years ago in LaFollette with generous support from Steve Williams, they are Billy & Shawn Smith who live in LaFollette.

Jeff

On Mon, May 3, 2010 at 11:13 AM, Boog Potter <[bpotter@mirobolc.com](mailto:bpotter@mirobolc.com)> wrote:

Jeff,

Any progress on our project?

Thanks,

Boog

Boog Potter

Partner

Mirobo Management & Development

423.562.3718 office

865.755.7430 mobile

[bpotter@mirobolc.com](mailto:bpotter@mirobolc.com)

**From:** [jeffbrowfield@gmail.com](mailto:jeffbrowfield@gmail.com) [mailto:[jeffbrowfield@gmail.com](mailto:jeffbrowfield@gmail.com)] **On Behalf Of** jeff brownfield  
**Sent:** Monday, April 05, 2010 5:49 PM  
**To:** [bpotter@mirobolc.com](mailto:bpotter@mirobolc.com)  
**Subject:** Villages at Norris lake

Contact information:

Jeff Brownfield  
Braeburn Utility Construction Services

## Boog Potter

---

**From:** Randy West <randy@perktesters.com>  
**Sent:** Monday, May 23, 2011 8:49 PM  
**To:** Boog Potter  
**Subject:** RE: Survey or Map  
**Attachments:** DRIPFIELD TOTAL-FOR RANDY Model (1).pdf

Boog,

This is the survey IRTEC made for us in order to do the soil mapping. I'm not sure this is what you are looking for. The other maps we used for the permit process we overlaid this info onto the surveys which Crutchfield had made.

Randy

**From:** Boog Potter [mailto:bpotter@mirobolc.com]  
**Sent:** Monday, May 23, 2011 6:51 PM  
**To:** Randy West  
**Subject:** Survey or Map

Randy,

Was there a survey or map prepared of the area that's going to be used for the wwtp? If so, can I get a copy? Also, I mailed you a check today for the \$250. Thanks again for covering that.

Thanks,  
Boog

## Boog Potter

---

**From:** Randy West <randy@perktesters.com>  
**Sent:** Tuesday, May 24, 2011 7:05 PM  
**To:** Boog Potter  
**Subject:** RE: Survey or Map  
**Attachments:** CONCEPT PLAN Model (1).pdf; rainbow1 Model (1).pdf

Boog,

Hopefully one of these will work.

**From:** Boog Potter [mailto:bpotter@mirobollc.com]  
**Sent:** Monday, May 23, 2011 9:59 PM  
**To:** Randy West  
**Subject:** RE: Survey or Map

Randy,

If you've got a copy of the overlay of this on Crutchfield's survey, that would be great. I just need to show the HOA board members where the site is going to sit within the community. Any map or survey that will help show that is helpful.

Thanks,  
Boog

**From:** Randy West [mailto:randy@perktesters.com]  
**Sent:** Monday, May 23, 2011 8:49 PM  
**To:** Boog Potter  
**Subject:** RE: Survey or Map

Boog,

This is the survey IRTEC made for us in order to do the soil mapping. I'm not sure this is what you are looking for. The other maps we used for the permit process we overlaid this info onto the surveys which Crutchfield had made.

Randy

**From:** Boog Potter [mailto:bpotter@mirobollc.com]  
**Sent:** Monday, May 23, 2011 6:51 PM  
**To:** Randy West  
**Subject:** Survey or Map

Randy,

Was there a survey or map prepared of the area that's going to be used for the wwtp? If so, can I get a copy? Also, I mailed you a check today for the \$250. Thanks again for covering that.

