

**IN THE CHANCERY COURT OF CUMBERLAND COUNTY, TENNESSEE  
THIRTEENTH JUDICIAL DISTRICT  
AT CROSSVILLE**

TENNESSEE REGULATORY AUTHORITY )  
 )  
 Petitioner, )  
 )  
 v. )  
 )  
 LAUREL HILLS CONDOMINIUMS )  
 PROPERTY OWNERS ASSOCIATION )  
 )  
 Respondent. )

No. 2012-CH-560  
 Chancellor Thurman

FILED  
 Date 10-26 2015 at 10:25 AM  
 Entered: 10-26-15  
 SUE TOLLETT, CLERK & MASTER  
 Cumberland County, Crossville, TN  
 BY CT

**ORDER APPOINTING RECEIVER**

1. Pursuant to the motion filed on October 26, 2015, by the Petitioner, Tennessee Regulatory Authority ("Authority"), pursuant to T.C.A. § 65-3-105<sup>1</sup> and T.C.A. § 29-1-101, and upon good cause shown, the Court appoints Receivership Management, Inc. of Brentwood, Tennessee as Receiver for the water system controlled by Respondent, Laurel Hills Condominium Property Owners Association ("Laurel Hills").

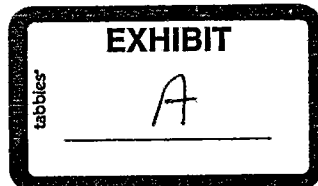
2. The appointment of Receivership Management, Inc. as Receiver of Laurel Hills' water system is based upon, arises out of and/or is derived from the activities described in the Petition for Appointment of Receiver. Through this appointment, the Court deems the Receiver as a party to these proceedings.

3. Receivership Management, Inc., as Receiver, is directed forthwith to take exclusive custody, control and possession of all bank accounts, goods, chattels, causes of action,

<sup>1</sup> The provisions of T.C.A. § 65-3-105 are made applicable to public utilities regulated by the Petitioner pursuant to T.C.A. § 65-4-105.

STATE OF TENNESSEE, COUNTY OF CUMBERLAND  
 I, THE UNDERSIGNED, CLERK & MASTER OF SAID  
 COUNTY AND STATE, DO HEREBY CERTIFY THAT  
 THIS IS A TRUE AND CORRECT COPY OF THE  
 ORIGINAL OF THIS INSTRUMENT.

THIS 26 DAY OF October, 2015.  
Sue Tollett  
 CLERK & MASTER



credits, monies, investments, stocks, shares, effects, books and records of account and other papers and property or interests owned or held by the Respondent relating in whole or in part to the water system, with full power to sue for, collect, receive and take possession of such properties and to conserve and administer them under the general supervision of the Court.

4. Receivership Management, Inc., as Receiver of Laurel Hills' water system, shall forthwith contact all financial, agency, trust or depository institutions ("financial institutions") maintaining accounts on behalf of Respondent, Laurel Hills relating in whole or in part to the water system and employ whatever lawful means necessary to secure the funds in these, and any other accounts, for the Receivership, and to amend the signature cards so that only those persons approved by the Receiver shall be permitted to withdraw upon such accounts.

5. Receivership Management, Inc., as Receiver of Laurel Hills' water system, shall secure from any financial institution, wherever located, where Laurel Hills maintains property or accounts, the funds within financial institution accounts and all financial information concerning all such accounts. Said financial institution shall provide those funds and the information to the Receiver.

6. All persons, firms, corporations and associations, including but not limited to Respondent, Laurel Hills, and its officers, directors, stockholders, members, subscribers, agents and all other persons in active concert or participation with it, are prohibited and enjoined from the transaction of further business of the Respondent's water system; from the waste, transfer or disposition of property of the Respondent's water system; from doing any act or thing whatsoever to interfere with the taking control, possession and administration by the Receiver of the receivership properties or to in any way interfere with the Receiver, or to harass or interfere with the Receiver, or to interfere in any manner with the exclusive jurisdiction of this Court over

the receivership properties; from the institution or further prosecution of any actions or proceedings, except within this receivership itself; from the making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the Respondent; from the withholding from the Receiver of books, accounts, documents or the records relating to the business of the Respondent; from any other threatened or contemplated action that might lessen the value of the Respondent's assets or prejudice the rights of investors, creditors or any proceeding under the Receivership; or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the Respondent or against its assets or any party thereof or from enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, any receivership property or attempting to foreclose, forfeit, alter or terminate any interests of the Respondent, in any property, whether such acts are part of a judicial proceeding or otherwise, until further order of this Court; from accelerating the due date of any obligation or claimed obligation; and that this Court further authorizes the Receiver to apply outside of Tennessee for the relief above described.

7. Pursuant to Tenn. Code Ann. § 65-3-105 and Tenn. Code Ann. §§ 29-1-101 *et seq.*, the officers, managers, directors, trustees, owners, employees or agents of Respondent, Laurel Hills, and any other persons with authority over or in charge of any segment of the Respondent's affairs and persons in control of assets, books and records of the receivership entities, or their physical locations, including but not limited to any offices of the Respondent, are required to cooperate with the Receiver in the carrying out of the Receivership. The term "person" shall include any person who exercises control directly or indirectly over activities of the Respondent through any holding company or other affiliate of the Respondent. "To cooperate" shall include, but shall not be limited to, the following: (1) to reply promptly in

writing to any inquiry from the Receiver requesting such a reply; (2) to make available to the Receiver any books, bank and investment accounts, documents or other records or information or property of or pertaining to the Respondent and/or in possession, custody or control of the Respondent, which relate to, arise out of or are derived from the activities described in the Petition for Appointment of Receiver, Restraining Order, and Temporary and Permanent Injunction Complaint. No person shall obstruct or interfere with the Receiver in the conduct of this Receivership.

8. All customers of and vendors/suppliers to Laurel Hills are hereby ordered to cooperate with reasonable requests of the Receiver regarding information and documentation concerning services received from Laurel Hills or services or goods provided to Laurel Hills.

9. No person shall obstruct or interfere with the Receiver in the conduct of this Receivership, and efforts to obstruct will be dealt with by the Court upon the Receiver's filing for contempt.

10. Receivership Management, Inc., as Receiver, is authorized to employ such counsel, professional advisors, clerks or assistants as deemed necessary. The persons employed under this section shall serve at the direction of the Receiver. The compensation of the Receiver, counsel, clerks and assistants and all expenses of taking possession of Laurel Hills' water system and conducting the proceeding (hereinafter "Receivership fees and costs") shall be submitted monthly, shall be approved by the Court and shall be paid out of the funds or assets of Laurel Hills' water system, if such funds are available. If, through the progression of the Receivership, funds or assets of Laurel Hills' water system are not available to pay Receivership fees and costs, then those fees and costs will be taxed as court costs to be paid by the Authority to the Receiver. In such instance(s), the Receiver will present the Receivership fees and costs to the Court for

approval as a request for interim taxing of costs while simultaneously invoicing the Receivership fees and costs to the Authority, who will pay the Receivership fees and costs upon approval of the Court. The Authority reserves the ability to recoup amounts so paid if later there are assets or funds available for such recoupment. The Receivership fees and expenses will generally consist of services rendered by the Receiver's president, Jeanne B. Bryant, billed at \$ 163/hour, expenses and costs of other staff employed by the Receiver, normal overhead costs of the Receiver and professional fees and expenses incurred by the Receiver, the hourly billing rate of its principal counsel. The Receiver will present motions monthly to the Court for approval of the Receivership fees and costs. If the motions are unopposed after being on file for ten (10) calendar days, then the Court shall order their approval, absent question raised by the Court upon its review. If a motion for approval of Receivership fees and costs is opposed, it will be set for hearing at the next available time on the Court's docket in Cumberland County, Tennessee or elsewhere if circumstances so dictate.

11. If the taxation to, and payment of, Receivership fees and costs by the Authority becomes onerous to the Authority, it may move the Court to relieve it of the obligation of such taxation and payment. The Receiver reserves the ability to move the Court to be relieved of its position if payment of Receivership fees and costs is jeopardized or not otherwise provided for.

12. The Receiver is ordered to make an accounting to the Court no less frequently than semi-annually. The report shall include the Receiver's opinion as to the likelihood that additional action under T.C.A. § 65-3-105 and/or §§ 29-1-101, *et seq.* will be necessary.

13. The Receiver may take such action as it deems necessary or appropriate to reform, revitalize and/or rehabilitate Laurel Hills' water system. It shall have all the powers of the directors, officers and managers, whose authority shall be suspended, except as such is

re-delegated by the Receiver. It shall have full power to direct and manage, to hire and discharge employees, subject to any contract rights they may have, and to deal with the property and business of Laurel Hills' water system. The Receiver is empowered to petition the appropriate regulatory authority or tribunal to address changes in the rates charged for Laurel Hills' water system's services. The Receiver may consult and cooperate with other state and federal authorities who may have jurisdiction over any parts of the property and business of Laurel Hills' water system, including, but not limited to, any ancillary liquidator who may be appointed. In addition, the Receiver shall have any other powers given by state law.

14. If it appears to the Receiver that there has been criminal or tortuous conduct, or breach of any contractual or fiduciary obligation detrimental to Laurel Hills, by any officer, manager, agent, broker, employee or other person, it may pursue all appropriate legal remedies on behalf of Laurel Hills's water system, including, but not limited to, the making of criminal referrals to the appropriate state and/or federal authorities/law enforcement agencies and the institution of civil actions on behalf of Laurel Hills' water system or on behalf of Laurel Hill's water system's creditors and claimants.

15. If the Receiver determines that reorganization, consolidation, conversion, merger, dissolution, liquidation or other transformation of Laurel Hills' water system is appropriate, it shall prepare a plan to effect such changes, including, if necessary, the liquidation and sale of all of Laurel Hill's water system assets. Upon application of the Receiver for approval of the plan, and after such notice and hearing as the Court may prescribe, the Court may either approve or disapprove the plan proposed, or may modify it and approve it as modified. Any plan approved under this section shall be, in the judgment of the Court, fair and equitable to all parties concerned. If the plan is approved, the Receiver shall carry out the plan.

16. The Receiver shall have the power to avoid fraudulent transfers. Every transfer made or suffered and every obligation incurred by Laurel Hills within one (1) year prior to the filing of a successful Petition for Receivership is fraudulent as to then existing and future creditors, if made or incurred without fair consideration, or with actual intent to hinder, delay or defraud either existing or future creditors. Transfers which are considered fraudulent may be voided by the Receiver, except as to a person who, in good faith, is a purchaser, lienholder or obligee, who, in good faith, has given a consideration less than fair for such transfer, lien or obligation, may retain the property, lien or obligation as security for repayment. The Court may, on due notice, order any such transfer or obligation to be preserved for the benefit of the estate, and, in that event, the Receiver shall succeed to and may enforce the rights of the purchaser, lienholder or obligee.

17. Laurel Hills and/or its counsel will immediately inform the Receiver of all legal proceedings to which Laurel Hills is a party or in which Laurel Hills is involved (e.g., receipt of a subpoena, etc.). Any court in this State before which any action or proceeding in which Laurel Hills is a party, or is obligated to defend a party, shall stay the action or proceeding for one hundred twenty (120) days and such additional time as is necessary for the Receiver to obtain proper representation and prepare for further proceedings. The Receiver shall take such action respecting the pending litigation as it deems necessary in the interest of justice and for the protection of creditors, investors and the public. The Receiver shall immediately consider all litigation pending outside this State and shall petition the Courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of Laurel Hills.

18. No statute of limitations or defense of laches shall run with respect to any action by or against Laurel Hills's between the filing of the Petition for Order directing Receivership

Management, Inc. to serve as Receiver for Laurel Hills's water system and the entry of the Order granting or denying this Petition. Any action against Laurel Hills that might have been commenced when the Petition was filed may be commenced for at least sixty (60) days after this Order Appointing Receiver is entered. Any such action filed against Laurel Hills, as well as actions pending against Laurel Hills, may be subject to dismissal if the Court approves, as part of any plan recommended to it (as referenced in Paragraph 14 above), that all claims as against Laurel Hills' water system be handled through a unified proof of claim process within the Receivership. The Receiver may, upon entry of this Order, within one (1) year, or such other longer time as applicable law may permit, institute an action or proceeding on behalf of Laurel Hills' water system upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the Petition upon which this Order is entered.

