

**Vineyard Valley Sewer Service Agreement**

**SANITARY SEWER SERVICE AGREEMENT**

This Sanitary Sewer Service Agreement (the "Agreement") is made and entered as of this 28<sup>th</sup> day of July, 2017, by and between **TENNESSEE WASTEWATER SYSTEMS, INC.**, a Tennessee corporation ("TWS") and **Vineyard Valley, LLC**, a Tennessee Limited Liability corporation ("Developer").

**W I T N E S S E T H:**

**WHEREAS**, TWS has the ability and technology to own and operate a system for the disposal and processing of wastewater in **Williamson County**, Tennessee;

**WHEREAS**, Developer plans and intends to develop a residential development community presently known as **Vineyard Valley Subdivision** (the "Development"), identified as Map 135, Parcel 9.02, 7<sup>th</sup> Civil District, Williamson County, TN;

**WHEREAS**, Developer has completed the plans for the Development and the same have been approved by the appropriate authorizing entity;

**WHEREAS**, Developer agrees to be responsible for all costs and expenses necessary and related to the installation of a wastewater treatment system, as approved by TWS, such being necessary to service properly the Development and to provide for future wastewater disposal in the Development;

**WHEREAS**, Developer has requested TWS to commit to serve the Development; and,

**WHEREAS**, TWS is willing and able to serve said Development upon the terms, provisions and conditions hereinafter set out, all of which are acceptable to the Developer.

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

1. **Definitions**. In addition to the terms defined in the text of this Agreement, for purposes hereof, the following terms shall have the meaning ascribed to them below:
  - (a) "Applicable Laws" means all applicable constitutions, treaties, statutes, rules, regulations, ordinances, orders, directives, codes, judgments, decrees, injunctions, writs and determinations of any governmental or quasi-governmental authority.
  - (b) "Development" means that certain residential housing development owned and developed by Developer upon the Property and located adjacent and contiguous to the Sewage Facility Land and connecting to Regional infrastructure for wastewater service.
  - (c) "Effective Date" means the date the last of the parties hereto executes this Agreement.
  - (d) "Event of Force Majeure" means a strike, lockout, labor dispute, embargo, flood, earthquake, storm, dust storm, lightning, fire, epidemic, act of God, war, national emergency, civil disturbance, riot, act of sabotage or terrorism, restraint by court order or order of another governmental authority, or any other occurrence beyond the reasonable control of the party in question; provided lack of necessary funds shall not be considered an "Event of Force Majeure" for purposes hereof.

- (e) "GSPD" means average gallons of sewage per day, calculated on a monthly basis. For example, if a customer of TWS released 300 gallons of sewage into the Sewer System in a thirty (30) day month, such customer would have released 10 GSPD during such month.
- (f) "Lot" or "Lots" shall mean a portion of the Property, whether developed or undeveloped, intended for development, use and occupancy as a residence, as well as vacant land intended for development as such, all as may be developed and used. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Lots designated for such parcel on the Plat or the site plan approved by the applicable local governmental entity having jurisdiction, until such time as a certificate of occupancy is issued on all or a portion thereof by the applicable local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Lot or Lots as determined above and the number of Lots on the remaining land, if any, shall continue to be determined in accordance with this definition.
- (g) "Lot Owner" or "Lot Owners" shall mean and refer to one or more persons who hold the record title to any platted Lot, including, but not limited to the Developer, which is part of the Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.
- (h) "Plans and Specifications" shall mean and refer to the plans and specifications for construction, installation and development of the Sewer System, as more particularly described on Exhibit C, attached hereto, which have been approved in writing by TWS. The Plans and Specifications shall also be in accordance with requirements of the State of Tennessee and all Applicable Laws.
- (i) "Property" shall mean and refer to the real property described on Exhibit A, attached hereto.
- (j) "TPUC" means the Tennessee Public Utility Commission and any successor thereto.
- (k) "Sewage Facility" shall mean and refer to that certain sewage treatment facility constructed by or for the Developer on the Sewage Facility Land which is to be operated by TWS upon conveyance to TWS by the Developer in accordance with this Agreement.
- (l) "Sewage Facility Land" means that land described on Exhibit B upon which the Sewage Facility is located, attached hereto.
- (m) "Sewer System" means the Sewage Facility Land approved for 70 residential lots, the Sewage Facility more particularly described in the Plans and Specifications, including, but not limited to all lines, pipes, meters, lift stations, equipment, machinery, fixtures, trade fixtures, easements and personal property used in connection with the operation thereof, whether or not located on the Sewage Facility Land or the Property, as the same may be altered, improved, modified, expanded or relocated from time to time.
- (n) "Sewer System Construction" means the construction of improvements for the Sewer System necessary to accommodate the Development as more particularly described in the Plans and Specifications.