Thanks,  
Boog

This instrument prepared by:  
C. Mark Troutman  
Troutman & Troutman, P.C.  
P.O. Box 757  
LaFollette, TN 37766

Recording Information

BK/PG: W479/49-61  
13001840  
3 PGS - AL - EASEMENT  
RUTH BATCH: 00700 0403/2013 - 11:55 AM  
VALUE 40.00  
MORTGAGE TAX 0.00  
TRANSFER TAX 0.00  
RECORDING FEE 15.00  
ARCHIVE FEE 0.00  
DP FEE 2.00  
REGISTER'S FEE 0.00  
TOTAL AMOUNT 17.00  
STATE OF TENNESSEE, CAMPBELL COUNTY  
DORMAS MILLER  
REGISTER OF DEEDS

**JOINT (NON-EXCLUSIVE) PERMANENT AND PERPETUAL EASEMENT**

This Agreement is made and entered into as of the 29<sup>th</sup> day of MARCH, 2013, by **EMERSON PROPERTIES, LLC**, a Tennessee limited liability company, (hereinafter referred to as the "Developer"), **FIRST PARTY AND THE CARYVILLE-JACKSBORO UTILITIES COMMISSION**, (hereinafter referred to as "CJUC"), **SECOND PARTY**.

**WHEREAS**, the Developer is the developer of the subdivision known as the Villages at Norris Lake as shown on the various plats of said subdivision of record in Plat Cabinet A, Slides 521, 522, 352, 232, 248, 251, 231, 538, 544, 269, 518-520, 536-538, 563-567, and 574-575, in the Register's Office for Campbell County, Tennessee (hereinafter referred to as the "Subdivision"); and

**WHEREAS**, the roadways in The Villages at Norris Lake are summarized on a plat of record in Plat Cabinet B, Slide 501 in the Register's Office for Campbell County, Tennessee, a small copy of which is attached hereto as Exhibit One; and

**WHEREAS**, the Developer also owns other real property which will serve as a part of the wastewater treatment system for the Subdivision; and

**WHEREAS**, the Developer to grant unto the Second Party the joint easements within the Subdivision and the maintenance of the same.

**WITNESSETH:**

For and in consideration of the sum of Ten (\$10.00) Dollars, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the First Party does hereby grant, bargain and convey unto the Second Party, a perpetual easement with the right to erect, construct, install, and lay, and hereafter use, operate, inspect, repair, maintain, replace and remove, such wastewater utility system components over, across, and through the lands of the First Party described as follows:

### TRACT ONE

Situated in District Two (2) of Campbell County, Tennessee, and being a joint, permanent and perpetual easement 50 feet in width along all roadways as contained in the Villages at Norris Lake Subdivision and shown on the plats referenced above, and summarized on the plat of record in Plat Cabinet B, Slide 501, in the Register's Office for Campbell County, Tennessee, the center line of which shall follow the center line of all such roadways, together with a similar easement along any and all other roads hereafter constructed in said Subdivision, together with the right of ingress and egress along said roadways, for the purpose of erection, construction, installation, and laying, and hereafter use, operation, inspection, repair, maintenance, replacement and removal, of such wastewater utility system components for the Subdivision.

### TRACT TWO

Situated in District Two (2) of Campbell County, Tennessee, and being a joint permanent and perpetual easement for the purpose of creating a drip field over all of that certain 29.69 acre tract identified as Tax Parcel Number 173.01, and shown on the Exhibit One attached hereto and plat of record in Plat Cabinet B, Slide 501, in the Register's Office for Campbell County, Tennessee, together with a right of ingress and egress across any roads in the Subdivision to access such property, all for the purpose of erection, construction, installation, and laying, and hereafter use, operation, inspection, repair, maintenance, replacement and removal, of such wastewater utility system components for the Subdivision.

For deed reference as to both tracts, see Warranty Deed Book 437, Page 3 in the Register's Office for Campbell County, Tennessee.

This is not a conveyance of the fee in said lands, but only the rights, privileges and easements set forth herein.

The First Party may otherwise use the lands over and through which said easements lay in such a way as to not interfere with the rights and privileges herein set forth.

Upon completion of the installation of the sewer lines to the required specifications of the Second Party, such sewer lines shall become the property of the Second Party and maintained by it in the same manner and to the same extent as other public utility sewer lines and Second Party shall have the right to enter upon such easement areas for the purposes of such general maintenance thereof as may be necessary or convenient from time to time.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the

29<sup>th</sup> day of MARCH, 2013.

