

SHOREWOOD FOREST UTILITIES, INC.

RULES AND REGULATIONS FOR
SEWAGE DISPOSAL SERVICE

ADOPTED BY THE BOARD OF DIRECTORS

FEBRUARY 22, 2010

REVISED OCTOBER 18, 2010

THIS IS A REVISION OF SEWAGE RULES INITIALLY APPROVED BY THE INDIANA UTILITY
REGULATORY COMMISSION ON JANUARY 20, 1975, AND SUBSEQUENTLY REFILED WITHOUT
REVISION ON MAY 20, 1980 PURSUANT TO CAUSE NO. 33782.

SHOREWOOD FOREST UTILITIES, INC.

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RULES AND REGULATIONS
OF
SHOREWOOD FOREST UTILITIES, INC.
FOR SEWAGE DISPOSAL SERVICE USERS

I. APPLICATION

The Rules and Regulations of the Company, as amended and supplemented from time to time, shall govern all sewage disposal service (“service”) rendered or to be rendered by the Company, shall be binding upon every customer, and shall constitute a part of the terms and conditions of every contract for sewage disposal service, whether expressly incorporated therein or not.

II. DEFINITIONS

The following words as used in these Rules and Regulations have the following meanings:

“Commission” means the Public Service Commission of Indiana.

“Company” means Shorewood Forest Utilities, Inc., an Indiana corporation.

“Customer” or “Consumer” means the person or entity which has been, is being, or is to be supplied with sewage disposal service by the Company.

“Lateral Sewer” means the sewer pipe, owned by Company and located in a dedicated way or utility easement which accepts sewage from the service lines and delivers it to Company’s collection system.

“Service Line” means: sewer pipe which accepts sewage from the premises served and delivers it to a Lateral Sewer.

“Tap” means a fitting owned by the Company and inserted in the Lateral Sewer at the point where the Service Line is attached.

“Service Area” means a rural area in the State of Indiana for which Company has a certificate of territorial authority from the Commission to render sewage disposal service to the public.

III. RULES

Section 3.01. Contracts for Service. A contract for service in the form prescribed by Company shall be executed by each Customer before Company commences service to the Customer. The customer executing such contract shall be liable for and shall pay for all service rendered under the terms of said contract unless and until Company shall release him from the terms thereof or is properly notified to discontinue service for his account. All charges for service are the personal liability of the Customer, and his moving from one property or location to another does not in any manner affect or limit his liability for charges incurred at a previous location. The Company may discontinue any Customer's service for failure to pay any unpaid charge transferred from a previous location. No promises, agreements or representations of any agent, employee or authorized representative of the Company shall be binding upon the Company unless the same shall have been incorporated in a written contract. Unless a contract for service has been executed, sewage may not be emitted from the premises into Company's system. Anyone violating this rule shall be required to pay Company its monthly service charge for any month or fraction thereof that sewage was emitted from the said premises into Company's system and to reimburse Company for all expenses incurred by it in terminating such unauthorized use of its system.

Section 3.02. Service. Service furnished is for the use of the Customer on his designated premises and shall not be resold or, without written consent of Company, be extended by any Customer to serve additional lots, premises or improvements. Service shall be rendered to all Customers of Company in accordance with the rates and charges of the Company in effect from time to time. Sewer service shall remain the responsibility of the owner of the real estate, who shall hold the Company harmless from any loss occasioned by the delinquency of the person billed, including all penalties, recording fees, disconnection and reconnection fees, attorney's fees, interest and court costs, if any.

Section 3.03. Charges Prior to Notification of Occupancy. The contractor, builder or developer shall be liable for the minimum monthly charge for service from time of connection until such contractor, builder or developer notifies Company, in writing, that the premises is occupied.

Section 3.04. Deposits. The Company may require a reasonable deposit from the Customer to secure the payment of charges for service. Such deposit shall be in an amount approximating the Customer's minimum charge for two billing periods, unless the charges to the Customer for such periods are expected to be in excess of the minimum, in which case the deposit shall approximate the estimated charge for two billing periods. Every such deposit held by the Company more than one year shall bear simple interest at the rate equal to the prime lending rate per annum, payable annually upon demand or upon termination of service. The deposit plus interest will be refunded when service has been discontinued and all charges for service have been paid in full. Interest shall not be paid after discontinuance of service to the Customer if the Company has made reasonable effort to return the deposit to the Customer. Refund of deposit and interest will be made upon surrender of the deposit receipt or, in case receipt is lost, upon the execution by the depositor or his proper representative of an affidavit sufficient to show that he is the person entitled to the deposit and interest.