2. **Compensation.**

(a) **Construction** - TWS will receive from Developer a \$7,200.00 per lot capacity development fee for each lot proposed on that plat, less any available credits as more fully described in 2(a)(13). This fee covers:

1. Design and Construction by TWS of treatment and disposal capacity for the project, to include the TF construction, the drip field disposal installation, the 40-day dry storage pond, and fencing of the constructed components with four-rail wood fence.
2. Installation of the 8-inch diameter regional Force Main (FM), and the 6-inch diameter regional Reuse Main (RM) along Eudailey-Covington Road and within a dedicated 20-foot wide easement, from the offsite location of the mains at the Eudailey Regional Treatment Facility, located east of the Property to the western boundary of Lot 101 of the development.
3. Developer will connect to the above referenced lines in Paragraph 2 at the end at lot 101 and continue installation of 6-inch RM and 8-inch FM along Eudailey-Covington Road. The 6-inch RM and 8-inch FM will be installed from Lot 101 to the end of Lot 245 by Developer.
4. Developer will Lay/install the reuse main to the soils identified in the DDR/DSIR for disposal of treated wastewater for the development prior to executing the Phase I plat, and residential collection lines per requirements of TWS approved plans and specifications, to include residential service taps to connect to the collection mainlines returning to the Eudailey TF.
5. Developer will purchase the total amount of the 6-inch RM pipe to be installed from Lot 245 to the 40-day dry storage pond, and TWS will install the 6-inch RM pipe at the same time as TWS installs the 8-inch FM from Lot 245 to the storage Pond.
6. TWS will connect to the 8-inch FM and 6-inch RM as stated above and extend further per their needs within the dedicated 20' easement.
7. Both parties agree to work diligently to start and complete the TF facility, drip fields, pond, FM and RM installations, and fencing in order to meet mutually agreed upon construction timelines.
8. Payment by TWS of the agreed upon DDR engineering fees based on cost proposals received by TWS, as a per lot credit.
9. Payment by TWS of the agreed upon DSIR soil mapping, pit description, and grid staking fees based on cost proposals received by TWS, as a per lot credit.
10. Payment by TWS of agreed upon project site wastewater collection system design fees based on LDC cost proposal submitted to and approved by TWS, as a per lot credit.
11. Any other professional report fees/costs agreeable to LDC for preparation and performance of the work, and submitted to TWS for approval, as a per lot credit, if applicable.
12. Regulatory coordination, new customer accounts database set-up, engineering review, and construction inspection (sewer collection/reuse mains, subdivision collection mains, individual residential tank and lot services, etc.)

13. Credits to Developer will be made at the per lot amount of \$578.57 for DDR engineering fees, DSIR soil investigation and mapping fees, wastewater collection system design fees, pipe upsizing costs as mutually agreed. This per lot amount will be applied to all lots within the Phase presented for Final Plat

Fee payment schedule:

- Phase I payment, for 26 lots at \$6,621.43.00 per lot (\$7,200.00 per lot fee - \$578.57 per lot credit), will be due at the execution of this agreement in the amount of **\$172,157.18 U.S. Dollars.**
- Phase II – To be determined under separate agreement
- Any future Phases – To be determined under separate agreement

TWS will withhold signing the final plat for any phase of the development until all capacity development fees have been paid in full by the Developer for the phase being presented for Final Plat.

- (b) **Final Plat** - TWS will assume ownership of the treatment, disposal, and collection system once inspections are approved and accepted by TWS.

3. **Sanitary Sewer Service.**

(a) *Dedication.* From and after the date the Sewer System is completed in accordance with the Plans and Specifications agreed upon by TWS, and upon the completion or satisfaction by Developer and TWS, of all the other terms and conditions set forth herein, TWS shall give written acceptance of the system to the Developer and shall provide sanitary sewer service to the Development.

(b) *Usage.* Lot Owners shall only have the right to discharge sanitary sewage into the Sewer System, and the Lot Owners agree to use the Sewer System in a manner that complies with the "User Manual Do's and Don'ts for Effluent Collection Systems" attached hereto as Exhibit D. If sewer service to the Property is temporarily interrupted due to an Event of Force Majeure, TWS shall have no liability to the Developer or any Lot Owner on account of such interruption. In such event of temporary interruption, TWS shall use its best efforts to restore sewer service to the Property as quickly as possible. Developer represents and warrants that its contract of sale with each third-party purchaser or third-party builder of each Lot shall include in it the requirement that such person or entity must enter into a Sewer Service Agreement, in form and substance attached hereto as Exhibit E, by TWS.

(c) *Acceptance by TWS.* Upon completion by the Developer of all of TWS's requirements set forth herein, TWS hereby agrees to and will accept contribution of the system as an expansion and improvement of its sewage disposal facilities. TWS shall be under no obligations to furnish sewer service for the Development until the Developer has fully and satisfactorily performed under and pursuant to this Agreement.

4. **Permits.** TWS shall obtain and pay for all permits, licenses and other approvals necessary to allow TWS to deposit the applicable GSPD into the Sewer System, including, but not limited to, any regulatory approvals that must be obtained from the TPUC or any other governmental or quasi-governmental authority.

5. **Sewer System Construction.**

(a) *Installation.* At its own expense and at no cost or expense to TWS, Developer shall furnish, install, lay and construct all of the Sewer System as required by TWS to be installed to serve the Development, including labor and material. The construction and installation of the Sewer System improvements shall be in strict accordance with the Plans and Specifications as approved by TWS. TWS shall inspect the construction of the improvements upon intervals determined by TWS. All Sewer System improvements shall be located as approved by TWS.