DEVELOPER:  
EMERSON PROPERTIES, LLC

By: \_\_\_\_\_  
Its: Chief Manager

CJUC  
CARYVILLE-JACKSBORO  
UTILITIES COMMISSION

By: \_\_\_\_\_  
Its: Executive Secretary

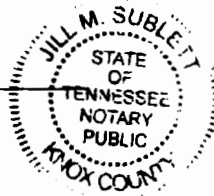


STATE OF Tennessee )  
 ) ss.  
COUNTY OF Knox )

Before me, Jill M. Sublett, of the state and county aforementioned,  
personally appeared George L. Potter, with whom I am personally acquainted  
(or proved to me on the basis of satisfactory evidence), and who, upon oath,  
acknowledged himself to be Chief Manager of **EMERSON PROPERTIES,**  
LLC, the within named bargainer, a Tennessee limited liability company, and that he as  
such Chief Manager executed the foregoing instrument for the purpose therein  
contained, by signing the name of the Company by himself as Chief Manager.

WITNESS my hand and seal at office in Knox County, Tennessee  
this 29<sup>th</sup> day of March, 2013.

Jill M. Sublett  
Notary Public



My Commission Expires: 2/2/14

STATE OF Tennessee )  
 ) ss.  
COUNTY OF Campbell )

Before me, Kim S. Blane, of the state and county aforementioned,  
personally appeared Frank Wallace, with whom I am personally acquainted  
(or proved to me on the basis of satisfactory evidence), and who, upon oath,  
acknowledged himself to be Executive Secretary of the **CARYVILLE-**  
**JACKSBORO UTILITIES COMMISSION**, and that he as such  
Executive Secretary executed the foregoing instrument for the purpose therein  
contained, by signing the name of the **CARYVILLE-JACKSBORO UTILITIES**  
**COMMISSION** by himself as Executive Secretary.

WITNESS my hand and seal at office in Campbell County, Tennessee  
this 1<sup>st</sup> day of April, 2013.

Kim S. Blane  
Notary Public



My Commission Expires: July 16, 2014

I HEREBY SWEAR OR AFFIRM THAT THE ACTUAL CONSIDERATION FOR THIS  
TRANSFER IS \$40.00, THIS 3<sup>rd</sup> DAY OF April 2013

[Signature]  
AFFIANT

Dormas Miller  
Registrar  
4-3-2013

DORMAS MILLER

Register of Deeds  
Campbell County, TN

Payment Receipt  
Batch# 66700

04/03/2013

RCVD OF: TROUTMAN & TROUTMAN

When Revenue Is Paid By Check, Receipt  
Is Not Valid Until Check Is Paid By Bank

Check(s) 17.00

Inst # 13001840 11:55 AM

EASEMENT

Book: M479 Page: 49

Transfer Amt 40.00

Recording Fee 15.00

LP Fee 2.00

Document Total: 17.00

Batch Total: 17.00

## Treatment System Contract Agreement

THIS AGREEMENT made this 10th day of July, by and between Braeburn Utility Construction Services, LLC., hereinafter called the "Contractor," and Emerson Properties LLC, hereinafter called the "Owner."

WITNESSETH that the Contractor and Emerson Properties for the considerations named agree as follows:

### Article 1. Scope of the Work

The Contractor shall furnish all of the materials and perform all of the work as described below and to the Specifications (entitled Exhibit A), as annexed hereto as it pertains to work to be performed on property at Villages on Norris Lake, LaFollette, TN.

### Article 2. Contract Commencement Date

The work to be performed under this Contract shall be commenced on or before 10 July, 2012. Time is of the essence for completion.

### Article 3. The Contract Price

The Owner shall pay the Contractor as follows: Contract amount for the Construction of the Phase I Treatment Plant facility is Four Hundred Sixty Five Thousand Three Hundred Twenty Nine Dollars, (\$465,329.00).

### Article 5. General Provisions

Any alteration or deviation from the above specifications, including but not limited to any such alteration or deviation involving additional material and/or labor costs, will be executed only upon a written order for same, signed by the Owner and Contractor, and if there is any charge for such alteration or deviation, the additional charge will be added to the contract price of this Contract.