Section 3.05. Bills. Each bill for service shall be due upon receipt and payable at the Company's designated office within ten days after receipt by the Customer. There will be no abatement of charges unless the Company has been notified in writing to discontinue service no less than 72 hours before such service is to be discontinued. Bills shall be rendered bi-monthly. If a bill is not paid on or before the due date indicated on the bill (approximately 17 days after the bill is mailed to the customer), the bill shall be considered delinquent. Should this remain delinquent, service may be terminated by the Company, and all costs associated with said delinquency shall be borne by the Customer.

Temporary Cessation of Service: Due to the billing agreement in place with Indiana American Water Company, at its regular meeting on October 18, 2010 the Board approved a revision to the former "Snowbird Policy" which would allow the cessation of

billing for sewer during the temporary absence of the customer during winter periods. This change is effective so long as the customer is receiving their water service through Indiana American Water and the Water Company is billing that customer as a mutual account (both water and sewer) and seasonally suspends their water service in accordance with Indiana American Water Company rules.

Section 3.06. Interruption of Service. The Company will undertake to exercise reasonable care and diligence to treat and dispose of sewage emitted from Customer's premises. The Company reserves the right, however, to suspend service for repairs and improvements which are in its opinion necessary. It will undertake to keep such interruptions at a minimum and to notify Customers of impending interruptions whenever possible. The Company shall not be responsible, and shall in no way be liable, for failures or interruptions in service, or for any loss or damage or inconvenience resulting therefrom.

Section 3.07. Discontinuance of Service. A Customer's service may be discontinued by the Company for any of the following:

- (a) Tampering or unknowingly permitting tampering with any Service Line, meter, meter seal, or any of the Company's facilities or equipment, without proper authority from the Company.
- (b) Vacancy of property.
- (c) Failure to pay any bill or charge when due.
- (d) Failure to provide free and non-hazardous access to the property so that representatives of the Company may take meter readings, make necessary inspections, and maintain, replace, or remove any of the Company's facilities.
- (e) Continued violation of any of these rules and regulations or any amendments thereof.
- (f) Placing or permitting any deleterious substance to enter into the sewer system which might adversely affect the ordinary treatment of sewage in the treatment plant.
- (g) Interference with, or damaging or destroying, any sewage disposal facilities belonging to Company.

- (h) Installation of new pipe and fittings or altering or removing existing pipe or fittings without written permission from the Company.
- (i) Permitting any condition to exist about the premises that does, or might, cause pollution of the public water supply.
- (j) An order to discontinue service by the Indiana Department of Environmental Management, or by any other authority or agency having jurisdiction over such matters.

Written notice that service will be discontinued, absent corrective measures satisfactory to the Company, for any of the reasons set forth in subparagraphs (c.), (d.), (e.) and (f.) hereof will be mailed to the Customer at his address appearing on the Company's records seven (7) days prior to discontinuance of service. After said notice, service may be discontinued by the Company without further notice. Service may be discontinued without notice for any of the reasons set forth in subparagraphs (a.), (b.), (g.), (h.), (i.), and (j.).

Section 3.08. Resumption of Service. When the Company has discontinued service to a premise, the Customer shall not reinstate or cause reinstatement of service without written permission from the Company. When the Company has disconnected sewer service to the property, sewer service shall not be restored until the delinquent account, together with the costs of terminating and reconnecting the sewer service, shall have been paid, and the property owner has executed a contract with the Company.

In addition to the foregoing remedies, the Company may file a civil action to recover the amount of the charges for sewer services penalties, reasonable attorney's fees, and costs.

Section 3.09. Meter Reading and Inspections. Company personnel shall have access to Customer's premises at all reasonable times to read meters, to inspect Company's property, to check for unsafe conditions and for all other purposes connected with the service.