19. The Receiver, and its employees, agents, representatives or counsel, shall not be held personally responsible for any claims against Laurel Hills' water system which existed, arose, matured or vested prior to the Receiver's appointment.

20. The Receiver, and its employees, agents, representatives or counsel, shall not be held personally responsible for amounts of funds, goods or services already provided or extended to Laurel Hills' water system, or which will be provided or extended to Laurel Hills' water system in the future.

21. Pursuant to T.C.A. § 29-1-104, the Receiver will post a bond of \$ Waived <sup>no</sup> with the Cumberland County Clerk & Master within five (5) business days of the entry of this Order. This Order will be effective, however, during the five (5) day period and will be effective thereafter. The beneficiary of the bond will be the Laurel Hills' water system Receivership



estate and, therefore, the costs of the bond will be paid with funds available to Laurel Hill's Receivership estate or will be taxed as costs and paid by the Authority as outlined in Paragraph 10 above.

It is so ORDERED, this the 26<sup>th</sup> day of October, 2015.

  
RONALD THURMAN, CHANCELLOR

Submitted for Entry By:



Shiva K. Bozarth, BPR No.22685  
Chief of Compliance  
Tennessee Regulatory Authority  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243

*Counsel for Tennessee Regulatory Authority*

CERTIFICATE OF SERVICE

I certify that I have served a copy of the forgoing document on the following persons by depositing a copy of same in the U.S. Mail, postage prepaid, addressed to them at the addresses shown below:

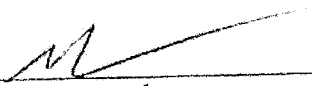
Donald Scholes  
Benjamin Gastel  
227 Second Avenue North  
Fourth Floor  
Nashville, Tennessee 37201

Melanie Davis  
329 Cates Street  
Maryville, Tennessee 37801

Vance Broemel  
Consumer Advocate and Protection Division  
Tennessee Attorney General and Reporter  
P.O. Box 20207  
Nashville, Tennessee 37202

Roger York  
456 North Main Street, Suite 201  
Crossville, Tennessee 38555

This the 21<sup>st</sup> day of October, 2015.

  
\_\_\_\_\_  
Shiva K. Bozarth

**IN THE CHANCERY COURT OF CUMBERLAND COUNTY, TENNESSEE  
THIRTEENTH JUDICIAL DISTRICT  
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**TENNESSEE REGULATORY AUTHORITY** )  
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**No. 2012-CH-560  
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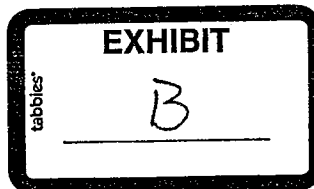
Date 4-29 FILED 2016 at 3:00 <sup>AM</sup> <sub>PM</sub>  
 Entered 4-29-16  
 SUE COLLETT, CLERK & MASTER  
 Cumberland County, Crossville, TN  
 BY ct

**AMENDED ORDER APPOINTING RECEIVER**

1. Pursuant to the motion filed on March 18, 2016, by the Petitioner, Tennessee Regulatory Authority (“Authority”), after a hearing on the matter on April 7, 2016, this Court amends the Order Appointing Receiver entered on October 26, 2015 to read as follows:

2. The appointment of Receivership Management, Inc. as Receiver of Laurel Hills Condominium Property Owners Association’s (“Laurel Hills”) water system is based upon, arises out of and/or is derived from the activities described in the Petition for Appointment of Receiver. Through this appointment, the Court deems the Receiver as a party to these proceedings.

3. Receivership Management, Inc., as Receiver, is directed forthwith to take exclusive custody, control and possession of all bank accounts, goods, chattels, causes of action, credits, monies, investments, stocks, shares, effects, books and records of account and other papers and property or interests owned or held by the Respondent relating in whole or in part to the water system, with full power to sue for, collect, receive and take possession of such properties and to conserve and administer them under the general supervision of the Court.



4. Receivership Management, Inc., as Receiver of Laurel Hills' water system, shall forthwith contact all financial, agency, trust or depository institutions ("financial institutions") maintaining accounts on behalf of Respondent, Laurel Hills relating in whole or in part to the water system and employ whatever lawful means necessary to secure the funds in these, and any other accounts, for the Receivership, and to amend the signature cards so that only those persons approved by the Receiver shall be permitted to withdraw upon such accounts.

5. Receivership Management, Inc., as Receiver of Laurel Hills' water system, shall secure from any financial institution, wherever located, where Laurel Hills maintains property or accounts, the funds within financial institution accounts and all financial information concerning all such accounts. Said financial institution shall provide those funds and the information to the Receiver.

6. All persons, firms, corporations and associations, including but not limited to Respondent, Laurel Hills, and its officers, directors, stockholders, members, subscribers, agents and all other persons in active concert or participation with it, are prohibited and enjoined from the transaction of further business of the Respondent's water system; from the waste, transfer or disposition of property of the Respondent's water system; from doing any act or thing whatsoever to interfere with the taking control, possession and administration by the Receiver of the receivership properties or to in any way interfere with the Receiver, or to harass or interfere with the Receiver, or to interfere in any manner with the exclusive jurisdiction of this Court over the receivership properties; from the institution or further prosecution of any actions or proceedings, except within this receivership itself; from the making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the Respondent; from the withholding from the Receiver of books, accounts, documents or the records relating to

the business of the Respondent; from any other threatened or contemplated action that might lessen the value of the Respondent's assets or prejudice the rights of investors, creditors or any proceeding under the Receivership; or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the Respondent or against its assets or any party thereof or from enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, any receivership property or attempting to foreclose, forfeit, alter or terminate any interests of the Respondent, in any property, whether such acts are part of a judicial proceeding or otherwise, until further order of this Court; from accelerating the due date of any obligation or claimed obligation; and that this Court further authorizes the Receiver to apply outside of Tennessee for the relief above described.

7. Pursuant to Tenn. Code Ann. § 65-3-105 and Tenn. Code Ann. §§ 29-1-101 *et seq.*, the officers, managers, directors, trustees, owners, employees or agents of Respondent, Laurel Hills, and any other persons with authority over or in charge of any segment of the Respondent's affairs and persons in control of assets, books and records of the receivership entities, or their physical locations, including but not limited to any offices of the Respondent, are required to cooperate with the Receiver in the carrying out of the Receivership. The term "person" shall include any person who exercises control directly or indirectly over activities of the Respondent through any holding company or other affiliate of the Respondent. "To cooperate" shall include, but shall not be limited to, the following: (1) to reply promptly in writing to any inquiry from the Receiver requesting such a reply; (2) to make available to the Receiver any books, bank and investment accounts, documents or other records or information or property of or pertaining to the Respondent and/or in possession, custody or control of the Respondent, which relate to, arise out of or are derived from the activities described in the

Petition for Appointment of Receiver, Restraining Order, and Temporary and Permanent Injunction Complaint. No person shall obstruct or interfere with the Receiver in the conduct of this Receivership.

8. All customers of and vendors/suppliers to Laurel Hills are hereby ordered to cooperate with reasonable requests of the Receiver regarding information and documentation concerning services received from Laurel Hills or services or goods provided to Laurel Hills.

9. No person shall obstruct or interfere with the Receiver in the conduct of this Receivership, and efforts to obstruct will be dealt with by the Court upon the Receiver's filing for contempt.

10.

- (a) Receivership Management, Inc., as Receiver, is authorized to employ such counsel, professional advisors, clerks or assistants as deemed necessary. The persons employed under this section shall serve at the direction of the Receiver. The compensation of the Receiver, counsel, clerks and assistants and all expenses of taking possession of Laurel Hills' water system and conducting the Receivership (hereinafter "Receivership fees and costs") shall be submitted monthly, shall be approved by the Court and shall be paid out of the funds or assets of Laurel Hills' water system. To maintain the water system as a going concern, it is understood that, in accordance with law, a petition for an adjustment to rates may be brought in order to generate sufficient water system funds and

assets to cover all reasonable and necessary operating expenses including payment of the Receivership fees and costs.

- (b) If, during the tenure of the Receivership, funds and/or assets of Laurel Hills' water system are not sufficient to pay Receivership fees and costs, then the shortfall of those fees and costs will be taxed as court costs to be paid by the Authority to the Receiver. In such instance(s), the Receiver will present the Receivership fees and costs to the Court for approval as a request for interim taxing of costs while simultaneously invoicing the Receivership fees and costs to the Authority, who will pay the Receivership fees and costs upon approval of the Court.
- (c) The Authority reserves the right to recoup, recover, and collect all amounts it has paid to Receiver or for the benefit of the Laurel Hills Water System through ratemaking proceedings and/or institution of any legal proceedings in a court of competent jurisdiction to ensure recoupment, recovery and/or collection. Nothing in this Order is intended to preclude the Authority from recovering Receivership fees and costs and fees or water system service expenses from subsequent water system funds, assets, or utility rates.
- (d) The Receivership fees and expenses will generally consist of services rendered by the Receiver's president, Jeanne B. Bryant, billed at \$163/hour, expenses and costs of other staff employed by

the Receiver, normal overhead costs of the Receiver and professional fees and expenses incurred by the Receiver, the hourly billing rate of its principal counsel.

- (e) The Receiver will present motions monthly to the Court for approval of the Receivership fees and costs. If the motions are unopposed after being on file for ten (10) calendar days, then the Court shall order their approval, absent question raised by the Court upon its review. If a motion for approval of Receivership fees and costs is opposed, it will be set for hearing at the next available time on the Court's docket in Cumberland County, Tennessee or elsewhere if circumstances so dictate.

11. If the taxation to, and payment of, Receivership fees and costs by the Authority becomes onerous to the Authority, it may move the Court to relieve it of the obligation of such taxation and payment. The Receiver reserves the ability to move the Court to be relieved of its position if payment of Receivership fees and costs is jeopardized or not otherwise provided for.

12. The Receiver is ordered to make an accounting to the Court no less frequently than semi-annually. The report shall include the Receiver's opinion as to the likelihood that additional action under T.C.A. § 65-3-105 and/or §§ 29-1-101, *et seq.* will be necessary.

13. The Receiver may take such action as it deems necessary or appropriate to reform, revitalize and/or rehabilitate Laurel Hills' water system. It shall have all the powers of the directors, officers and managers, whose authority shall be suspended, except as such is re-delegated by the Receiver. It shall have full power to direct and manage, to hire and discharge employees, subject to any contract rights they may have, and to deal with the property and



business of Laurel Hills' water system. The Receiver is empowered to petition, and shall so petition when rates are insufficient to generate adequate funds necessary to pay the Receivership fees and costs, the Tennessee Regulatory Authority, other appropriate regulatory authority, or tribunal to adjust the rates charged for Laurel Hills' water system's services. Receivership fees and costs shall be considered for inclusion in rates just as any other operating expense of the utility. The Receiver may consult and cooperate with other state and federal authorities who may have jurisdiction over any parts of the property and business of Laurel Hills' water system, including, but not limited to, any ancillary liquidator who may be appointed. In addition, the Receiver shall have any other powers given by state law.

14. If it appears to the Receiver that there has been criminal or tortuous conduct, or breach of any contractual or fiduciary obligation detrimental to Laurel Hills, by any officer, manager, agent, broker, employee or other person, it may pursue all appropriate legal remedies on behalf of Laurel Hills's water system, including, but not limited to, the making of criminal referrals to the appropriate state and/or federal authorities/law enforcement agencies and the institution of civil actions on behalf of Laurel Hills' water system or on behalf of Laurel Hill's water system's creditors and claimants.