In addition, the following general provisions apply:

1. All work shall be completed in a workmanlike manner and in compliance with all building codes and other applicable laws.
2. To the extent required by law, all work shall be performed by individuals duly licensed and authorized by law to perform said work.
3. Contractor may at its discretion engage subcontractors to perform work hereunder, provided Contractor shall fully pay said subcontractor and in all instances remain responsible for the proper completion of this Contract.
4. The Contractor shall furnish the Owner appropriate releases or waivers of lien for all work performed or materials provided at the time the next periodic payment shall be due.
5. All change orders shall be in writing and signed both by the Owner and Contractor, and shall be incorporated in, and become a part of the Contract.
9. All disputes hereunder shall be resolved by binding arbitration in accordance with rules of the American Arbitration Association.
10. Modifications to the details, specifications, layouts, or materials shall be approved by the Owner prior to construction, otherwise Contractor shall be responsible for any corrections required to return the plan to original or previously revised and approved plans and costs that arise therein.

11. Contractor will provide a one (1) year Warranty to the Owner, which shall be transferable to DSH.
12. Contractor is responsible for maintaining Project Safety, and as such shall provide proof of General Liability / Workman's Comp Insurance policies, maintained for at least 1 year after the life of the Project.
13. The Contractor shall maintain liability insurance coverage with a policy value not less than \$1,000,000.
14. Contractor also warrants that each subcontractor employed/utilized by the Contractor shall maintain Workman's Compensation insurance for the life of the Project. The insurance policies are required prior to the LLC allowing access to the project site.
15. Contractor will immediately notify the Owner of any operations required beyond the scope of plans and specifications as encountered, requested by the Owner or otherwise. Work may not proceed until the owner or representative of project in contract agrees to pay for the additional work.
16. Where compaction is required and the material excavated is unsuitable for compaction, any cost of replacing that material or improving it to be acceptable will be charged as an extra.
17. Unless specified for reuse, excess pipe spoil material excavated is to remain on site adjacent to ditch where it was excavated.
18. The contractor's responsibility for infiltration, exfiltration, testing, chlorinating and cleaning is eliminated as soon as others are allowed to tap or connect to our lines (sanitary, storm, water line).
19. If project delays occur, requiring remobilization of our equipment, (due to no fault of our own) a remobilization fee of \$2,500.00 per occurrence may be requested.
20. All quotes and prices are partially based on verbal conversations with LaFollette Utilities Board, information received and plans provided for bidding purposes only. Any project changes affecting material, design and or operational procedures that differ from the contractors bid may/will be charged as an extra. Further, some prices have been based on an analysis of existing subdivision layout and in accordance with that layout. Our analysis may or may not be appropriate.

#### Article 6. Payment & Invoice

Contractor shall invoice the Owner every 10 working days. Payment is expected 10 days from date of invoice.

Contractor shall invoice the Owner for any & all stored materials but not necessarily installed. Stored materials invoices will be issued upon delivery of materials.

The Owner agrees to pay contractor a mobilization fee of 5% of the contract price for contracts \$250,000 or less and 3.5% for contracts above \$250,000.

If payment is not made when due, Contractor may suspend work on the job until such time as all payments due have been made. A failure to make payment for a period in excess of thirty (30) days from the payment due date shall be deemed a material breach of this Contract.

For payments not received in 30 days, Contractor may, at his discretion, file appropriate paperwork for liens and interest against the Owner in accordance with Tennessee Prompt Payment Act.

#### Article 7. Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Owner and its agents and employees, from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the work or providing of materials to the extent caused in whole or in part by

negligent or wrongful acts or omissions of, or a breach of this agreement by, the Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone whose acts they are legally responsible for.

#### Article 8. Insurance

The Contractor represents that it has purchased and agrees that it will keep in force for the duration of the performance of the work or for such longer term as may be required by this agreement, in a company or companies lawfully authorized to do business in the State of Tennessee such insurance as will protect the Owner from claims for loss or injury, which might arise out of or result from the Contractor's operations under this project, whether such operations be by the Contractor or by a subcontractor or its subcontractors.

The Contractor represents and agrees that said insurance is written for and shall be maintained in an amount not less than the limits of the liability specified below or required by law, whichever coverage is greater. The Contractor certifies that coverage written on a "claims made" form will be maintained without interruption from the commencement of work until the expiration of all applicable statutes of limitation.