(b) *Development Responsibility.* Developer agrees to install the Sewer System as part of its initial development of the Property and the Development. Developer shall (i) cause the Sewer System to be completed in strict accordance with the Plans and Specifications, including the service connection for all sewers to the property line of each Lot, (ii) cause the Sewer System to be constructed in a good and workmanlike manner and in compliance with all Applicable Laws (iii) ensure that the Sewer System will be able to receive and properly treat the required amount of GSPD after completion of the Sewer System. Developer understands and agrees that no third party shall obtain any benefits or rights under this Agreement with respect to sewer privileges, and no connection shall be made to any other customer site until all necessary arrangements have been made in accordance with TWS's Wastewater System Specifications.

(c) *Delegation by Developer.* Developer must install watertight tanks and service connection lines within Lots in accordance with the Plans and Specifications, at Developer's expense. Should Developer authorize a Lot Owner or third party builder to construct such watertight tanks and service connection lines within any Lot, Developer represents and warrants that it will require such person or entity to comply with the Plans and Specifications and bear all expense of compliance and insure that the installation work is performed by a certified installer.

(d) *Wastewater System Performance Bonds.* The Developer shall post, prior to the date of construction of the sanitary sewer system for the subject property, a good and sufficient performance bond in an amount equal to the anticipated cost of the work for the faithful performance of the terms and conditions of this Agreement. The said bond shall secure the performance of the obligations of the Developer and the payment for all materials and labor used in connection with the construction of the system. In the event the project is not completed and approved as provided herein below and all labor and material costs fully paid, TWS shall be entitled to collect the amount provided in the bond for the payment of the cost of completing the project. In addition, in the event the cost of completing or repairing the system exceeds the amount of the bond, the Developer shall be personally liable for such increased costs. The bond shall also include the period of the Developer's warranty of the system and the payment of all labor and materials provided during the construction and warranty period of the system. The bond may be in the form of a letter of credit issued by a federally insured bank. The language of the bond shall be subject to approval of the Tennessee Regulatory Authority and TWS.

(e) *No Liens.* Developer shall complete the development and construction of the Sewer System in accordance with the Plans and Specifications and the Sewer System shall be free of any laborers', materialmen's, mechanics', or other liens on any part of the Sewage Facility Land or the Sewer System and Developer shall not permit any such lien to be filed or otherwise imposed on any part of the Sewage Facility. In the event any such lien is filed against the Sewage Facility the Sewage Facility Land, or the System, Developer shall promptly cause such lien to be discharged or in lieu thereof file a bond or other security for the payment of such lien in form and amount satisfactory to TWS.

6. **Conveyance and Transfer.** Upon completion, Developer shall:

- (a) convey by quit claim deed (the "Deed"), in the form attached hereto as Exhibit F, the Sewage Facility Land to TWS and provide title insurance policy, not to exceed \$150,000.00 (U.S. dollars);
- (b) provide TWS with an owner's policy of title insurance issued by a nationally recognized title company showing the status of title to the Sewage Facility Land as free and clear of all material or interfering encumbrances (determined in TWS's sole discretion), including, but not limited to, any monetary liens, in the name of TWS for the full amount of the construction of the Sewage Facility and the value of the Sewage Facility Land (the "Title Policy");
- (c) provide TWS with a survey of the Sewage Facility Land prepared by a surveyor or engineer licensed in the State of Tennessee sufficient to allow the title company to eliminate the standard printed exceptions in the owner's title policy pertaining to discrepancies in the area or boundary lines, encroachments, overlaps, improvements, or similar matters (the "Survey"), which Survey shall be certified to TWS and the title company;
- (d) provide the TWS with "as-built" plans for the Sewer System;
- (e) grant TWS a non-exclusive sewer line easement, in the form attached hereto as Exhibit G, across those portions of the Property lying within five (5) feet of either side of the sewer line within the Property.

All costs, fees and expenses related to the foregoing within this Section 6 shall be the sole responsibility of Developer, including, without limitation, recording fees, transfer taxes, title premiums, title endorsement charges and survey costs.

7. **Developer Warranty.** The Developer hereby warrants all Sewer System improvements installed pursuant to the provisions of this Agreement against defects in workmanship and materials for a period of one (1) year from the date of acceptance thereof in writing by TWS. The Developer shall reimburse TWS upon demand for all costs and expenses incurred by TWS to repair all breaks, leaks or defects of any type whatsoever arising from any cause whatsoever occurring within one (1) year from the date the Sewer System improvements are accepted in writing by TWS. The Developer hereby warrants that the Sewer System improvements shall be paid for in full and that no liens or encumbrances shall remain in regard to the Sewer System improvements.

8. **Representations and Warranties.**

- (a) TWS represents, warrants and covenants to Developer that:
  - (i) (A) TWS is a corporation duly organized and validly existing and in good standing under the laws of the State of Tennessee and is duly qualified to transact business in the State of Tennessee, (B) TWS has all necessary power to execute and deliver this Agreement and perform all its obligations hereunder, (C) the execution, delivery and performance of this Agreement by the TWS does not conflict with or result in a violation of its organizational documents or Applicable Laws, and (D) the execution, delivery and performance of this Agreement by TWS does not conflict with or constitute a breach of, or constitute a default under, any contract, agreement or other instrument by which the TWS is bound; and
  - (ii) (A) TWS has not received notice of any litigation, administrative action, investigation or other governmental or quasi-governmental proceeding which would or could have an adverse effect upon its ability to fulfill all of its obligations under this

Agreement, and (B) the execution, delivery and performance of this Agreement by TWS will not conflict with or result in a breach of any order, judgment, writ, injunction or decree of any court or governmental instrumentality; and

(iii) TWS is not a party to any voluntary or involuntary proceedings under any law relating to insolvency, bankruptcy, moratorium or creditors' rights.