15. If the Receiver determines that reorganization, consolidation, conversion, merger, dissolution, liquidation or other transformation of Laurel Hills' water system is appropriate, it shall prepare a plan to effect such changes, including, if necessary, the liquidation and sale of all of Laurel Hill's water system assets. Upon application of the Receiver for approval of the plan, and after such notice and hearing as the Court may prescribe, the Court may either approve or disapprove the plan proposed, or may modify it and approve it as modified. Any plan approved

under this section shall be, in the judgment of the Court, fair and equitable to all parties concerned. If the plan is approved, the Receiver shall carry out the plan.

16. The Receiver shall have the power to avoid fraudulent transfers. Every transfer made or suffered and every obligation incurred by Laurel Hills within one (1) year prior to the filing of a successful Petition for Receivership is fraudulent as to then existing and future creditors, if made or incurred without fair consideration, or with actual intent to hinder, delay or defraud either existing or future creditors. Transfers which are considered fraudulent may be voided by the Receiver, except as to a person who, in good faith, is a purchaser, lienholder or obligee, who, in good faith, has given a consideration less than fair for such transfer, lien or obligation, may retain the property, lien or obligation as security for repayment. The Court may, on due notice, order any such transfer or obligation to be preserved for the benefit of the estate, and, in that event, the Receiver shall succeed to and may enforce the rights of the purchaser, lienholder or obligee.

17. Laurel Hills and/or its counsel will immediately inform the Receiver of all legal proceedings to which Laurel Hills is a party or in which Laurel Hills is involved (e.g., receipt of a subpoena, etc.). Any court in this State before which any action or proceeding in which Laurel Hills is a party, or is obligated to defend a party, shall stay the action or proceeding for one hundred twenty (120) days and such additional time as is necessary for the Receiver to obtain proper representation and prepare for further proceedings. The Receiver shall take such action respecting the pending litigation as it deems necessary in the interest of justice and for the protection of creditors, investors and the public. The Receiver shall immediately consider all litigation pending outside this State and shall petition the Courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of Laurel Hills.

18. No statute of limitations or defense of laches shall run with respect to any action by or against Laurel Hills's between the filing of the Petition for Order directing Receivership Management, Inc. to serve as Receiver for Laurel Hills's water system and the entry of the Order granting or denying this Petition. Any action against Laurel Hills that might have been commenced when the Petition was filed may be commenced for at least sixty (60) days after this Order Appointing Receiver is entered. Any such action filed against Laurel Hills, as well as actions pending against Laurel Hills, may be subject to dismissal if the Court approves, as part of any plan recommended to it (as referenced in Paragraph 14 above), that all claims as against Laurel Hills' water system be handled through a unified proof of claim process within the Receivership. The Receiver may, upon entry of this Order, within one (1) year, or such other longer time as applicable law may permit, institute an action or proceeding on behalf of Laurel Hills' water system upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the Petition upon which this Order is entered.

19. The Receiver, and its employees, agents, representatives or counsel, shall not be held personally responsible for any claims against Laurel Hills' water system which existed, arose, matured or vested prior to the Receiver's appointment.

20. The Receiver, and its employees, agents, representatives or counsel, shall not be held personally responsible for amounts of funds, goods or services already provided or extended to Laurel Hills' water system, or which will be provided or extended to Laurel Hills' water system in the future.

21. Bond is waived.

It is so ORDERED, this the 21<sup>ST</sup> day of April, 2016.



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RONALD THURMAN, CHANCELLOR

Submitted for Entry By:



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Shiva K. Bozarth, BPR No.22685  
Chief of Compliance  
Tennessee Regulatory Authority  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243

*Counsel for Tennessee Regulatory Authority*

**CERTIFICATE OF SERVICE**

I certify that I have served a copy of the forgoing document on the following persons by depositing a copy of same in the U.S. Mail, postage prepaid, addressed to them at the addresses shown below:

Everett Sinor  
3504 Robin Road  
Nashville, Tennessee 37204

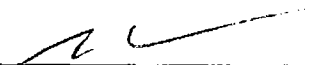
Donald Scholes  
Benjamin Gastel  
223 Rosa Parks Boulevard, Suite 200  
Nashville, Tennessee 37203

Melanie Davis  
329 Cates Street  
Maryville, Tennessee 37801

Vance Broemel  
Erin Merrick  
Consumer Advocate and Protection Division  
Tennessee Attorney General and Reporter  
P.O. Box 20207  
Nashville, Tennessee 37202

Roger York  
456 North Main Street, Suite 201  
Crossville, Tennessee 38555

This the 12<sup>th</sup> day of April, 2016.

  
\_\_\_\_\_  
Shiva K. Bozarth

CERTIFICATE OF SERVICE BY CLERK AND MASTER

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I HAVE THIS DAY FORWARDED A TRUE AND EXACT COPY OF THE FOREGOING AMENDED ORDER APPOINTING RECEIVER TO THE FOLLOWING COUNSEL BY EMAILING SAME TO THEIR OFFICES ON THIS 29TH DAY OF APRIL, 2016:

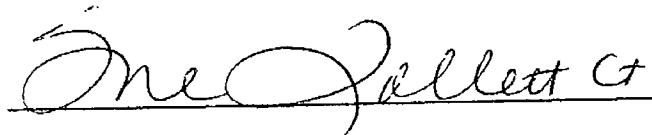
HONORABLE EVERETT SINOR

HONORABLE DONALD SHOLES

HONORABLE MELANIE DAVIS

HONORABLE ERIN MERRICK

HONORABLE ROGER YORK

A handwritten signature in cursive script, reading "Sue Tollett", written over a horizontal line.

SUE TOLLETT, CLERK AND MASTER

IN THE CHANCERY COURT FOR CUMBERLAND COUNTY, TENNESSEE  
THIRTEENTH JUDICIAL DISTRICT, AT CROSSVILLE

TENNESSEE REGULATORY AUTHORITY

Petitioner,

v.

LAUREL HILLS CONDOMINIUMS  
PROPERTY OWNERS ASSOCIATION

Respondent.

No. 2012-CH-560  
Chancellor Thurman

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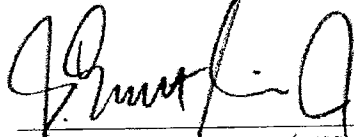
RECEIVER'S MOTION FOR THE APPROVAL AND ADOPTION OF ITS  
RECEIVERSHIP PLAN

---

COMES NOW, Receivership Management, Inc. [hereinafter the Receiver], the court appointed Receiver of a water system previously controlled by Laurel Hills Condominiums Property Owners Association [hereinafter the LHWS], and MOVES this Honorable Court to approve and adopt its receivership plan. Said receivership plan has been filed contemporaneously with this motion.

DATED: June 1, 2016

Respectfully Submitted,



G. Everett Sinor, Jr. (BPR#017564)  
Attorney at Law  
Counsel for Receivership Management, Inc.  
3504 Robin Road  
Nashville, Tennessee 37204  
615-969-9027 (Phone)  
Everett.Sinor@gmail.com (Email)

EXHIBIT

C

tabbles

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing motion has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.  
Chief of Compliance  
Counsel for Tennessee Regulatory Authority  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

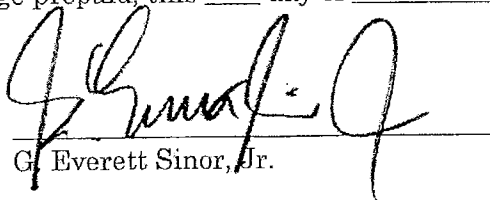
Donald Scholes, Esq.  
Benjamin Gastel, Esq.  
Branstetter, Stranch & Jennings  
Counsel for Laurel Hills Condominiums  
Property Owners Association  
227 Second Avenue North, Fourth Floor  
Nashville, Tennessee 37201

Melanie Davis, Esq.  
Kizer & Black  
329 Cates Street  
Maryville, Tennessee 37801

Vance Broemel, Esq.  
Erin Merrick, Esq.  
Consumer Advocate and Protection Division  
Tennessee Attorney General and Reporter  
Post Office Box 20207  
Nashville, Tennessee 37202

Roger York, Esq.  
York & Bilbrey  
456 North Main Street, Suite 201  
Crossville, Tennessee 38555

via the United States Mails, postage prepaid, this 1<sup>st</sup> day of June, 2016.

  
G. Everett Sinor, Jr.



IN THE CHANCERY COURT FOR CUMBERLAND COUNTY, TENNESSEE  
THIRTEENTH JUDICIAL DISTRICT, AT CROSSVILLE

TENNESSEE REGULATORY AUTHORITY

Petitioner,

v.

LAUREL HILLS CONDOMINIUMS  
PROPERTY OWNERS ASSOCIATION

Respondent.

No. 2012-CH-560  
Chancellor Thurman

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RECEIVERSHIP PLAN

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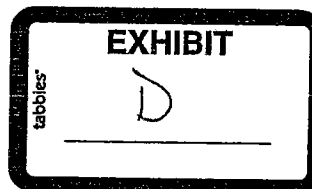
TO THE CHANCELLOR:

COMES NOW, Receivership Management, Inc. [hereinafter the Receiver], the court appointed Receiver of a water system previously controlled by Laurel Hills Condominiums Property Owners Association [hereinafter the LHWS], and submits this, its Receivership Plan in the above-styled suit.

This Receivership Plan is filed pursuant to and consistent with ¶ 15 of page 7 of the Amended Order Appointing Receiver, entered by this Honorable Court on April 21, 2016, the pertinent provisions of which provide as follows:

*"If the Receiver determines that reorganization, consolidation, conversion, merger, dissolution, liquidation or other transformation of Laurel Hills' water system is appropriate, it shall prepare a plan to effect such changes, including, if necessary, the liquidation and sale of all or Laurel Hill's [sic] water system assets. Upon application of the Receiver for approval of the plan, and after such notice and hearing as the court may prescribe, the Court*

1



*may either approve or disapprove the plan proposed, or may modify it and approve it as modified. Any plan approved under this section shall be, in the judgment of the Court, fair and equitable to all parties concerned. If the plan is approved, the Receiver shall carry out the plan.”*

A motion to approve and adopt this Receivership Plan has been filed contemporaneously with this plan.

#### Issues Faced by the Receiver

The Laurel Hills Water System receivership estate was created by order of this Court on October 26, 2015. The Receiver immediately took steps to marshal and preserve the assets of the estate, take control of bank accounts, provide notice to interested persons, identify and procure the services of and/or retain vendors, and perform all of the other tasks customarily performed by receivers.

Upon taking over the LHWS, it immediately became apparent to the Receiver that there were problems with its ability to rehabilitate and revitalize the water system. First and foremost, there are concerns about the proper titling and use rights for different parts of the water system, and the possible inability of the Receiver to expand the LHWS to new customers. The Receiver has consistently reported on these issues in its four (4) previous reports, so the specific issues will not be recounted here. This Honorable Court may have equitable powers to remove the cloud on all or a portion of the title to the LHWS, but that issue has not been briefed by the Receiver for reasons of cost.

Second, the water tower and supply pipe, along with other parts of the LHWS, are in a state of disrepair such that there is certainly a significant cost to get the LHWS to a point where it can be utilized in the manner designed, and be placed in a sustainable position. The Receiver's Motion to Institute a New Rate does not have any cost built in for capital repairs;

however, a \$2000.00 per month cost estimate for repairs and maintenance was included as a hedge against possible failures.

Three (3) different private utility companies have expressed varying levels of interest in owning and/or operating the LHWS since the institution of the receivership estate. The Crab Orchard Utility District has also sent a letter to the Authority, expressing its willingness to own and operate the system, in which, speaking very generally, it demanded \$500,000.00 and clear title to the LHWS.<sup>1</sup>

#### Formation and Preparation of Receivership Plan

Given these hindrances, the Receiver put together the beginnings of a receivership plan with the thought that it would be exposed for comment prior to being filed with this Honorable Court. In that vein, Mr. Robert E. Moore, Jr., Chief Operations Officer for the Receiver, met on March 23, 2016 with representatives of the Tennessee Regulatory Authority [hereinafter the Authority], as well as with representatives of the Consumer Protection and Advocate Division of the Attorney General's Office [hereinafter the Attorney General] to discuss his thoughts and receive comment. The meeting was fruitful and provided additional information which has led to the submission of this Receivership Plan. Furthermore, Mr. Moore met with Messrs. John Moore and Wendell Harkleroad on May 5, 2016 for the same purpose.<sup>2</sup> Again, the meeting was fruitful and provided additional information which has led to the submission of this Receivership Plan.