Prior to commencement of work, the Contractor shall file with the appropriate authorities all Certificates of Insurance naming the Owner/person hiring the Contractor as additional insured, in duplicate, and acceptable to all parties, which shall contain a provision that coverage under the policies shall not be canceled or allowed to expire or permit material changes until at least fifteen (15) days written notice has been given to additional insured.

#### Article 9. Additional Terms

No geotechnical testing exists. Soils encountered may be suitable or unsuitable. Contractor shall not be expected to pay for corrective action(s) required where unsuitable soils exist.

#### Article 10. Exclusions

These items are expressly excluded from our standard scope of work unless specifically included in our written scope as is specific to the referenced project.

Fees, permits, bonds, tap fees, meter and meter fees, inspection fees, engineering layout and staking is excluded.

Rock blasting, chipping, hammering, or excavation of any rock is excluded. Excavation of rock and granular backfill in rock excavated areas will be at additional cost.

As no geotechnical testing has been performed; Trench bottom or treatment site stabilization, undercutting or extra bedding materials due to unsuitable or unstable soils, all soil stabilization, all soil and compaction testing, OSHA required soil studies, Environmental or hazardous material assessments or handling, export of unsuitable soil material, debris or other waste material is excluded. Where compaction is required and the material excavated is unsuitable for compaction, the cost of additional suitable material is excluded.

Landscaping, rock hounding or restoration of landscape, retaining wall excavation, or installation is excluded.

Installation, removal, repair or replacement of fences or walls is excluded.

Tree protection of any kind, tree grubbing, chipping, or burning is excluded.

Demolition and export of items not on plans or outside items is excluded.

Erosion control measures or planning is excluded.

As LaFollette Utilities Board has not provided the final electric provision/supply plan; electric conduit, wire, pads, transformers, access roads, etc. to the treatment facility are excluded. Utility relocation, tie downs, protection and or restoration above ground or below ground is excluded. Any utility conduit crossing or material for crossings is excluded.

Asphalt, concrete pavement, or asphalt/concrete patching, temporary access road or lay down storage or staging areas is excluded.

#### Article 11. Notices

Any notices required or permitted to be delivered under this contract should be mailed to the party at the following address:

For purposes of this contract, notice is received when sent by certified mail, postage paid, return receipt requested via the United States Postal Service.

THIS CONTRACT CONTAINS ALL OF THE REPRESENTATIVES, WARRANTIES, AND PROMISES OF THE CONTRACTOR. NO AGENT OR REPRESENTATIVE OF THE CONTRACTOR IS AUTHORIZED TO MAKE ANY REPRESENTATION OR PROMISE ON BEHALF OF THE CONTRACTOR OTHER THAN THOSE CONTAINED HERE, AND THE CONTRACTOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF GOOD WORKMANSHIP, HABITABILITY, AND FITNESS OF PURPOSE.

This Agreement shall be binding on both parties hereto, and assigns or representatives.

We the undersigned have read, understood and agree to each of the provisions of this Contract dated this \_\_\_ 1 st \_\_\_\_\_ day of \_\_\_\_\_ July \_\_\_\_\_, 2012.

Owner: Emerson Properties, LLC.

Contractor: Braeburn Utility Construction Services, LLC.

BY: \_\_\_\_\_

**Exhibit A**  
**Scope of Work**

Construction and Installation of a 31,500 GPD treatment facility including: concrete storage tanks, Quadraplex Orenco P2005 EQ Pump System, (1) FAST 4.5 Unit, (3) FAST 9.0 Units, (1) UV Disinfection System, (1) Flow Meter, 31,500 lineal Feet of Drip field piping including headers, solenoids, and return piping, treatment system electric (but not main electric service or supply) and a simple shed style building.

## Water Line & 6" HDPE Tie-In Contract Agreement

THIS AGREEMENT made this 10th day of July, by and between Braeburn Utility Construction Services, LLC., hereinafter called the "Contractor," and Emerson Properties LLC, hereinafter called the "Owner."

WITNESSETH that the Contractor and Emerson Properties for the considerations named agree as follows:

### Article 1. Scope of the Work

The Contractor shall furnish all of the materials and perform all of the work as described below and to the Specifications (entitled Exhibit A), as annexed hereto as it pertains to work to be performed on property at Villages on Norris Lake, LaFollette, TN.