Section 3.10. Connections to System. No customer shall be allowed to connect to Company's system until payment of the connection charge required by Company. If any

person shall do so without making such payment, Company shall have the right to disconnect such Customer and refuse to connect him to Company's system until after such connection charge has been paid and Company has been reimbursed for its expense incurred in disconnecting such person from its system. No person shall do any form of work on or in connection with lines or facilities of Company without written permission from the Company. Twenty-four hours notice to Company will be required prior to making any inspection of a new connection. No underground work shall be covered until Company has inspected and approved same. Company shall charge a Connection Fee of Five-Hundred Dollars (\$500.00) for its services in processing each application and making each inspection. Before requesting an inspection or the making of a Tap by Company, the sewer contractor shall have the work in such state that the inspection or Tap can be made at the scheduled time. Any property found to be connected to a public sewer for the discharge of sewage without payment shall be placed on monthly billings immediately, and the user of the service shall be back-billed for the period of use at the monthly flat charge set out in these Rules and Regulations.

Section 3.11. Taps. Service Lines, Taps and connections to Company's Lateral Sewers shall be made only in accordance with plans and specifications approved by Company and shall include such appurtenances and facilities as Company may require. Any such connection shall be made only under direct authority from and under the supervision by an officer of or employee designated by Company for such purpose. All clean outs or inspection pipes shall be installed at the expense of the Customer.

Section 3.12. Service Line Repairs. All Service Line repairs and maintenance are the responsibility of the Customer.

Section 3.13. Company Property. All pipe, tile and equipment furnished by Company, which may at any time be on or in the Customer's premises, shall be and remain the property of the Company, unless otherwise expressly provided, and the Customer shall protect such property from loss or damage.

Section 3.14. No Connection to Septic Tanks. Connections between septic tanks and the Company's sewer lines are prohibited.

Section 3.15. Storm Water and Other Prohibited Substances. No person shall cause to be discharged any storm water, surface water, ground water, roof run-off, sub-surface drainage, cooling water or unpolluted industrial process waters into any sanitary sewer. Upon finding any connection to its sewer system in violation of the rule, Company may cause such connection to be disconnected and charge such Customer a reasonable fee for its expense in doing so. Failure to pay such charge within 15 days after mailing of an invoice therefore shall subject the Customer to the same penalties provided herein for failure to pay service charges. Except as hereinafter provided, no person shall discharge or cause to be discharged any of the following into a sanitary sewer:

- (a) Liquid or vapor having a temperature higher than 150 degrees F.
- (b) Water or waste which may contain more than 208 parts per million, by weight, of fat, oil or grease.
- (c) Gasoline, benzenes, naphtha, fuel oil, or other inflammable or explosive liquid, solid or gas of any type.
- (d) Garbage that has not been properly shredded.
- (e) Ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure, or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewage treatment plant.
- (f) Waters or wastes having a pH lower than (5.5) or higher than (9.0), or having any other corrosive property capable of causing damage or hazard to structures, equipment, facilities, and personnel of the sewage treatment plant.
- (g) Waters or wastes containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, or create any hazard in the receiving waters of the sewage treatment plant.

- (h) Waters or wastes containing suspended solids of such character and quantity that unusual attention or expenses are required to handle such materials at the sewage treatment plant.
- (i) Noxious or malodorous gas or substance capable of creating a public nuisance.

Section 3.16. Special Interceptors. Grease, oil, and sand interceptors shall be provided by Customer when, in the opinion of the Company, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts or any inflammable wastes, sand or other harmful ingredients. However, such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by Company and shall be located as to be readily and easily accessible for cleaning and inspection. Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, water tight, and equipped with easily removable covers which, when bolted in place, shall be gas tight and water tight. Where installed, all grease, oil and sand interceptors shall be maintained in continuously efficient operation by the Customer, at his expense.

Section 3.17. Special Approval for Waste. In the event a customer admits into the Company's sewers any wastes or waters having:

- (a) A five day biochemical oxygen demand greater than 208 parts per million weight; or,
- (b) Containing more than 240 parts per million weight of suspended solids; or,
- (c) Containing any quantity of substance having the characteristics described in Section 3.15(a) through (i), or in subparagraph (a) or (b) of this Section 3.17; or,
- (d) Having an average daily flow greater than two percent (2%) of the average daily sewage flow of the Service Area, shall be subject to the prior review and written approval of the Company; then,

The Customer shall provide, at his sole expense, such preliminary treatment as may be necessary to:

1. Reduce the biochemical oxygen demand to 208 parts per million and the suspended solids to 240 parts per million by weight; or,

2. Reduce objectionable characteristics or constituents to within the maximum limits provided for in Section 4.15; or,
3. Control the quantities and rates of discharge of such waters or wastes.