#### The Renegade Mountain Community Meeting

Just this past Friday, May 27, 2016, at six (6) p.m., Mr. Robert E. Moore, Jr. and two (2) other representatives working with the receiver, Mr. G. Everett Sinor, Jr., and Mr.

---

<sup>1</sup> See the Receiver's Fourth Report, filed May 27, 2016, at ¶ 10, p.5, and Exhibit B to said report.

<sup>2</sup> Mr. John Moore is a resident on Renegade Mountain and an LHWS customer. Mr. Harkleroad is an executive with Eagle's Nest, LLC and has current plans to develop a portion of Renegade Mountain and provide future customers to the LHWS.

Jacqueline Lawson, conducted a community meeting with the residents on Renegade Mountain and any other interested persons who were willing to attend. The meeting was conducted in Crab Orchard, Tennessee at the City Hall meeting area. Twenty-nine (29) people signed the sign-in sheet, which included Mr. Dart Kendall, the executive of a water and sewer company. A representative from the Attorney General, Mr. Vance Broemel, was also present. The meeting lasted well over two (2) hours.

The purpose of the meeting was to explain the circumstances of the LHWS and the receivership estate, talk generally about the Receiver's thoughts on a receivership plan and the motion to institute a new rate, and receive comment and answer questions. A copy of a document handed out by the Receiver at the meeting, which lists the receivership plan options and the Receiver's main activities remaining, is attached hereto as Exhibit A and is incorporated herein by reference.

The Receiver's opinion is that the meeting was successful. Both Mr. John Moore and Mr. Michael McClung attended the meeting, and both made statements at the meeting about the LHWS and generally about some of the issues on Renegade Mountain. Numerous other LHWS customers also made comment. Notwithstanding the many questions asked and comments made, and the sometimes antagonistic positions taken, the meeting remained civil throughout.

Different issues were raised at the community meeting that the Receiver would like to bring to the attention of this Honorable Court as it considers this Receivership Plan. Foremost among these—residents of the Cumberland-Pointe condominium units conveyed to the Receiver that they are currently subsidizing both the water bills and the Home Owners' Association fees for twenty-one (21) condominium units. With a significant increase in LHWS rates, it was conveyed to the Receiver that the entire amount will no

longer be collected and paid to the LHWS.<sup>3</sup> In the event that the entire Cumberland Pointe condominium complex does not make payment of the newly instituted rate, the Receiver will be faced with how to respond. No decision has yet been made for that eventuality.

As previously noted, Mr. Dart Kendall with Aqua Green Utility attended the community meeting. He provided invaluable information from the perspective of a potential purchaser of the system. This included information concerning the water tower, surety requirements at the Authority, concerns about getting a crane across the bridge that opens onto the mountain, the necessity for clear title, etc. The attendees, including the Receiver, were truly appreciative of his attendance and his insights.

#### The Receivership Plan

With this background, and with the limitations discussed above, the Receiver's options are limited. Herewith is the Receivership Plan for the Laurel Hills Water System in Receivership:

1. The Receiver will solicit bids for the ownership and/or operation of the LHWS.

Each of the three (3) private utility companies noted above, as well as the Crab Orchard Utility District, and any other interested party, will be invited to provide a proposal to the Receiver for consideration. If a satisfactory proposal is received and a satisfactory deal can be negotiated for the long-term ownership, operation and viability of the LHWS, then the proposal will be brought to this Honorable Court with a recommendation for approval.

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<sup>3</sup> As previously reported (*See Receiver's Fourth Report*, filed May 27, 2016, at ¶ 7, pp. 3-4), there are 84 condominium units in the Cumberland Pointe condominium complex. The complex is currently billed and makes payment for all 84 units with 1 check for the entire amount, and has done so since the institution of the receivership estate. At the community meeting, a resident conveyed that the HOA fee is \$186.00 per month, and that those HOA fees are also currently being subsidized for 21 condominium units.

2. Failing this, the Receiver will determine whether a cooperative of LHWS customers can competently operate the LHWS, either by itself or with the assistance of a master appointed by the Court.
3. Failing this, the Receiver will report back to the Court for further instruction.

The Receiver is aware of the tremendous increase in rates facing the customers of the LHWS, and that its own costs and the extremely low number of customers are the main drivers for this increase. Accordingly, this plan will allow the receivership estate to end, while at the same time providing for a way in which water can be provided to LHWS customers in the future on a sustained basis. Given the limitations already noted, the Receiver has rehabilitated this water system as much as it can, and it is now time for a Receivership Plan to be implemented.

DATED: June 1, 2016

Respectfully Submitted,

Laurel Hills Water System in Receivership

By: Robert E. Moore, Jr. (BPR#013600)

Chief Operations Officer

Receivership Management, Inc.

1101 Kermit Drive, Suite 735

Nashville, Tennessee 37217

615.370.0051 (Phone)

rmoore@receivermgmt.com (Email)

*Court-appointed Receiver for*

*Laurel Hills Water System*

G. Everett Sinor, Jr. (BPR#017564)

Attorney at Law

Counsel for Receivership Management, Inc.

3504 Robin Road

Nashville, Tennessee 37204

615-969-9027 (Phone)

Everett.Sinor@gmail.com (Email)

*Robert E. Moore, Jr.*  
*by G. Everett Sinor, Jr.*  
*by permission*  
*granted on*  
*6/1/16*

*G. Everett Sinor, Jr.*

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing motion has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.  
Chief of Compliance  
Counsel for Tennessee Regulatory Authority  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

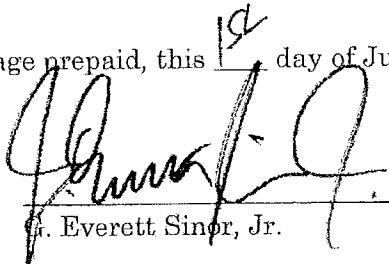
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Maryville, Tennessee 37801

Vance Broemel, Esq.  
Erin Merrick, Esq.  
Consumer Advocate and Protection Division  
Tennessee Attorney General and Reporter  
Post Office Box 20207  
Nashville, Tennessee 37202

Roger York, Esq.  
York & Bilbrey  
456 North Main Street, Suite 201  
Crossville, Tennessee 38555

via the United States Mails, postage prepaid, this 19<sup>th</sup> day of June, 2016.

  
\_\_\_\_\_  
F. Everett Sinor, Jr.

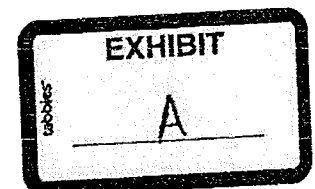
## NOTES FOR RENEGADE MOUNTAIN COMMUNITY MEETING

### Receivership Plan Options

1. **Hand the LHWS over to a co-operative led by residents of Renegade Mountain.** This would require approval by the TRA. It would also leave the LHWS in its current state, without any repairs being made to the supply pipe or the water tower. The water tower would not be able to be used. Any catastrophic failure of the LHWS would be the responsibility of the co-operative. There are questions about the ability of the LHWS to expand its service to new residents.
2. **Solicit Bids from Other Water Systems.** The Receiver has received limited interest from other a public water system and private water systems to own and/or operate the LHWS. Again there are questions about the ability of the LHWS to expand its service to new residents.
3. **Restore the LHWS and permit its expansion.** This would be accomplished by (a) quieting the title of current and future LHWS properties; (b) refurbishing the water tower; and (c) repairing or replacing the main supply pipe up the mountain. This would entail significant litigation and would require that the estate hire an outside law firm to pursue quiet title actions and/or a clerk and masters' sale. Minimal water tower refurbishment cost has been estimated as \$135,000.00 to \$180,000.00. Supply pipe repair cost estimates are even larger and depend on how the pipe is repaired or replaced.
4. **Renegade Mountain citizens incorporate as a municipality or create a water utility district.** Whether this can lawfully be accomplished is unknown. It would create a taxing power for the city and/or utility district to run and maintain the LHWS. It would also avoid TRA regulation, as water systems run by municipalities or utility districts are not subject to TRA regulation. As with the co-operative, any catastrophic failure of the LHWS would be the responsibility of the city and/or utility district. If there are titling problems, they could possibly be solved with condemnation actions, but would require payment to current title holders.

### Remaining Activities

1. Motion to Institute New Rate in Cumberland County Chancery Court, June 9, 2016.
2. Receivership Plan will be Filed with Court.
3. Fulfillment of Plan and Closing of Receivership Estate





IN THE CHANCERY COURT FOR CUMBERLAND COUNTY  
THIRTEENTH JUDICIAL DISTRICT  
AT CROSSVILLE, TENNESSEE

TENNESSEE REGULATORY AUTHORITY

v.

LAUREL HILLS CONDOMINIUMS  
PROPERTY OWNERS ASSOCIATION

Docket No. 2012-CH-560  
Chancellor Thurman

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ORDER APPROVING AND ADOPTING RECEIVERSHIP PLAN

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At argument conducted on or about the 9<sup>th</sup> day of June, 2016, the petition of movant, Receivership Management, Inc. [hereinafter the Receiver], for approval and adoption of its receivership plan for the Laurel Hills Water System in Receivership was heard.

The Receiver's motion being well taken, it is **ORDERED, ADJUDGED, and DECREED** that the movant's receivership plan is hereby **APPROVED and ADOPTED**. The Receiver shall forthwith implement and carry out its receivership plan.

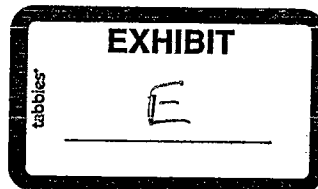
OTHER (if any):

N/A

ENTERED this 9<sup>th</sup> day of June, 2016.

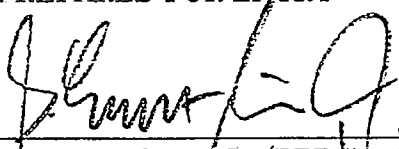
Ronald Thurman

The Honorable Ronald Thurman, Chancellor



TRA v. Laurel Hills Condos POA. - Docket No. 2012-CH-560  
Proposed Order Granting Receiver's Motion on Receivership Plan

PREPARED FOR ENTRY:



G| Everett Sinor, Jr. (BPR #017564)

Attorney at Law

Counsel for Receivership Management, Inc.

3504 Robin Road

Nashville, Tennessee 37204

615.969.9027

Everett.Sinor@gmail.com

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing order has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.  
Chief of Compliance  
Counsel for Tennessee Regulatory Authority  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

Donald Scholes, Esq.  
Benjamin Gastel, Esq.  
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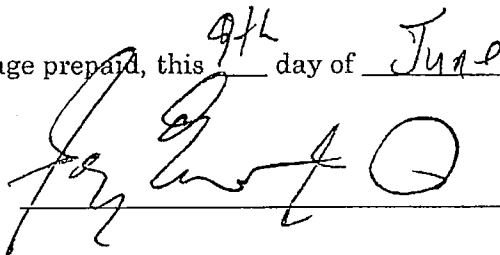
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Roger York, Esq.  
York & Bilbrey  
456 North Main Street, Suite 201  
Crossville, Tennessee 38555

G. Everett Sinor, Jr., Esq.  
Counsel for Receivership Management, Inc.  
3504 Robin Road  
Nashville, Tennessee 37204

via the United States Mails, postage prepaid, this <sup>9th</sup> day of June, 2016.





# AquaGreen Utility Inc.

August 17, 2016

Mr. Sinor

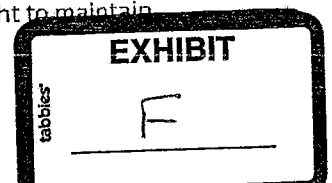
Here is an update for you. I have spent a good deal of time on the phone with Mr. McClung and his attorney, Rob Schwear with Moy Toy, the developers at Renegade Mt. I have tried to negotiate some kind of arrangement base on my understanding of what they need. We offered the items listed below in hopes of finding some kind of mutual ground. After sending this offer and our easement agreement, Mr. McClung informed me that their position is they have already done everything required and are not willing to do anything else.