(b) Developer represents, warrants and covenants to the TSW that:

(i) Developer is a limited liability company duly organized and validly existing and in good standing under the laws of the State of Tennessee and is duly qualified to transact business in the State of Tennessee, (B) Developer has all necessary power to execute and deliver this Agreement and perform all its obligations hereunder, without the consent or approval of any governmental authority, (C) the execution, delivery and performance of this Agreement by Developer does not conflict with or result in a violation of its organizational documents or Applicable Laws, and (D) the execution, delivery and performance of this Agreement by Developer does not conflict with or constitute a breach of, or constitute a default under, any contract, agreement or other instrument by which Developer is bound; and

(ii) (A) Developer has not received notice of any litigation, administrative action, investigation or other governmental or quasi-governmental proceeding which would or could have an adverse effect upon its ability to fulfill all of its obligations under this Agreement, and (B) the execution, delivery and performance of this Agreement by Developer will not conflict with or result in a breach of any order, judgment, writ, injunction or decree of any court or governmental instrumentality; and

(iii) Developer is not a party to any voluntary or involuntary proceedings under any law relating to insolvency, bankruptcy, moratorium or creditors' rights and;

(iv) Developer warrants and represents that all necessary permits as required by the State, County, and any other governing or regulatory authority have been applied for and obtained prior to the construction of the sanitary sewer.

## 9. **Default and Termination.**

(a) Notwithstanding anything to the contrary herein, TWS may, at all times prior to the completion of the Sewer System, terminate this Agreement in the event that:

(i) Developer has materially failed to perform or has been negligent in the performance of its construction of the Sewer System pursuant to the terms of this Agreement and in accordance with the Plans and Specifications and has failed to cure said failure or negligence within fifteen (15) calendar days after receiving written notice from TWS specifying in detail the nature of such failure or negligence; provided if such failure or negligence cannot reasonably be cured within said fifteen (15) calendar day period, then TWS may not terminate this Agreement if Developer has commenced to cure the failure or negligence within said fifteen (15) calendar day period and thereafter prosecutes such cure to completion with reasonably acceptable diligence; or

(ii) Developer has defaulted in the performance of its obligations under this Agreement, including without limitation, payment to TWS of the Sewer System Fees as and when required and fail to cure such default within fifteen (15) calendar days after notice from TWS thereof; or

(iii) A receiver, liquidator, or trustee of Developer shall be appointed by court order, or a petition to liquidate or reorganize Developer shall be filed against Developer under any bankruptcy, reorganization or insolvency law and such order or petition is not vacated or dismissed within sixty (60) calendar days, or Developer shall voluntarily file a petition in bankruptcy or request for reorganization under any provision of the bankruptcy reorganizational insolvency laws unless such petition is dismissed within sixty (60) calendar days after the filing thereof, or if Developer shall make an assignment of all or substantially all of its assets for the benefit of creditors, or if Developer is adjudicated bankrupt.

(b) Developer may terminate this Agreement, at any time during the term of this Agreement prior to completion of the Sewer System, if a receiver, liquidator, or trustee of TWS shall be appointed by court order, or a petition to liquidate or reorganize TWS shall be filed against TWS under any bankruptcy, reorganization or insolvency law and such order or petition is not vacated or dismissed within sixty (60) calendar days, or TWS shall voluntarily file a petition in bankruptcy or request for reorganization under any provision of the bankruptcy reorganizational insolvency laws unless such petition is dismissed within sixty (60) calendar days after the filing thereof, or if TWS shall make an assignment of all or substantially all of its assets for the benefit of creditors, or if TWS is adjudicated bankrupt.

In the event this Agreement is terminated for any of the above reasons, TWS shall be entitled to all fees to be paid pursuant to the terms of this Agreement through the effective date of such termination and there shall thereafter be no further obligation owed by TWS to Developer. In the event that this Agreement is terminated prior to the commencement of construction due to economic factors, this Agreement shall be terminated; provided, however, TWS shall retain the initial amount paid to TWS by Developer as set forth in Section 10 below.

## **10. INDEMNIFICATION.**

- a) Each party agrees to indemnify and hold harmless the other from, against and/or with respect to:
  - i) Any loss, expense, liability, damage, or deficiency resulting from any material misrepresentation, breach of warranty, or nonfulfillment of any covenant or agreement on the part of such party made or given in or with respect to this Agreement, or from any material misrepresentation in or omission from any certificate, schedule, exhibit or other document or instrument furnished or to be furnished to the other in connection with the transactions provided for in this Agreement, or from any gross negligence or willful misconduct of the other party; and/or
  - ii) Any and all costs and expenses (including attorneys' fees) arising in connection with any of the foregoing.
- b) In addition to the above, Developer shall indemnify and hold TWS harmless of, from, against and in respect of:
  - i) Any tax lien, levy, assessment, payment, liability, penalty or other deficiency, whether disputed or not, suffered or incurred by TWS as a result of or arising out of Developer's ownership of the Property;