Plans, specifications and other pertinent information relating to proposed preliminary treatment facilities shall be submitted for the approval by the Company and the appropriate governmental agencies. No construction of such facilities shall be commenced until said approvals have been obtained in writing. Where preliminary treatment facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Customer at his sole expense according to methods approved by the Company.

Section 3.18. Means of Observation. When required by the Company, the Customer on any property served by a building sewer carrying non-residential wastes shall install a suitable control manhole in the building sewer to facilitate observation, sampling and measurement of the wastes. Such manhole, when required, shall be accessible and safely located, and shall be constructed in accordance with plans approved by the Company. The manhole shall be installed by Customer at his sole expense, and shall be maintained by him so as to be safe and accessible at all times.

Section 3.19. Special Situations. No statement contained in these Rules and Regulations shall be construed as preventing any special arrangement between the Company and any industrial Customer whereby an industrial waste of unusual strength or character may be accepted by the Company for treatment, subject to payment therefore by the industrial Customer of a rate or charge determined by the Company.

Section 3.20. Circumstances Beyond Control. The Company shall not be held liable for any failure or delay in performing any of the functions undertaken by it in connection with rendering service when such failure or delay is caused by strike, acts of God, unavoidable accident, or any other event, natural or otherwise, beyond the Company's control. Company shall not be liable for damage caused by interruption in or failure of service or by water

escaping from piping on Customer's property. The Company shall not be liable for the failure, interruption or malfunction, including backup, of its system and service caused by flood, earthquake, high water, war, riot or civil commotion, vandalism, acts of others, acts or failure to act by any local governmental authority to enforce or provide proper surface drainage or ditches for surface water run-off or other circumstance over which Company has no control, provided the Company has used reasonable care in installing and maintaining its system in accordance with acceptable standards in the sewer utility business.

Section 3.21. Existing Law. These Rules and Regulations are subject to all laws of the State of Indiana and Rules and Regulations of the Commission applicable to this Utility in the rendering of sewage disposal service in rural areas.

IV. RATES

Section 4.01. Definitions. The following words shall have the meanings hereinafter set forth:

- (a) "User Service Charge" shall mean the charge levied on users of the Sewage Works for the cost of operation and maintenance including replacement.
- (b) "Debt Service Charge" shall mean the charge levied on the users of the Sewage Works to meet principal and interest on revenue bonds, service charges and other indebtedness incurred by reason of construction, repair, remodeling, upgrading, operating and maintaining the Sewage Works.
- (c) "Sewer Service Charge" shall mean the aggregate of User and Debt Service Charges.
- (d) "Replacement Charge" shall mean the expenditures for obtaining and installing equipment, accessories or pertinences which are necessary during the service life on the Sewage Works to maintain the capacity and performance for which such works were designed and constructed. Operation and maintenance includes a replacement.
- (e) "Sewage" shall mean the combination of liquid and water carried wastes from residences, commercial buildings, industrial plants and institutions, including wastes

from water closets, toilets, urinals, lavatories, sinks, bathtubs, showers, household laundries, basement floor drains, garage floor drains, bars, soda fountains, and stable floor drains.

(f) “Industrial Wastes” shall mean liquid wastes resulting from any commercial, manufacturing or industrial operation or process.

(g) “Sewage Works” shall mean the structures, equipment and processes required to collect, transport and treat domestic and industrial wastes and dispose of the effluent and accumulated residual solids of Shorewood Forest Utilities.

(h) “Shall” is mandatory.

(i) “May” is permissive.

Section 4.02. Charges For Service. For the use and service rendered by the Sewage Works, rates and charges shall be collected from the owners of each and every lot, parcel of real estate, building or dwelling unit that is connected with or required to be connected with the Sewage Works or otherwise discharges sanitary sewage, industrial wastes, water or other liquids either directly or indirectly into the Sewage Works. Such rates and charges shall include charges for use of the treatment facilities and charges for the use of the collection facilities of the Sewage Works. The rates and charges shall be determined and payable as hereinafter provided.

Except as herein otherwise provided, sewage rates and charges shall be determined on a monthly basis as follows:

(a) Residential Sewer Service:

Residential users shall be charged a flat rate of \$65.00 per month.