These are the items we would like to agree to:

- The land the tank is located on would resort back to the developer if it was not solely used for utility purposes.
- Neutral colors would only be used on the water tank, unless approved in writing by the Utility and the Developer.
- Any income derived from any antenna placement on the water tank or the property the water tank is located on would be paid to the developer.
- No fences shall be located on the property.
- No buildings other than for utility purposes would be built on the property.
- Laurel Hills would deed current water pipes to the Utility.
- Developer picks any name on tank and lighting.
- Utility easement would be signed.
- Easement through conservation area.

Based on how the agreement is now, I do not have easement rights. The Irrevocable License Agreement Section 11 Transferability - clearly states this is a Revocable License(?).

The first page also states where utilities currently exist. No one truly knows where all the pipes are located. Some of the pipes have been cut off because of leaks, etc. We would have a right to maintain



the pipes where they are but no rights to repair or replace those pipes. We only have a right to operate a water distribution system and pump water down the pipes. This system leaks far in excess of what I expect TDEC to accept. We can't even tie anyone on who wants to build.

Section 5 states that no one can perform any disorderly conduct or commit any nuisance. This is a very vague statement, my concern is simply how can I dig up and repair a leak without it being a nuisance?

Section 8.1.E in the conservancy easement states: With prior notice to the Conservancy, Grantor may convey an easement. **This is not an easement, signing our standard easement would cure this and allow us to work on these pipes that are currently leaking.**

The deed seems to say if we quit using the tower, the land resorts back to the Grantor. These towers have a life span, and generally these type of towers are used less and less. Am I renting this property or is it a purchase?

The Grantor states that they shall have sole discretion on what type of antenna and it's construction. **What assurances do I have that we will still be able to do our maintenance, especially if there is a microwave antenna, and that the design will not structurally impair the Tower?**

These are just some of the problems I see.

**I bid with the statement that we need our easement signed. Twofold, I was told an easement is a TRA requirement to operate the system. I need to be able to work on, repair or replace any part of the system required to maintain a stable water supply to the residents. To be able to provide a quality water system, I need the easement signed.**

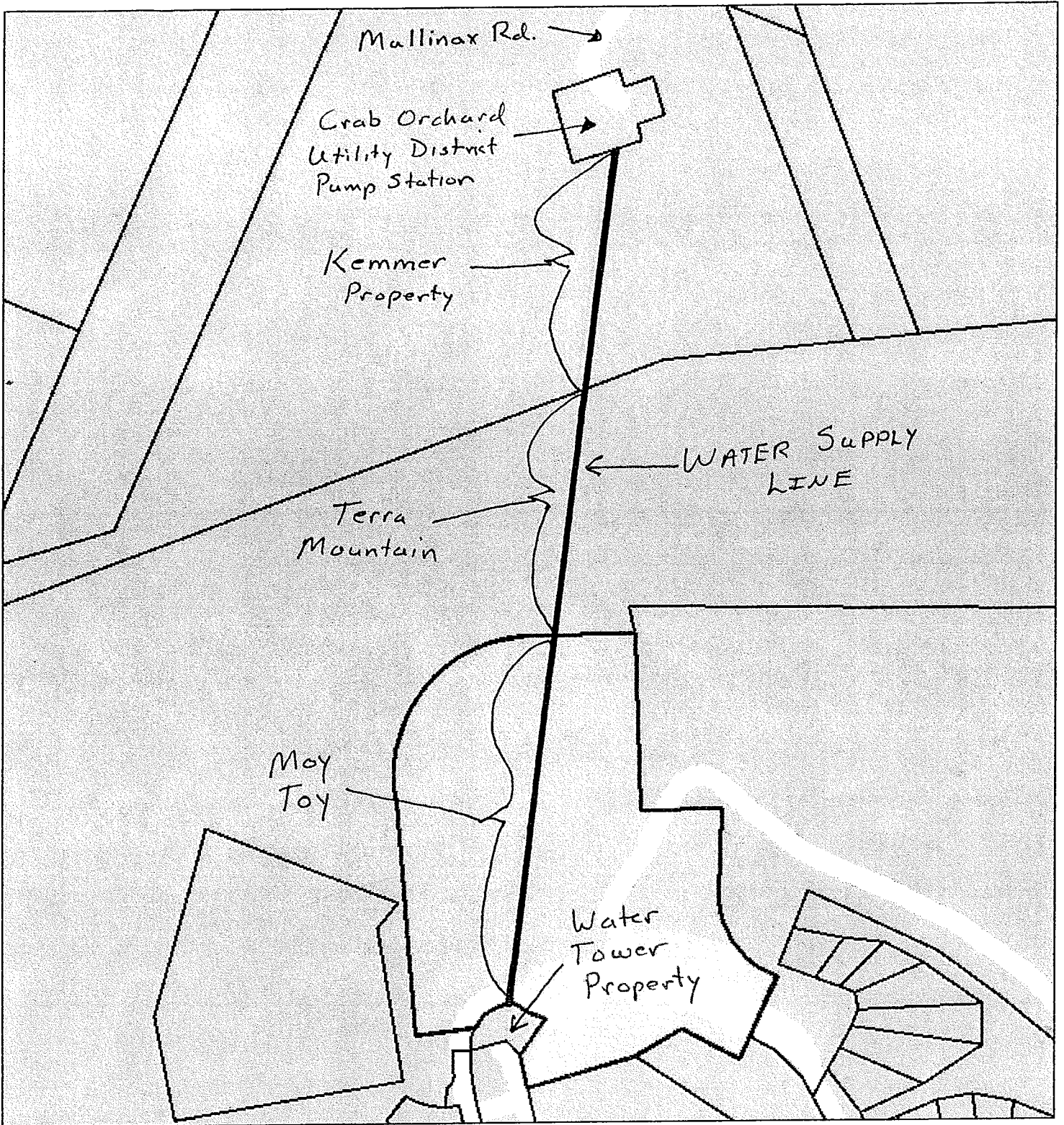
When I was in court last time I understood the TRA would pursue the agreement listed in their dockets is that going to happen? I look forward to your response and ideas on how to resolve these problems.

Dart Kendall

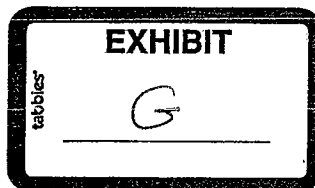
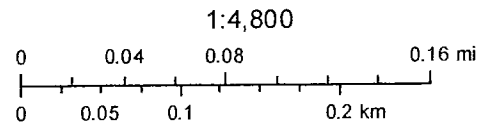
A handwritten signature in black ink, appearing to be 'Dart Kendall', written over a horizontal line.

President Aqua Green Utility

Cell 404-557-3170



November 8, 2016



OIR-GIS Services

After recording please return to:  
Landrum & Landrum  
\* 95 Stegall Drive  
P. O. Box 400  
Jasper, GA 30143

BK/PG: 1422/1806-2009

13015054

204 PGS : AL - EASEMENT	
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VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	1020.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	1022.00
STATE OF TENNESSEE, CUMBERLAND COUNTY	
JUDY GRAHAM SWALLOWS	
REGISTER OF DEEDS	

## DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT (this "Easement") is granted this 27<sup>th</sup> day of December, 2013, by TERRA MOUNTAIN HOLDINGS, LLC, a Georgia limited liability company, having an address at 901 North Broad Street, Suite 140, Rome, Georgia 30161 ("Grantor"), to and for the benefit of the ATLANTIC COAST CONSERVANCY, INC., a nonprofit Georgia corporation having an address at 72 South Main Street, Jasper, Georgia 30143 ("the Conservancy") (with Grantor and the Conservancy sometimes begin referred to, individually, as a "Party" and, collectively, "the Parties").

mail to

\*

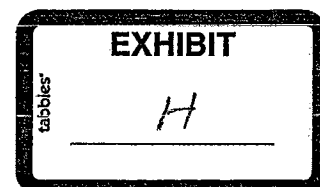
### RECITALS

WHEREAS, it is expressly understood that this Easement is being freely entered into, and that each Party has had an opportunity to have this instrument, and all associated documents, reviewed by an attorney of his, her, or its choosing; and

*insisted  
on recording  
as is!*

WHEREAS, it is expressly understood by the Parties that the donation of this Easement gives rise to a property right, immediately vested in the Conservancy, and that this Easement has a fair market value that is at least equal to the proportionate value that this Easement bears on the date hereof to the fair market value of the Property (as defined below) as a whole on the date hereof; and

WHEREAS, Grantor is the sole owner in fee simple of certain real property in Cumberland County, State of Tennessee, located off Highway 70 East in Crab Orchard, Tennessee 37723. The Property is comprised of 2,273.37 acres of land constituting tax parcels #142 031.00, #142 031.02, and #177 012.00 in Cumberland County, Tennessee, as is more particularly described in Exhibit "A" herein; and



5.12 any use that would increase or substantially add to the risk of erosion as determined by historical and current scientific literature; and

5.13 any change in the topography of the Easement Area through the placement therein of soil, landfill, dredging spoils, or other material except as incidental and necessary to the activities permitted herein; and

5.14 more than *de minimis* use for any recreational activity constituting commercial recreational activity within the meaning of Section 2031(c) of the Code; and

5.15 the transfer, encumbrance, lease, sale, or other separation of the water rights necessary and appropriate for the present and future occupation of human, faunal and vegetational populations on the Easement Area; and

5.16 the erection, construction, installation, relocation or use of a communication facility, a telecommunications facility, a network element or any other telecommunications facility, equipment or material that may be used for telecommunications or to provide such services; except for low capacity personal services; and

5.17 the erection, construction, installation, relocation or use of utility lines or substations not necessary and directly related to uses of the Easement Area permitted in this Easement; and

5.18 the erection, construction, installation, relocation or use of any lighting which interferes with wildlife on the Easement Area or with landowners within the viewscape of the Easement Area.

**6. Reserved Rights.** Grantor reserves to itself, and to its personal representatives, heirs, successors, and assigns of the Easement Area (each of which shall be "Grantor" within the meaning of this paragraph), all rights accruing from its ownership of the Easement Area, including the right to engage in or permit or invite others to engage in all uses of the Easement Area that are not expressly prohibited herein and are not inconsistent with the purpose of this Easement, including without limitation rights and permitted uses set forth in Section 7 and Section 8.

**6.1 Subdivision.** Division of the Easement Area into not more than four separate parcels is permitted. Notwithstanding the foregoing, any portion of the Easement Area that may be conveyed to another entity will be subject to the term of this Easement.

**6.2 Hunting and Fishing.** Hunting, fishing, trapping and predator control, in a manner consistent with federal, state and local laws, are permitted on the Easement Area. The Parties agree and acknowledge that controlled hunting and restocking of fish may be desirable to maintain sustainable wildlife populations consistent with the condition of the habitat.

**7. Forest Carbon Services.** Grantor may hold, market, and transfer any and all rights related to forest carbon, including but not limited to mitigation credits and offsets, now present or existing in the future, and the right to report such mitigation credits or offsets to any relevant public or



private regulatory/oversight body or registry whether pursuant to a voluntary system or one created by local, federal, or international law or regulation, which rights arise from or are generated by or from the Property on or after the date of this Easement (collectively the "Forest Carbon Services"). The Forest Carbon Services retained hereunder shall specifically include, but shall not be limited to, the right to hold, reserve, report, market, or retire any greenhouse gas mitigation credits or offsets that may be generated upon the Property, and other types of mitigation credits or offsets that arise from the production of forest carbon. Grantor shall have the absolute discretion in determining the purchaser(s) and/or recipient(s) of any Forest Carbon Services and the Conservancy shall have no right to any benefits arising from the consideration paid or given for such Forest Carbon Services.