### Article 2. Contract Commencement Date

The work to be performed under this Contract shall be commenced on or before 10 July, 2012. Time is of the essence for completion.

### Article 3. The Contract Price

The Owner shall pay the Contractor as follows: Contract amount for the Construction of the Ductile Iron Water line and HDPE 6" sewer line tie-in shall be One Hundred Forty One Thousand Eight Hundred Seventy Two Dollars, (\$141,872.00).

### Article 5. General Provisions

Any alteration or deviation from the above specifications, including but not limited to any such alteration or deviation involving additional material and/or labor costs, will be executed only upon a written order for same, signed by the Owner and Contractor, and if there is any charge for such alteration or deviation, the additional charge will be added to the contract price of this Contract.

In addition, the following general provisions apply:

1. All work shall be completed in a workmanlike manner and in compliance with all building codes and other applicable laws.
2. To the extent required by law, all work shall be performed by individuals duly licensed and authorized by law to perform said work.
3. Contractor may at its discretion engage subcontractors to perform work hereunder, provided Contractor shall fully pay said subcontractor and in all instances remain responsible for the proper completion of this Contract.
4. The Contractor shall furnish the Owner appropriate releases or waivers of lien for all work performed or materials provided at the time the next periodic payment shall be due.
5. All change orders shall be in writing and signed both by the Owner and Contractor, and shall be incorporated in, and become a part of the Contract.
9. All disputes hereunder shall be resolved by binding arbitration in accordance with rules of the American Arbitration Association.
10. Modifications to the details, specifications, layouts, or materials shall be approved by the Owner prior to construction, otherwise Contractor shall be responsible for any corrections required to return the plan to original or previously revised and approved plans and costs that arise therein.



11. Contractor will provide a one (1) year Warranty to the Owner, which shall be transferable to DSH.
12. Contractor is responsible for maintaining Project Safety, and as such shall provide proof of General Liability / Workman's Comp Insurance policies, maintained for at least 1 year after the life of the Project.
13. The Contractor shall maintain liability insurance coverage with a policy value not less than \$1,000,000.
14. Contractor also warrants that each subcontractor employed/utilized by the Contractor shall maintain Workman's Compensation insurance for the life of the Project. The insurance policies are required prior to the LLC allowing access to the project site.
15. Contractor will immediately notify the Owner of any operations required beyond the scope of plans and specifications as encountered, requested by the Owner or otherwise. Work may not proceed until the owner or representative of project in contract agrees to pay for the additional work.
16. Where compaction is required and the material excavated is unsuitable for compaction, any cost of replacing that material or improving it to be acceptable will be charged as an extra.
17. Unless specified for reuse, excess pipe spoil material excavated is to remain on site adjacent to ditch where it was excavated.
18. The contractor's responsibility for infiltration, exfiltration, testing, chlorinating and cleaning is eliminated as soon as others are allowed to tap or connect to our lines (sanitary, storm, water line).
19. If project delays occur, requiring remobilization of our equipment, (due to no fault of our own) a remobilization fee of \$2,500.00 per occurrence may be requested.
20. All quotes and prices are partially based on verbal conversations with LaFollette Utilities Board, information received and plans provided for bidding purposes only. Any project changes affecting material, design and or operational procedures that differ from the contractors bid may/will be charged as an extra. Further, some prices have been based on an analysis of existing subdivision layout and in accordance with that layout. Our analysis may or may not be appropriate. The location of the cross country crossing may have to change from its point shown on the drawings. Any changes required that exceed our allowances will be at additional cost.

#### Article 6. Payment & Invoice

Contractor shall invoice the Owner every 10 working days. Payment is expected 10 days from date of invoice.

Contractor shall invoice the Owner for any & all stored materials but not necessarily installed. Stored materials invoices will be issued upon delivery of materials.

The Owner agrees to pay contractor a mobilization fee of 5% of the contract price for contracts \$250,000 or less and 3.5% for contracts above \$250,000.

If payment is not made when due, Contractor may suspend work on the job until such time as all payments due have been made. A failure to make payment for a period in excess of thirty (30) days from the payment due date shall be deemed a material breach of this Contract.