(b) Commercial Sewer Service Rate:

Commercial users shall be charged a rate of \$65.00 per equivalent residential user based upon monthly usage.

(c) Connection Fee:

Users shall be charged a \$500 connection fee for each new connection.

(d) Capacity Fee:

New users shall be charged a capacity fee of \$2,000 per new connection.

(e) Collection and Deferred Payment Charges:

All bills for sewer service not paid within fifteen (15) days from the due date thereof, as stated in such bills, shall be subject to the collection or deferral payment charge of 10% on the first \$3.00 and 3% on the excess over \$3.00.

(f) Bad Check Charge:

Charge for bad check will be twenty dollars (\$20.00).

Section 4.03. Billed Party. Sewer service charges shall be billed to the owners of the lot, parcel of real estate, building or dwelling unit served, unless otherwise requested in writing by the owner, but such billing shall in no way relieve the owner thereof from the liability therefore in the event payment is not made as herein required. The owners of lots, parcels of real estate, or buildings served by the Sewage Works which are occupied by a tenant or tenants shall have the right to examine the collection records of the Company for the purpose of determining whether bills have been paid by such tenant or tenants, provided that such examination shall be made at the office at which such records are kept and during the hours that such office is open for business.

Section 4.04. Review of Rates. In order that the rates and charges for sewage service may remain fair and equitable and be in proportion to the cost of providing services to the various users or user classes, the Company may cause a study to be made within a reasonable period of time following the first twelve (12) months of operation following the date on which the Resolution becomes effective. Such study may include, but not be limited to, any analysis of the costs associated with the treatment of excessive strength effluents from industrial users, volume and delivery flow rate characteristics attributed to the various users or user classes, the financial position of the Sewage Works and the adequacy of its revenue to provide reasonable funds for operation and maintenance, replacements, debt service requirements and capital improvements of the Sewage Works.

Thereafter, on an annual basis, within a reasonable period of time following the Company's normal accounting period, the Company may cause a similar study to be made for the purpose of reviewing the fairness and equity of the rates and charges for sewage services on a

continuing basis to determine any material changes which should be passed to the Company's users in an apportionment manner. Said studies shall be conducted by officers and/or employees of the Company, or by certified public accountants and/or a firm of consulting engineers, which firms shall have experience in such studies.

Section 4.05. Amendments. The Company shall make and enforce such Rules and Regulations as may be deemed necessary for the safe, economical and efficient management of the Sewage Works, for the construction and use of house sewers and connections to the Sewage Works, and for the regulation, collection, rebating and refunding of such rates and charges.

Section 4.06. Prohibited Wastes. The Company is hereby authorized to prohibit dumping of wastes into the Sewage Works, which, in its discretion, are deemed harmful to the operation of the Sewage Works or to require methods affecting pretreatment of said wastes to reduce the characteristics of the waste satisfactorily to the Company.

Section 4.07 Effective Date. The rates and charges adopted herein shall be effective commencing for billing activity first rendered in May 2005, and for each billing cycle thereafter, as adopted by the Board of Directors of Shorewood Forest Utilities, Inc. April 4, 2005.

V. EXTENSION OF COMPANY SEWERS

Section 5.01. Approvals. The owner or owners of property not within the Certificate of Territorial Authority of Shorewood Forest Utilities, may, after receipt of a Territorial expansion by the Company, extend or cause to be extended adequate Company sewers. Plans for any Company sewer extension must be approved by Shorewood Forest Utilities. All extensions must be designed and constructed in accordance with the standards as determined by the Shorewood Forest Utilities, and in compliance with the "Ten State Standards" and construction standards of the Indiana Department of Environmental Management (I.D.E.M.)

Section 5.02. Extensions in Right of Way. The Company sewer shall be extended within the right-of-way or an approved easement. The extension shall terminate at the point where the most remote tap would be made. In instances where the sewer extension parallels or is in close proximity to adjacent property, a public right of way or easement must be provided to permit the extension of the sewer by others to serve the adjacent property.

Section 5.03. Manholes Required. If a sewer is in an easement for several sewer sections, a manhole shall be installed on that sewer within the right-of-way of a crossing street in order to provide access for truck mounted maintenance equipment.