**8. Permitted Uses.** Permitted uses of the Easement Area vary depending on where on the Easement Area such use occurs as specifically indicated below. The Easement Area is divided into three (3) principle areas all of which are depicted in the Easement Map in *Section XI* of the Baseline Documentation Report and generally described below:

*Acceptable Development Area (also referred to herein as an "ADA")* – The area in which may be placed or now exists 1) a single family dwelling or structure(s), associated accessory building(s), 2) agricultural access roads, and 3) public utilities. A total of five (5) Acceptable Development Areas will exist on the entire Easement Area: 1) Acceptable Development Area – Homesite(s), 2) the Acceptable Development Area – Agricultural Access Road, 3) the Acceptable Development Area – Existing Sewerline, 4) the Acceptable Development Area – Existing Waterline, and 5) the Acceptable Development Area – Sanitary Sewer/Water Line.

- The Acceptable Development Area – Homesite(s) will consist of a circle with a radius of 141 feet (43 meters) that encompasses a total area of approximately one and one-half acres (6070 meters<sup>2</sup>). There will be a total of three (3) homesite on the entire Easement Area. The placement of the center of the circle for the homesite will be determined sixty (60) days prior to the beginning of construction.
- The Acceptable Development Area – Agricultural Access Road will consist of a linear buffer of approximately 30 feet (9.14 meters) extending from any existing or future agricultural access road. The linear buffer will originate from the centerline of any existing or future agricultural access road and will extend 15 feet (4.57 meters) to either side.
- The Acceptable Development Area – Existing Sewerline will encompass the existing sewerline as it transects the Easement Area, as specifically identified in *Section XI* of the Baseline Documentation Report, and will consist of a linear buffer of approximately 30 feet (91.44 meters). The linear buffer will originate from the centerline of the existing sewerline and will extend 15 feet (45.72 meters) to either side of the existing sewerline, and will permit the Grantor to maintain, repair, remove, or replace the sewerline and its improvements.

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- The Acceptable Development Area – Existing Waterline will encompass the existing waterline as it transects the Easement Area, as specifically identified in *Section XI* of the Baseline Documentation Report, and will consist of a linear buffer of approximately 30 feet (91.44 meters). The linear buffer will originate from the centerline of the existing waterline and will extend 15 feet (45.72 meters) to either side of the existing waterline, and will permit the Grantor to maintain, repair, remove, or replace the waterline and its improvements.
- The Acceptable Development Area – Sanitary Sewer/Water Line shall consist of a linear buffer of no greater than 40 feet (12.19 meters) wide extending from Renegade Mountain Parkway to Running Deer Lane along the existing access road as specifically identified in *Section XI* of the Baseline Documentation Report. The linear buffer will originate at the interior eastern boundary of the Easement Area, as specifically identified in *Section XI* of the Baseline Documentation Report, will follow the centerline of the existing Agricultural Access Road, and will terminate at the interior western boundary of the Easement Area.

*Resource Protections Area (also referred to herein as an "RPA")* – The area(s) which contain(s) unique or special natural features including, but not limited to, streams, wetlands or steep slopes and their supporting buffer lands in which this Easement excludes the construction or placement of permanent or temporary buildings and anthropogenic perturbations (manmade disturbances). A total of two Resource Protection Areas will exist on the entire Easement Area: 1) the Resource Protection Area – Cumberland County Streams, and 2) the Resource Protection Area – Freshwater Pond(s).

- The Resource Protection Area – Cumberland County Streams will consist of a linear buffer of approximately 100 feet (30.49 meters). The linear buffer will originate from the approximate center of each respective aquatic feature (Fall Branch, North Fork Basin Creek, Little Sandy Branch, Fall Creek, and Sandy Creek), as specifically identified in *Section XI* of the Baseline Documentation Report, and will extend for 100 feet (30.48 meters) to either side of the aquatic feature.
- The Resource Protection Area – Freshwater Pond(s) will consist of a polygonal buffer of approximately 100 feet (30.48 meters). The linear buffer will originate at the high water line of each of the respective ponds, as specifically identified in *Section XI* of the Baseline Documentation Report, and will radiate in an outwards direction.

*Agricultural Areas (also referred to herein as "AA")* – The area which may be used for, but not limited to, horticulture, trees, carbon sequestration for carbon offset, alternative energy (wind & solar), and agricultural plantings for wildlife are allowed, may be continued and expanded and shall be considered consistent with the purposes of this Easement, provided that the same are conducted in a manner not inconsistent with this Easement and provided further that:

- 1) Under no circumstances shall there be industrial or factory-type livestock operations or animal husbandry characterized by the continuous confinement

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of livestock in tightly confined environments for the purpose of raising, feeding and fattening for market on the Property; and no slaughtering facility or poultry, dairy or hog operation shall be allowed;

- 2) Pesticides and/or herbicides may be used only in a manner consistent with their labeling and in compliance with all federal, state, and local regulations, including those related to licensing and/or certification of applicators;
- 3) All permitted agricultural activities shall be conducted in accordance with any pertinent local or state regulations or guidelines covering such activities and Best Management Practices of the State of Tennessee and applicable federal, state and local laws;
- 4) All such activities shall be designed to maintain soil productivity and prevent soil erosion to protect water quality and wetlands;
- 5) Any change in agricultural use or activity to a use not traditionally used on the Property shall be subject to the prior written approval of Conservancy, which approval shall not be unreasonably withheld;
- 6) Land application of domestic septic effluent and/or municipal, commercial or industrial sewage sludge or liquids generated from such sources is prohibited;
- 7) Commercial horticultural activities are allowed but shall be limited to native species of plants;
- 8) All farming operations not being utilized as of the date of this Easement shall be conducted in a manner consistent with a farm conservation plan prepared by the USDA, NRCS, or its successor, or by another qualified conservation professional. This plan shall be updated at least every ten years and in any event at the time the basic type of agricultural operation on the Property changes or at the time ownership of the Property changes.

8.1 *Acceptable Development Areas*. The following activities are permitted within each Acceptable Development Area to the extent indicated provided that Grantor notifies the Conservancy in writing thirty (30) working days prior to exercising the prescribed permitted uses unless otherwise noted.

8.1.A Acceptable Development Area – Homesite. With prior written notice to the Conservancy, Grantor may locate, construct, maintain, repair, remove, enlarge or replace three (3) single-family structure and their improvements within the area shown in the Conservation Easement Map, *Section XI* of the Baseline Documentation Report, as Agricultural Area. There will be a total of three (3) homesite on the entire Easement Area. Said homesite, accessory buildings and improvements shall be located completely within the corresponding ADA - Homesite. Accessory buildings and improvements associated with the residence may include garages, carports and storage sheds. Any temporary easements and permission to access any area of the Easement in

connection with such permissions which is disturbed by activity must be revegetated and restored to a natural condition promptly after completion of extraction to ensure that the location of such activity does not substantially diminish or impair the Conservation Values.

8.1.A.i Building Restrictions. With prior written notice to the Conservancy, Grantor may locate, construct, maintain, repair or replace three single-family dwellings within the area depicted in the Conservation Easement Map, *Section XI* of the Baseline Documentation Report, as Agricultural Area so long that the respective ADA – Homesite does not overlap with any Resource Protection Area. The foregoing permissions include, to the maximum extent necessary, temporary easements and permission to access any area of the Easement Area in connection with such permissions, including, without limitation, construction, repair, and maintenance of the structure and appurtenances permitted subservient utilities. Any temporary easements and permission to access any area of the Easement Area in connection with such permissions which is disturbed by activity must be revegetated and restored to a natural condition promptly after completion of extraction to ensure that the location of such activity does not substantially diminish or impair the Conservation Values.

8.1.A.ii Fences. Without prior written permission from or notice to the Conservancy, Grantor may construct, maintain, repair or replace existing fences, and new fences may be constructed, maintained, repaired or installed, anywhere within the respective ADA – Homesite.

8.1.A.iii Access Road. Without prior written permission from or notice to the Conservancy, Grantor may construct, maintain, improve, repair, remove, enlarge or replace one (1) access road within the respective ADA – Homesite, and to connect the access road to ADA – Agricultural Access Road. No portion of the access road shall be paved or otherwise covered with concrete, asphalt, or any other impervious paving material except for steep slope areas that may require additional hardening of the surface to reduce erosion.

8.1.A.iv Subsistence Garden. Without prior written permission from or notice to the Conservancy, Grantor may construct, maintain, repair or replace one (1) subsistence garden within the respective ADA – Homesite. Said garden may be used for *de minimis* agricultural-related commercial activities.

8.1.B Acceptable Development Area – Agriculture Access Road. Without prior written permission from or notice to the Conservancy, Grantor may create, maintain, improve, repair, remove, enlarge or replace any agriculture access road within the area shown in the Conservation Easement Map, *Section XI* of the Baseline Documentation Report, as Agricultural Area. The ADA-Agriculture Access Road is allowed to extend from any existing or future agricultural access road and said improvements shall be located completely within the corresponding ADA – Agriculture Access Road. No portion of the agriculture access road shall be paved or otherwise covered with concrete, asphalt, or any other impervious paving material.

**8.1.C Acceptable Development Area – Existing Sewerline.** Without prior written permission from the Conservancy, Grantor may maintain, repair, remove, or replace one (1) existing sewerline and its improvements within the area shown in the Conservation Easement Map, Section XI of the Baseline Documentation Report as Acceptable Development Area – Existing Sewerline. Said improvements shall be located completely within the corresponding Acceptable Development Area – Existing Sewerline. The foregoing permissions include, to the maximum extent necessary, temporary easements and permission to access any area of the Property in connection with such permissions, including, without limitation, construction, repair, and maintenance of the structure and appurtenances permitted subservient utilities. Any temporary easements and permission to access any area of the Property in connection with such permissions which is disturbed by activity must be revegetated and restored to a natural condition promptly after completion of extraction to ensure that the location of such activity does not substantially diminish or impair the Conservation Values.

**8.1.D Acceptable Development Area – Existing Waterline.** Without prior written permission from the Conservancy, Grantor may maintain, repair, remove, or replace one (1) existing waterline and its improvements within the area shown in the Conservation Easement Map, Section XI of the Baseline Documentation Report as Acceptable Development Area – Existing Waterline. Said improvements shall be located completely within the corresponding Acceptable Development Area – Existing Waterline. The foregoing permissions include, to the maximum extent necessary, temporary easements and permission to access any area of the Property in connection with such permissions, including, without limitation, construction, repair, and maintenance of the structure and appurtenances permitted subservient utilities. Any temporary easements and permission to access any area of the Property in connection with such permissions which is disturbed by activity must be revegetated and restored to a natural condition promptly after completion of extraction to ensure that the location of such activity does not substantially diminish or impair the Conservation Values.

**8.1.E Acceptable Development Area – Sanitary Sewer/Water Line.** With prior written notice to the Conservancy, Grantor may convey an easement or authorization (including construction easements) to locate, construct, maintain, repair, remove, or replace a force main sanitary sewer/water line across the Easement Area.

**8.1.E.i Building Restrictions.** With prior written notice to the Conservancy, Grantor may locate, construct, maintain, repair or replace a force main sanitary sewer/water line across the Easement Area. Any sanitary sewer/water line shall be located a minimum of 25 feet (7.12 meters) from any waterway and shall be placed so as to impact the Easement Area as is practicable, in accordance with good engineering practices. If a sanitary sewer/water line is installed, there shall be no sidecasting of any fill material into any wetlands, streams, rivers or waters that lie outside of the ADA – Sanitary Sewer/Water Line. The foregoing permissions include, to the maximum extent necessary, temporary easements and permission to access any area of the Property in connection with such permissions, including, without limitation, construction, repair, and maintenance of the structure and appurtenances permitted subservient utilities. Any temporary easements and permission to access any area of the Property in connection with such permissions which is disturbed by activity must be revegetated and restored to a natural condition promptly after

completion of extraction to ensure that the location of such activity does not substantially diminish or impair the Conservation Values.

8.2 *Resource Protection Area*. The following activities are permitted within the Resource Protection Area(s) to the extent indicated.