- ii) Any judgment, award, payment, settlement, cost or expense arising out of Developer's ownership of the Property, and rendered against or suffered or incurred by TWS as a result of or with respect to any lawsuit or cause of action against or involving the Property;
  - iii) Any and all liabilities, whether disputed or not, suffered or incurred by TWS as a result of or arising out of Developer's ownership of the Property; and/or
  - iv) Any and all costs and expenses (including attorneys' fees) arising in connection with any of the foregoing.
  - v) Any violation of any permit requirement of the State of Tennessee, Williamson County, and any other governing or regulatory authority with jurisdiction over the construction of the sanitary sewer.
- c) The provisions of this section shall survive completion of the Project and/or expiration or termination of this Agreement.

**11. ENVIRONMENTAL INDEMNITY.** In addition to the above, Developer represents, warrants and covenants to, for and with TWS that there are no Hazardous Materials which have been generated and disposed of by Developer or which have been generated and disposed of by Developer and have migrated to the Property (including the ground water thereon) from any adjacent real estate owned, leased, or otherwise controlled by Developer, (except for those Hazardous Materials which may be stored on or about the Property in accordance with the Applicable Environmental Laws), as such terms are defined in the Applicable Environmental Laws, or in any regulations promulgated pursuant thereto, (ii) there are no underground storage tanks which are owned or operated by Developer located in or about the Property, (iii) Developer has not received any notice and to the best knowledge of Developer no notice has been given to any party in the chain of title to the Property, by any person claiming any violation of, or requiring compliance with, any Applicable Environmental Laws, demanding payment or contribution for environmental damage; and (iv) to the best knowledge of Developer no investigation, administrative order, consent order or agreement, litigation, or settlement with respect to Hazardous Materials located, on about or under all or a portion of the Property or contiguous or adjacent to the Property (provided that such contiguous or adjacent property is owned or controlled by Developer) is pending, or, to the knowledge of Developer, proposed, threatened or anticipated. To the extent that Developer breaches any of the aforementioned representations and TWS is required by law to undertake any remedial or removal actions in connection therewith, as defined in the Applicable Environmental Laws, or to the extent that TWS is otherwise liable to incur costs or may otherwise be held liable to any third party in connection with such breach or for any removal or remedial actions taken with respect thereto, then, within a reasonable period of time following receipt of notice thereof from TWS, Developer shall indemnify TWS and hold TWS harmless from all liabilities, damages and costs incurred by TWS with respect to such breach including, without limitation, all claims, liabilities, loss, costs or expenses arising from the incurrence of any penalties, charge or expenses with respect thereto in defending itself against any suit or action brought by such third party, and in paying or satisfying any judgment obtained by such third party against TWS. The obligations of Developer under this section and the indemnity given hereunder shall survive the Closing.

**12. Developer Obligations.** The Developer shall pay an annual wastewater capacity reservation fee of \$120.00 per platted Lot, or as may be amended from time to time by the TPUC, for each Lot owned that is not attached to the Sewer System. Should the Developer sell a Lot, the Developer agrees to include in

the sales contract with the purchaser the requirement to pay to TWS an annual wastewater capacity reservation fee at the then current TPUC established rate to defray the cost of testing and reporting to the State of Tennessee. The fee shall be payable each year by December 15<sup>th</sup> for the owners of record as of December 1. When the Lot Owner attaches to the Sewer System and accepts service with the Sewer System, such Lot Owner shall pay a prorated fee for that year and the fee shall not be charged thereafter so long as the Lot Owner maintains service.

**13. Operation, Maintenance and Improvements.**

(a) TWS shall, (i) perform all repairs, maintenance and replacements necessary to keep the Sewer System in a good working order, and (ii) operate the Sewer System in compliance with Applicable Laws, including, but not limited to, all Applicable Laws related to human health, safety and the environment. To the extent reasonably possible, TWS shall perform all repairs, maintenance and replacements to the Sewer System in a manner that does not interfere with its ability to provide sewer service to the Property. In the event any repairs, maintenance or replacements to the Sewer System will result in an interruption of sewer service to the Property, TWS shall notify Developer thereof and use its best efforts to minimize the interference caused thereby, which efforts shall include, but not be limited to, working with Developer to schedule the repairs, maintenance and replacements so as to avoid or lessen the disruption. Service by TWS will be provided in compliance with its established tariff in effect at the TPUC.

(b) Developer further agrees to execute, acknowledge and deliver to TWS any and all mutually agreed upon easements that may be necessary or appropriate as determined by TWS for the construction, access, operation and maintenance of TWS's Sewer System, or portion thereof.

**14. Restrictive Covenants.** Developer shall include, within any declaration or other instrument regarding restrictive covenants for the Development, a provision regarding the sewage disposal system set forth herein as drafted by TWS, in form and substance as more particularly set forth in Exhibit H, attached hereto.

**15. Water Valve Requirements.** Developer is required to install a water shut off valve with an appropriate valve box in the water line on the customer's side of the water meter at each home in the subdivision. If the Developer sells the lot to allow another party to build on the lot, they must insure that the purchaser is notified of the water valve requirements.