For payments not received in 30 days, Contractor may, at his discretion, file appropriate paperwork for liens and interest against the Owner in accordance with Tennessee Prompt Payment Act.

#### Article 7. Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Owner and its agents and employees, from and against claims, damages, losses and

expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the work or providing of materials to the extent caused in whole or in part by negligent or wrongful acts or omissions of, or a breach of this agreement by, the Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone whose acts they are legally responsible for.

#### Article 8. Insurance

The Contractor represents that it has purchased and agrees that it will keep in force for the duration of the performance of the work or for such longer term as may be required by this agreement, in a company or companies lawfully authorized to do business in the State of Tennessee such insurance as will protect the Owner from claims for loss or injury, which might arise out of or result from the Contractor's operations under this project, whether such operations be by the Contractor or by a subcontractor or its subcontractors.

The Contractor represents and agrees that said insurance is written for and shall be maintained in an amount not less than the limits of the liability specified below or required by law, whichever coverage is greater. The Contractor certifies that coverage written on a "claims made" form will be maintained without interruption from the commencement of work until the expiration of all applicable statutes of limitation.

Prior to commencement of work, the Contractor shall file with the appropriate authorities all Certificates of Insurance naming the Owner/person hiring the Contractor as additional insured, in duplicate, and acceptable to all parties, which shall contain a provision that coverage under the policies shall not be canceled or allowed to expire or permit material changes until at least fifteen (15) days written notice has been given to additional insured.

#### Article 9. Additional Terms

No geotechnical testing exists. Soils encountered may be suitable or unsuitable. Contractor shall not be expected to pay for corrective action(s) required where unsuitable soils exist.

#### Article 10. Exclusions

These items are expressly excluded from our standard scope of work unless specifically included in our written scope as is specific to the referenced project.

Fees, permits, bonds, tap fees, meter and meter fees, inspection fees, engineering layout and staking is excluded.

Rock blasting, chipping, hammering, or excavation of any rock is excluded. Excavation of rock and granular backfill in rock excavated areas will be at additional cost.

As no geotechnical testing has been performed: Trench bottom or treatment site stabilization, undercutting or extra bedding materials due to unsuitable or unstable soils, all soil stabilization, all soil and compaction testing, OSHA required soil studies, Environmental or hazardous material assessments or handling, export of unsuitable soil material, debris or other waste material is excluded. Where compaction is required and the material excavated is unsuitable for compaction, the cost of additional suitable material is excluded.

expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the work or providing of materials to the extent caused in whole or in part by negligent or wrongful acts or omissions of, or a breach of this agreement by, the Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone whose acts they are legally responsible for.

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The Contractor represents and agrees that said insurance is written for and shall be maintained in an amount not less than the limits of the liability specified below or required by law, whichever coverage is greater. The Contractor certifies that coverage written on a "claims made" form will be maintained without interruption from the commencement of work until the expiration of all applicable statutes of limitation.

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Erosion control measures or planning is excluded.

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Asphalt, concrete pavement, or asphalt/concrete patching, temporary access road or lay down storage or staging areas is excluded.

#### Article 11. Notices

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For purposes of this contract, notice is received when sent by certified mail, postage paid, return receipt requested via the United States Postal Service.

THIS CONTRACT CONTAINS ALL OF THE REPRESENTATIVES, WARRANTIES, AND PROMISES OF THE CONTRACTOR. NO AGENT OR REPRESENTATIVE OF THE CONTRACTOR IS AUTHORIZED TO MAKE ANY REPRESENTATION OR PROMISE ON BEHALF OF THE CONTRACTOR OTHER THAN THOSE CONTAINED HERE, AND THE CONTRACTOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF GOOD WORKMANSHIP, HABITABILITY, AND FITNESS OF PURPOSE.

This Agreement shall be binding on both parties hereto, and assigns or representatives.

We the undersigned have read, understood and agree to each of the provisions of this Contract dated this \_\_\_\_ 1 st \_\_\_\_\_ day of \_\_\_\_ July \_\_\_\_\_, 2012.

Owner: Emerson Properties, LLC.

Contractor: Braeburn Utility Construction Services, LLC.

BY: \_\_\_\_\_