8.2.A Recreation and Educational Usages. Without prior written permission from or notice to the Conservancy, Grantor may use area(s) shown in the Conservation Easement Map, *Section XI* of the Baseline Documentation Report, as Resource Protection Area(s) for low-impact outdoor recreation, education, nature observation and scientific study, so long as these activities preserve the value of the Resource Protection Area(s) as wildlife habitat, riparian buffer and aquatic ecosystem.

8.2.B Fences. Without prior written permission from or notice to the Conservancy, Grantor may maintain, preserve, improve, repair, remove, enlarge or replace existing fences in the area shown in the Conservation Easement Map, *Section XI* of the Baseline Documentation Report, as Resource Protection Area(s), for purposes of preventing trespass on the Easement Area. No new fences may be constructed anywhere in the Resource Protection Area(s)

8.2.C Hunting Stands and Platforms. Without prior written permission from or notice to the Conservancy, Grantor may establish and maintain hunting stands and platforms within the area shown in the Conservation Easement Map, *Section XI* of the Baseline Documentation Report, as Resource Protection Area(s) provided that such accessories are erected and maintained in a manner that minimizes damage to the Easement Area, and so long as these activities preserve the value of the Resource Protection Area(s) as wildlife habitat, scenic buffer, riparian buffer and aquatic ecosystem. The foregoing permissions include, to the maximum extent necessary, temporary easements and permission to access any area of the Easement Area in connection with such permissions, including, without limitation, construction, repair, and maintenance of the structure and appurtenances permitted subservient utilities. Any temporary easements and permission to access any area of the Easement Area in connection with such permissions which is disturbed by activity must be revegetated and restored to a natural condition promptly after completion of extraction to ensure that the location of such activity does not substantially diminish or impair the Conservation Values.

8.2.D Trails. Without prior written permission from or notice to the Conservancy, Grantor may establish and maintain a foot trail anywhere in the Resource Protection Area(s) to be used for outdoor recreation and education.

8.2.D.i Trail. The trail may include steps and railings and other trail surface structures as well as bridges and culverts for traversing wet areas.

8.2.D.ii Trail Width. The trail may not exceed 10 feet (3.048 meters) in width.

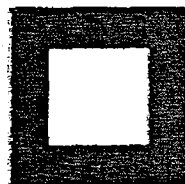
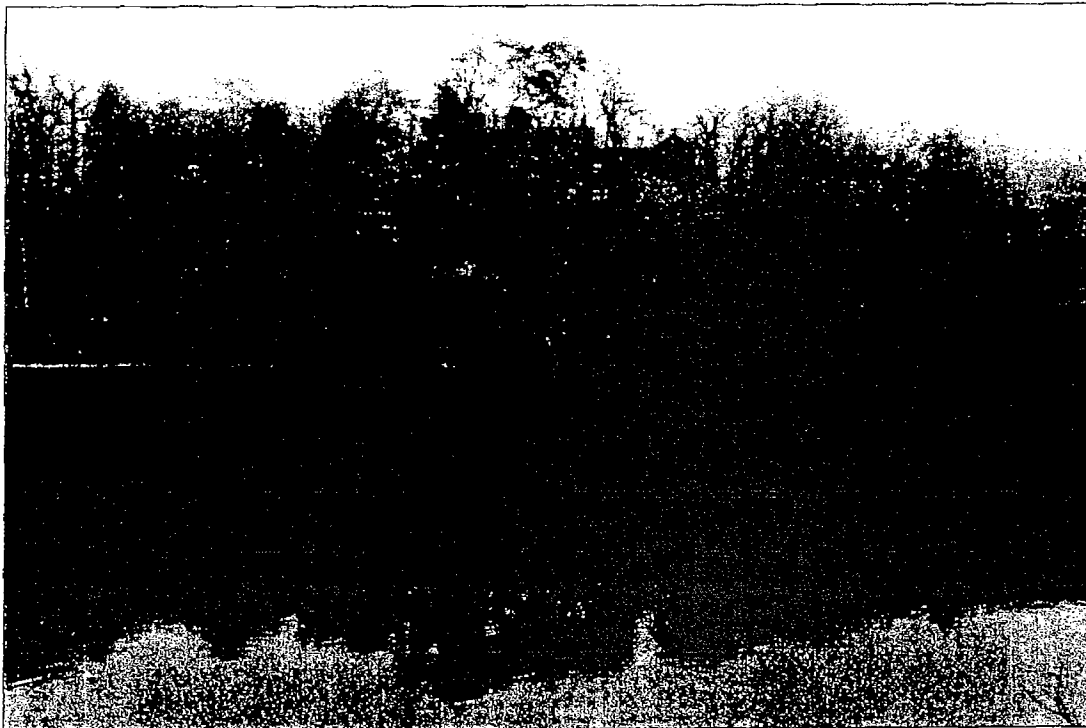
8.2.D.iii Trail Covering. The trail may be covered, if at all, by wood chips, gravel, or any other porous surface so as not to enhance stormwater runoff into the wetland/stream.

Exhibit "C"

**FINAL REPORT**  
(ACC ACCOUNT No. E201329A)

**PREPARED FOR:**  
TERRA MOUNTAIN HOLDINGS, LLC  
27 DECEMBER 2013

**BASELINE DOCUMENTATION REPORT**



*72 South Main Street  
Jasper, Georgia 30143  
(706) 273-9173*

**Baseline Documentation Report  
(Terra Mountain Holdings, LLC)**

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*Conservation Easement Map*

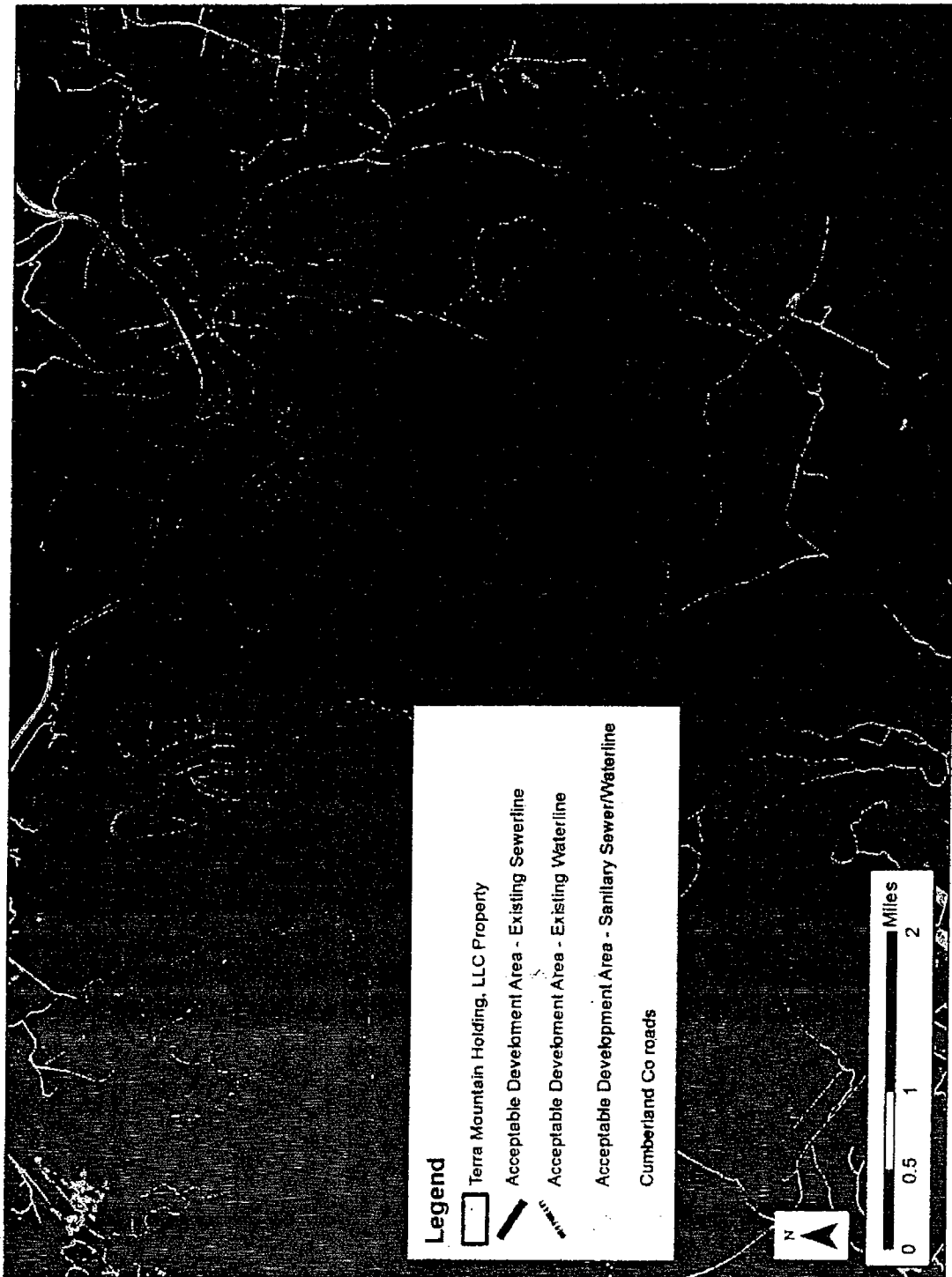


Figure 16. Conservation easement map depicting spatial location of the Acceptable Development Area – Existing Sewerline (in Sugelite sky), the Acceptable Development Area – Existing Waterline (in Lepidolite lilac), and the Acceptable Development Area – Sanitary Sewerline/Waterline (in Tzvorite green) (1:50,000 scale).

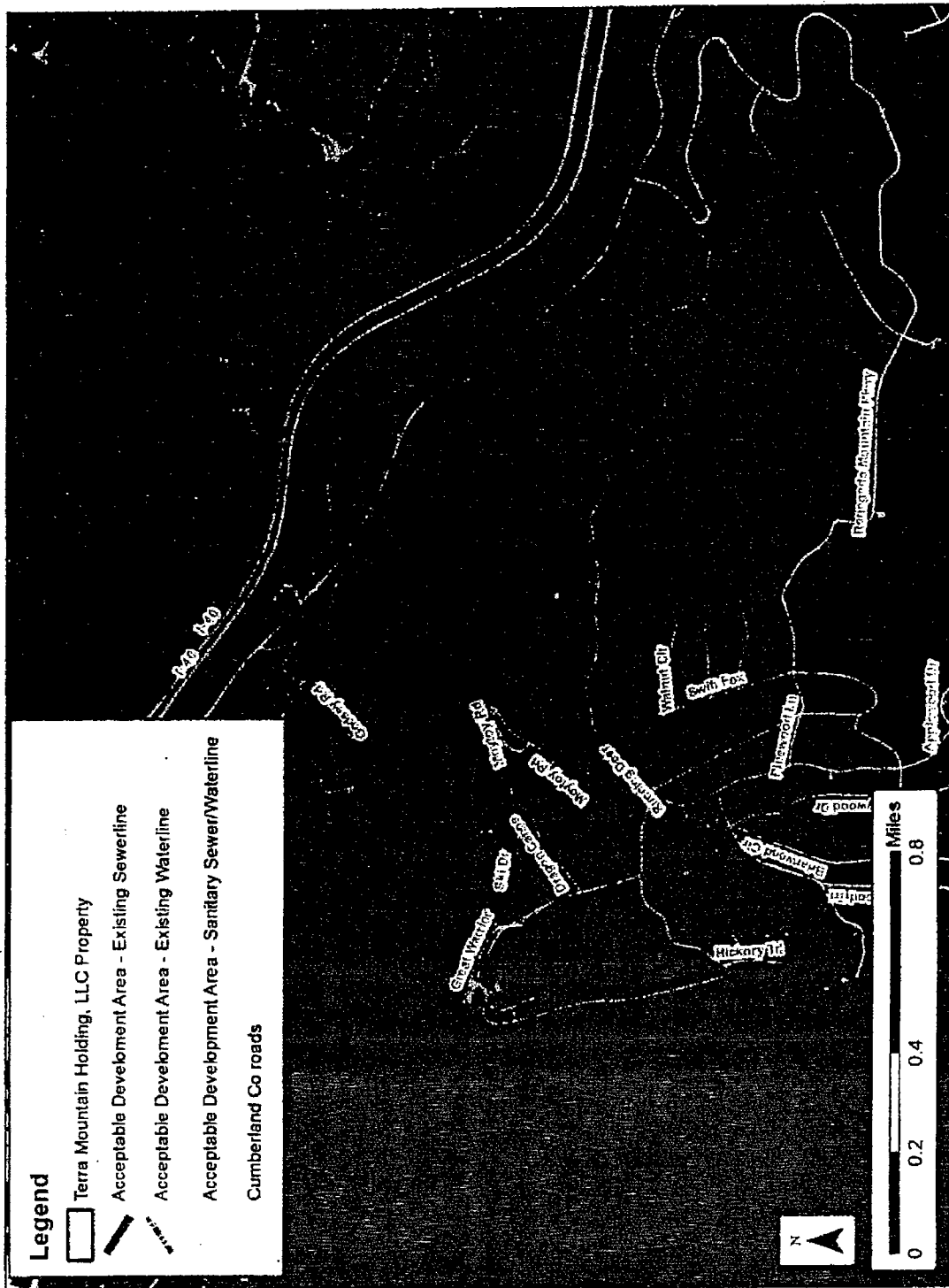


Figure 17. Conservation easement map depicting spatial location of the Acceptable Development Area – Existing Sewerline (in Sugalite sky), the Acceptable Development Area – Existing Waterline (in Lepidolite lilac), and the Acceptable Development Area – Sanitary Sewerline/Waterline (in Tzvorite green) (1:35,000 scale).