**16. Assignment.** Neither Developer nor TWS shall not have the right to sell, assign, transfer, lease or convey all or a portion of its rights hereunder without the prior written consent of the other party. Developer and TWS shall have the right to assign all of its rights under this Agreement to any party purchasing the Sewer System or the Property so long as such party assumes all of Developer or TWS's obligations hereunder. It is agreed that as used herein, "Developer" shall mean Developer and its respective successors, assigns, transferees and tenants, with the exception of customers purchasing completed homes on the Property, and "TWS" shall mean TWS and its respective successors and assigns.

**17. Miscellaneous.**

(a) *Entire Agreement.* This Agreement (i) constitutes the entire agreement and understanding of Developer and TWS with respect to the subject matter hereof, and (ii) may be amended only by a written instrument executed by Developer and TWS.

(b) *Governing Law.* This Agreement shall be governed by and construed under the laws of the State of Tennessee.

{c} *Successors and Assigns.* This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

- (d) *No Waiver.* No waiver of any provision of this Agreement shall be deemed to have been made unless expressed in writing and signed by the party charged therewith. No delay or omission in the exercise of any right or remedy accruing upon the breach of this Agreement shall impair such right or remedy or be construed as a waiver of such breach. The waiver by Developer or TWS of any breach shall not be deemed a waiver of any other breach of the same or any other provision of this Agreement.
- (e) *Severability.* If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining terms hereof will not be affected, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision will be added as a part of this Agreement that is as similar to the illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- (f) *Prior Drafts.* All negotiations, considerations, representations and understandings between Developer and TWS are incorporated herein. No inference shall be drawn from the addition, deletion or modification of any language contained in any prior draft of this Agreement.
- (g) *Attorneys' Fees.* If any legal proceeding is commenced to (i) enforce the terms of this Agreement or (ii) interpret the provisions contained herein, the prevailing party in such legal proceeding shall be entitled to recover its reasonable attorneys' fees, court costs and litigation expenses from the non-prevailing party.
- (h) *Exhibits.* TWS and Developer hereby acknowledge and agree that all exhibits referenced in this Agreement are attached hereto and incorporated herein by reference.
- (i) *Relationship Between the Parties.* This Agreement shall not be deemed or construed to create a partnership or joint venture between Developer and TWS or cause Developer or TWS to be liable or responsible in any way for the agreements, actions, liabilities, debts or obligations of the other.
- (j) *Counterparts.* This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed as original documents and all such counterparts shall together constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date.

**TENNESSEE WASTEWATER SYSTEMS**  
a Tennessee corporation

By: C. R. Hyatt

Name: Charles R. Hyatt

Title: President

**Developer**

**VINEYARD VALLEY, LLC.**  
a Tennessee limited liability corporation

By: Ryan Manners AUTHORIZED AGENT

Name: RYAN MANNERS

Title: AUTHORIZED AGENT.

STATE OF TENNESSEE  
COUNTY OF Rutherford

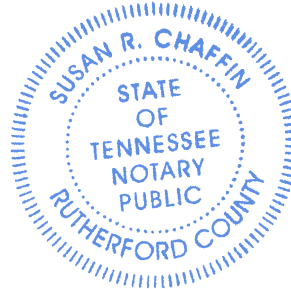
Chaffin Personally appeared before me, Charles Hyatt, Notary Public, Susan R  
Chaffin, with whom I am personally acquainted and who acknowledged that he executed the within  
instrument for the purposes therein contained, and who further acknowledged that he is the President of  
Tennessee Wastewater Systems, the within named bargainor, a Tennessee corporation, and is authorized to  
execute this instrument on behalf of Tennessee Wastewater Systems.

WITNESS my hand, at office, this 20 day of July, 2017.

Susan R. Chaffin

Notary Public

My Commission Expires: 02/20/2018



STATE OF TENNESSEE  
COUNTY OF Rutherford

Personally appeared before me, Ryan Mannings, Notary Public, Susan R Chaffin  
with whom I am personally acquainted and who acknowledged that he/she executed the within instrument  
for the purposes therein contained, and who further acknowledged that he/she is the authorized agent of  
Vineyard Valley, LLC., the within named bargainor, a Tennessee Limited Liability Company, and is  
authorized to execute this instrument on behalf of Vineyard Valley, LLC.

WITNESS my hand, at office, this 20 day of July, 2017.

Susan R. Chaffin

Notary Public

My Commission Expires: 02/20/2018



**Exhibit A**

**Property**

**Exhibit B**

**Sewage Facility Land**

**Exhibit C**

**Plans and Specification**

Offsite Force Main and Reuse Main extension plans, prepared by Adenus Solutions Group, LLC., dated June 22, 2017, WPN17-0441, attached.

And,

Onsite Wastewater collection system, Force Main and Reuse Main extension, drip irrigation disposal Primary and Reserve disposal fields, and 40-day storage pond plans, prepared by S.E.C., Inc., dated June 4, 2017, WPN15-0183R, attached.