Section 5.04. Review and Inspection Fees. Review of the plans and inspection prior to and during construction by Shorewood Forest Utilities shall be at the expense of the party desiring extension. The charge for review and approval of the sewer plans, and inspection during installation of the sewers, shall be satisfied by the party desiring extension at the time a contract for sewer extension is executed.

Section 5.05. Inspection Required. No person shall make use of a sewer extension, backfill or otherwise conceal a sewer installation unless and until the same has been inspected, approved and accepted by Shorewood Forest Utilities. In addition to all other remedies, the Company may cause the said installation to be excavated and exposed, may terminate the connection, and may require the developer or contractor to pay or reimburse the Company for its costs and expenses in such excavation, exposure, termination, reconnection, and restoration.

Section 5.06. Petitions. The Board of Directors of Shorewood Forest Utilities may accept petitions from property owners requesting the extension of public sanitary sewers. Property owners abutting the proposed sewer line shall pay for the cost of extending a sewer of adequate size to meet their needs. The Company may, at the sole discretion of the Board, and subject to the availability of funds, elect to contribute a portion of the cost of the sewer extension which may include any over sizing, engineering and inspection fees.

VI. CONNECTION TO COMPANY SANITARY SEWER

Section 6.01. Capacity Assurance. A new connection may be made to a Company sewer, or sewers connected to the Company system, only after there has been adequate assurance by the Company that the downstream facilities of the collection system have adequate capacity to transmit and treat the new waste loadings.

Section 6.02. Required Connections. Every property in the service area of Shorewood Forest Utilities shall connect to the Company's collection system whenever a sanitary sewer is available for use and the Porter County Board of Health has determined that there is a pollution problem. The connection to the Utility's collection system shall be made within ninety (90) days after such sanitary sewer is available and the property owner has been notified of the requirement to connect.

Section 6.03. Availability. A sewer is considered to be available for use by a property if it is abutting that property, or is located in the public right-of-way or easement adjacent to the property, has capacity available, and is of a nature intended to collect sewage from individual properties. A sewer is considered to abut a property if it is located within a public right of way or easement that is adjacent to or abuts any part of the property that could be served.

Section 6.04. Sewer Not Available. Those properties not abutting a Company sewer, but within three hundred feet (300') of an available sewer, may make arrangements to have sewer extended to their property. Company sewers may be extended by private property owners once plans have been reviewed and approved by Shorewood Forest Utilities in accordance with these Rules and Regulations. Property owners may also petition the Board of Directors of the Shorewood Forest Utilities for a sewer extension project. Property owners shall pay for a portion of the sewer extended in accordance with the funding guidelines in effect at the time of the petition. Connection to the new sewer may not be made until the Board of Directors of the Shorewood Forest Utilities accepts the sewer, or a Prime Contractor's Release is executed.

Section 6.05. Connections. A connection to the public sewer may be accomplished as follows:

- (a) Where a tap-in connection is employed, the point of connection shall be where the end of the building sewer meets the inside face of the Utility's sewer and the tapping "saddle and/or joint" shall be considered part of the building sewer.
- (b) Where fittings (T's or Y's) are employed, the connection shall be where the end of the first pipe meets the end of the fitting and the said T or Y fitting shall be considered a part of the building sewer.

Section 6.06. Permits. No owners of or persons controlling any real property shall tap or drain either directly or indirectly into any public sewer until a sewer tap permit has been obtained from Shorewood Forest Utilities, and until owner has satisfied the obligation to pay all assessments, reimbursements and pro rata shares of sewer extension costs levied against that property for public sewers which serve it. A sewer tap permit given in error shall not operate to nullify any such obligation that has been duly recorded nor estop Shorewood Forest Utilities from charging and collecting such costs at any subsequent time.

Section 6.07. Deferred Obligation. From time to time, the Company may permit persons to tap or drain into a public sewer and to defer, in whole or in part, payment of the obligation, upon the execution and delivery to the Board of Directors of a note, mortgage, or other evidence of obligation acceptable to the Board. Installments of deferred obligations, including any finance charges or interest chargeable thereon, shall be deemed to be "charges for sewer service".

The foregoing was approved by the Board of Directors of Shorewood Forest Utilities, Inc. on February 22, 2010.

SHOREWOOD FOREST UTILITIES, INC.
BOARD OF DIRECTORS

BY: _____

Terry L. Atherton, P.E., President

ATTEST: _____

Tom Szefc, Secretary