**USER MANUAL**

**DO'S AND DON'TS**

**For**

**EFFLUENT COLLECTION SYSTEMS**

Copy to be provided and can be viewed online at:

**[http://adenus.com/Adenus Homeowners Manual.pdf](http://adenus.com/Adenus_Homeowners_Manual.pdf)**

**Exhibit E**

**Sewer Service Agreement**

DATE: \_\_\_\_\_

\_\_\_\_\_  
**PRINTED NAME**

\_\_\_\_\_  
**ADDRESS OF PROPERTY**

\_\_\_\_\_  
**LOT #**

\_\_\_\_\_  
**MAILING ADDRESS**

\_\_\_\_\_  
**TELEPHONE NUMBER**

\_\_\_\_\_  
**EMAIL ADDRESS**

I hereby make application to Tennessee Wastewater Systems, Inc. ("TWS") for sewer service at the address of property stated above. In consideration of the undertaking on the part of TWS to furnish sewer service, I understand, covenant and agree as follows:

1. I understand that the components of a sewer system have been installed on the property referred to above, which is owned or occupied by me, and which is to be connected with a wastewater disposal system owned and/or maintained by TWS. I warrant that any connection to and/or subsequent use to this system by the components on my property shall be in accordance with the Rules, Regulations and Plans of TWS. Regarding my usage of the system components on my property, which are owned by me, I covenant to follow the guidelines set forth in the USER MANUAL (Do's and Don'ts for an Effluent Collection System). Should I violate these Rules and/or abuse or damage my components, I understand that I must bear the expense to repair or replace the same in accordance with the Plans of TWS.
2. I acknowledge TWS, its successors and assigns have a perpetual easement in, over, under and upon the above specified land as shown on the property plat, with the right to operate and repair all components of the sewer system on my property, including but not limited to the interceptor tank and the Interceptor Pump or Interceptor Gravity Tank systems. I further grant TWS permission to enter upon my property for any reason connected with the provision or removal of sewer service or collection therefore.
3. For all other plumbing and structures on the property, including the outfall line to the interceptor tank, I agree that I am responsible for all operation and repair thereof.
4. I hereby authorize TWS to purchase and install a cutoff valve on my side of my water meter and grant TWS exclusive right to use such valve in accordance with its Rules and Regulations. However, the use of this valve does not in any way relieve me of my obligation to pay for water service to the service provider.
5. I understand and agree to promptly pay for service at the then current schedule of rates and fees and agree to abide by and be subject to TWS's billing and cutoff procedures. Should I not pay in accordance with TWS's Rules, I agree to pay all costs of collection, including attorney fees.
6. I accept the current Rules and Regulations and the Rates and Fees Schedule and agree to abide by any amendments to such Schedules.
7. I agree that this Agreement shall remain in effect for as long as I own, reside upon or rent the above-described property. When such circumstances no longer exist, I agree to provide notice to TWS at least thirty (30) days in advance of my vacating the property.

\_\_\_\_\_  
**SUBSCRIBER'S SIGNATURE**

**Exhibit F**

**Form of Deed**

**SPECIAL WARRANTY DEED**

I, [\_\_\_\_], grantor, of [address], County of [\_\_\_\_], State of Tennessee, for valuable consideration paid, the receipt of which is acknowledged, do convey and warrant to [name of grantee], of [address], County of [\_\_\_\_], State of Tennessee, grantee's heirs and assigns forever, all that parcel of land situated in [\_\_\_\_], County of [\_\_\_\_], State of Tennessee, and bounded as follows: [insert legal description].

To have and to hold the granted premises, and all the rights, easements, and appurtenances belonging to the premises, to [\_\_\_\_], grantee, and grantee's heirs and assigns, to grantee's and their own use and behalf forever.

And I do, for myself and my heirs, executors, and administrators, covenant with the grantee, grantee's heirs and assigns, that I am lawfully seized in fee of the granted premises; that they are free from all encumbrances; that I have good right to sell and convey the same; and that I will, and my heirs, executors, and administrators shall, warrant specially and defend the same to the grantee, grantee's heirs and assigns, against the lawful claims and demands of all persons that arise while grantee is in title to the Property.

In witness, I, [\_\_\_\_], have set my hand to this instrument this [\_\_\_\_] day of [month, year].

Signed: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**ACKNOWLEDGEMENT**

The foregoing instrument was sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_ who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Notary

My Commission Expires: \_\_\_\_\_

**Exhibit G**

**Form of Sewer Line Easements**

Tennessee Wastewater Systems, Inc.  
851 Aviation Parkway  
Smyrna, TN 37167

Subdivision \_\_\_\_\_  
Book \_\_\_\_\_  
Page \_\_\_\_\_

**DEED FOR EASEMENT FOR WASTEWATER SYSTEM LINES & EQUIPMENT**

This Deed made by and between \_\_\_\_\_, LLC, Grantor, and Tennessee Wastewater Systems, Inc., a public utility company, Grantee.

**WITNESSETH:**

WHEREAS, Grantor owns a certain Subdivision in the \_\_\_\_\_ Civil District of Williamson County, Tennessee, the same being the land conveyed to them by \_\_\_\_\_ of record in Deed Book # \_\_\_\_\_, Page # \_\_\_\_\_, Register's Office of Williamson County, Tennessee, and

WHEREAS, Grantee's Contractor is installing wastewater lines and equipment throughout the subdivision property for the purpose of installing a state approved sanitary sewer system, and

WHEREAS, it is the desire of the Grantor to grant a perpetual easement to the Grantee for the laying, installation, operation and maintenance of wastewater lines and equipment along, over and across the lands.

NOW, THEREFORE, Grantor, for and inconsideration of inducing Grantee to construct the said wastewater lines and equipment and for no monetary consideration and other good and valuable consideration, the receipt of all of which is hereby acknowledged, does hereby grant, give and convey unto Grantee, its successors and assigns, the perpetual right and easement to lay, construct and install wastewater lines and equipment and to operate, maintain and repair said wastewater system under and across their land. Said easement shall be a Twenty (20) foot construction easement with a Ten (10) foot perpetual easement in width and parallel to the wastewater lines. Grantor does hereby grant, give and convey to Grantee a perpetual right to cut, trim or remove the trees, shrubbery and like obstructions, and for the purpose of the constructions, reconstruction, repairing, operating and maintaining said lines along, over and across the area which is located within Five (5) feet of the side of the center line of said wastewater line as actually installed.

It is agreed and understood that the contractor for Grantee shall be financially responsible for all damages done to the fences and any other structures at the time of installation or maintenance of the wastewater lines and shall cleanup and re-grass according to present usage.

Grantor will give notice of this deed to each and all of his assigns of the subject property.

As used where, the singular includes the plural and the masculine includes the feminine.

IN WITNESS WHEREOF, the undersigned have set their hands and seals on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

GRANTOR: \_\_\_\_\_

By: \_\_\_\_\_

GRANTEE: TENNESSEE WASTEWATER SYSTEMS, INC

By: \_\_\_\_\_

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

Personally appeared before me, the undersigned authority, a Notary Public, in and for the State and County aforesaid, the forenamed bargainers, \_\_\_\_\_, with whom I am personally acquainted, and who acknowledged the execution of the foregoing instrument for the purpose contained therein.

Witness my hand and official seal on this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

MY COMMISSION EXPIRES:

\_\_\_\_\_

## Exhibit H

### Restrictive Covenants

## **SPECIAL PROVISIONS REGARDING WASTEWATER DISPOSAL**

Section 1. Wastewater System. The Property and each Residential Unit located thereon shall be served by a wastewater treatment and disposal system to be operated by the Wastewater Utility. Each Owner, by purchase of a Residential Unit, agrees to enter into an agreement regarding the Wastewater System with such Wastewater Utility in form and substance satisfactory to such Wastewater Utility, and to abide by any rules, regulations or other requirements of such Wastewater Utility regarding the Wastewater System ("Do's & Don'ts for Effluent Collection Systems").

Section 2. Wastewater Utility. No individual wastewater disposal system shall be permitted on any Residential Unit. The Wastewater System of the Property will be owned and operated by the Wastewater Utility, a public utility company, which is regulated by the Tennessee Public Utility Commission. Water and sewer lines will be installed to the line of each Residential Unit. It will be the responsibility of a Lot Owner who is building a home to extend these lines to the dwelling and install components per the specifications of the Wastewater Utility.

Section 3. System Requirements.

(a) The Wastewater System being installed requires the Owner of each Residential Unit to purchase and install a tank system on the Residential Unit when constructing a building and before occupancy of the dwelling. After installation of the tank is accepted by the Wastewater Utility, all maintenance, service and/or replacement will thereafter be the responsibility of the Wastewater Utility. The Owner by accepting a deed to a Residential Unit in the Vineyard Valley subdivision grants a convenience easement onto and across the property to the Wastewater Utility responsible for maintenance of the collection lines and sewer tank system. The Owner shall purchase and install, at the Owner's expense, a tank system of a size, shape, and nature as required by and in compliance with specifications as provided to the then Owner by the Wastewater Utility.

(b) Each Owner shall be required to ensure that a water shut-off valve with an appropriate valve box is installed in the water line on the Owner's side of the water meter at each residence built on a Residential Unit within the Property. The valve shall comply with specifications established by the Wastewater Utility.

(c) The Wastewater Utility will authorize the Owner to discharge wastewater into the Wastewater System only after the Wastewater Utility has inspected and approved the equipment installation.

Section 4. Owner Responsibilities. The Owner agrees that by accepting a deed to a Residential Unit and by installing and using the tank system that such Owner will not knowingly discharge nor allow to be discharged any material, chemical, solid or liquid into the Wastewater

System that will create an environmental hazard or that will cause damage to any part of the Wastewater System.

Section 5.     Fees.

(a)     A stand-by fee for each Residential Unit is charged by the Wastewater Utility until a dwelling is constructed and connected to the Wastewater System and the Owner signs up for service. The amount of the stand-by fee is set by the Tennessee Public Utility Commission and is \$120.00 per year as of the date of adoption of this Declaration, or as may be amended in the future by the Tennessee Public Utility Commission. Such fee shall be paid by the Owner of each Residential Unit by December 15<sup>th</sup> of each year, and shall be paid by the record Owner of such Residential Unit as of December 1<sup>st</sup> of such year.

(b)     In order to secure wastewater service to a home, the Owner will be required to enter into a service agreement with the utility. The monthly rate for wastewater service is set by the Tennessee Public Utility Commission.

Section 6.     Survival. The terms and conditions of this Article in its entirety shall survive closing of the sale of any Residential Unit and acceptance of a deed thereto and shall not be merged therein and shall be binding upon successive Owners of each Residential Unit.