**IRREVOCABLE LICENSE AGREEMENT**  
**FOR EXISTING UTILITY PURPOSES**

THIS NON-EXCLUSIVE IRREVOCABLE LICENSE AGREEMENT is entered into this 3rd day of February, 2016, effective as of October 25, 2015 (the "Effective Date"), by and between **MOY TOY, LLC**, a Tennessee limited liability company (hereafter "**MOY TOY**") and **LAUREL HILLS CONDOMINIUM PROPERTY OWNER'S ASSOCIATION**, a Tennessee non-profit corporation, (hereafter "**LAUREL HILLS**").

**WHEREAS, LAUREL HILLS** desires permission from **MOY TOY** to enter upon various lands and interests in lands owned or held by **MOY TOY** for utility purposes in connection with the operation of a water system in receivership; and

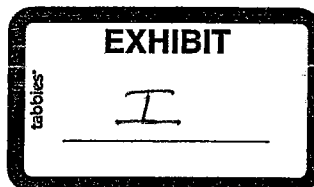
**WHEREAS, LAUREL HILLS** has requested that **MOY TOY** grant this Non-Exclusive Irrevocable License to utilize **MOY TOY'S** properties where **LAUREL HILLS'** utilities currently exist; and

**WHEREAS, MOY TOY** is willing to grant **LAUREL HILLS** this license for the purposes set forth herein, subject to certain terms and conditions, and

**WHEREAS,** this license agreement is intended to be fully transferable; and

**WHEREAS,** this Non-Exclusive Irrevocable License is being granted pursuant to that certain Settlement Agreement and Release by and between Laurel Hills Condominiums Property Owners Association, a Tennessee non-profit corporation, and the Tennessee Regulatory Authority, and specifically, the terms and conditions set out in Article II, Paragraph (f) on Page 4 thereof in order to ensure that whatever water lines, pipes, pump stations, and other water system related assets owned by **LAUREL HILLS** have a valid property right to

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remain in the location where they are found on the Effective Date of this license.

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

1. **Recitals.** The foregoing recitals are true and correct and are made a part of this Non-Exclusive Irrevocable License Agreement by this reference.

2. **Grant of Permission.** **MOY TOY** hereby gives permission, irrevocable and interminable as hereinafter provided, to **LAUREL HILLS** to enter onto the lands or interests in lands of **MOY TOY** described below for the purpose of using said land for the operation of a water distribution system consisting of all existing water transmission lines, water service lines, water meters, valves, pumping stations, and related appurtenances, all on the terms and conditions herein set forth which **LAUREL HILLS** accepts and promises to comply and abide with.

3. **Description of Property.** The real property of **MOY TOY** that **LAUREL HILLS** is hereby permitted to enter and utilize is described as follows:

Those certain areas within the lands legally described in Exhibit "A", attached hereto, generally reserved as of the date of this license agreement for the location of existing utilities within rights of way, roadways, common areas, utility easements and the like.

4. **Permission Not Exclusive.** This permission is not exclusive to **LAUREL HILLS**, and **LAUREL HILLS** shall have the privilege hereunder only of occupying such portion of the above-described property at such locations where the water system is currently existing.

5. **No Nuisance On Premises.** **LAUREL HILLS** shall not perform or permit any of

LAUREL HILLS' representatives, agents, employees, contractors, successors, assigns, or any other person to perform any disorderly conduct or commit any nuisance on the property or to use the premises in any way so as to interfere with the exercise by the title owner thereof or other licensees or permittees of privileges which MOY TOY has itself or may give to others in the premises, including other utility providers. LAUREL HILLS shall at all times comply with all laws, codes, rules, and regulations, whether federal, state, county, or municipal, relating to or in any way regulating or applicable to LAUREL HILLS' use of the premises.

6. **Indemnification.** LAUREL HILLS shall exercise its privileges hereunder at its own risk. For so long as LAUREL HILLS or its successors or assigns own, operate, or maintain the water distribution system as described in this license, LAUREL HILLS, its representatives, agents, employees, contractors, successors, and assigns shall at all times hereafter, indemnify and hold harmless MOY TOY and its officers, representatives, agents, employees, contractors, successors, and assigns from and against all claims, damages, losses and expenses arising out of or relating to this license or any claim of liability or any other claim involving the water distribution system or arising out of the water distribution system's use of the irrevocable license described above, unless caused by Moy Toy's negligent or willful conduct.

7. **Insurance.** LAUREL HILLS shall at all times maintain policies of insurance in such amounts and for such coverages as are customary in the public utility industry beginning not later than February 28, 2017.

8. **Binding Effect.** All of the covenants, conditions and provisions of this license shall inure to the benefit of and be binding upon the parties hereto and their

respective successors and assigns.

9. Modifications. This license may not be modified, except in writing signed by the party against whom such modification is sought to be enforced.

10. Choice of Law. This license shall be governed by the laws of the State of Tennessee.


11. Transferability. The license herein provided is fully transferable.

IN WITNESS WHEREOF, the parties hereto have executed this Non-Exclusive Revocable License Agreement as of the day and year first above written.

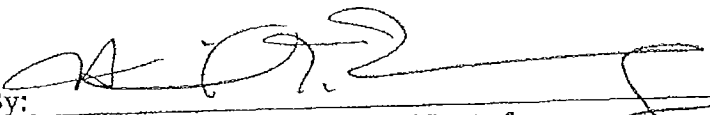
**SIGNATURES ON FOLLOWING PAGE**



MOY TOY, LLC, a Tennessee limited liability company,

By   
PHILLIP G. GUETTLER, Managing Member of  
RENEGADE FLORIDA MANAGEMENT, LLC,  
As General Partner of RENEGADE FLORIDA,  
LIMITED, as Managing Member of MOY TOY, LLC

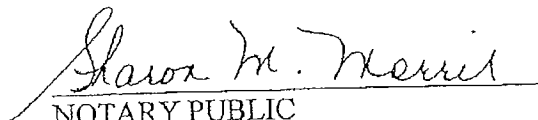
LAUREL HILLS CONDOMINIUM PROPERTY OWNERS' ASSOCIATION

By:   
MICHAEL MCCLUNG, President of  
LAUREL HILLS CONDOMINIUM PROPERTY OWNERS  
ASSOCIATION, a Tennessee, non-profit corporation.

STATE OF FLORIDA  
COUNTY OF ST. LUCIE

Personally appeared before me, the undersigned, a Notary Public of said County and State, Phillip G. Guettler, Managing Member of RENEGADE FLORIDA MANAGEMENT, LLC, as General Partner of RENEGADE FLORIDA, LIMITED, as Managing Member of MOY TOY, LLC, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who acknowledged that the foregoing was executed for the purpose therein contained.

WITNESS my hand and official seal at Fort Pierce, Florida, on this 3rd day of February, 2016.

  
NOTARY PUBLIC  
STATE OF FLORIDA AT LARGE  
MY COMMISSION EXPIRES:

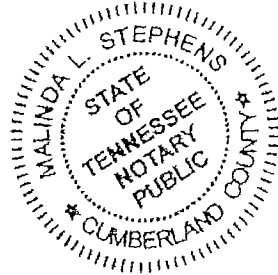


SHARON M. MORRIS  
MY COMMISSION # FF 136734  
EXPIRES: July 31, 2018  
Bonded Thru Budget Notary Services

STATE OF TENNESSEE  
COUNTY OF Cumberland

Personally appeared before me, the undersigned, a Notary Public of said County and State, Michael McClung, President of LAUREL HILLS CONDOMINIUM PROPERTY OWNERS ASSOCIATION, a Tennessee non-profit corporation, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who acknowledged that the foregoing was executed for the purpose therein contained.

WITNESS my hand and official seal at Crossville, TN on this 5<sup>th</sup> day of February, 2016.



Malinda Stephens  
NOTARY PUBLIC  
STATE OF TENNESSEE AT LARGE  
MY COMMISSION EXPIRES: 3-7-16

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**EXHIBIT "A"**  
**PROPERTY DESCRIPTION**

**TRACT 1**  
**(ORIGINAL LODGE TRACT)**

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

Beginning at a newly set 1/2" rebar with cap, bearing S 22°51'14" W, 50.03 feet from the Southwesterly corner of lot 1 of block 1 of Renegade Mountain as recorded in Plat Book 2, Page 57, at the Cumberland County Register of Deeds;

Thence, S 22°51'14" W, 197.62 feet to a newly set 1/2" rebar with cap; Thence, S 29°24'40" W, 66.76 feet to a newly set 1/2" rebar with cap; Thence, N 56°51'25" W, 155.04 feet to a newly set 1/2" rebar with cap; Thence, S 67°00'07" W, 189.25 feet to a newly set 1/2" rebar with cap; Thence, N 14°21'39" W, 189.20 feet to a newly set 1/2" rebar with cap; Thence, S 86°50'48" W, 303.65 feet to a newly set 1/2" rebar with cap; Thence, N 01°50'17" W, 730.44 feet to a newly set 1/2" rebar with cap on the point of curvature of a circular curve to the right, having a radius of 400.00 feet, a chord bearing of N 45°14'57" E and a chord distance of 585.91 feet; Thence, along the arc of said circular curve 657.46 feet to a newly set 1/2" rebar with cap; Thence, S 87°39'49" E, 281.58 feet to a newly set 1/2" rebar with cap; Thence, South, 513.43 feet; Thence, S 87°39'49" E, 207.19 feet; Thence, S 60°22'55" E, 15.32 feet; Thence, S 02°20'11" W, 211.24 feet to the point of curvature of a circular curve to the left, having a radius of 250.00 feet, a chord bearing of S 28°56'20" E and a chord distance of 296.76 feet; Thence, along the arc of said circular curve 317.71 feet to the Point of Beginning of the herein described Convention Center Site Tract. (Containing 22.18 Acres more or less). A Portion of Map 142, Parcel 31.00.

**TRACT 2**  
**(SPORT TRACT)**

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

3/3/2016

Begin at the Northwest corner of Lot 413, Block 4-A, as recorded in Plat Book 2, Page 67, at the Cumberland County Register of Deeds, Cumberland County, Tennessee.

Thence, N 58°27'25" W, 54.54 feet; Thence, S 31°32'35" W, 79.36 feet; Thence N 40°42'26" W, 339.88 feet; Thence, N 47°17'34" E, 233.77 feet; Thence, N 61°47'25" E, 119.01 feet; Thence, N 28°04'35" E, 138.72 feet; Thence, N 44°41'20" E, 118.81 feet; Thence, N 53°52'49" E, 151.01 feet; Thence, N 36°12'11" E, 294.01 feet; Thence, East, 1435.37 feet; Thence, South, 361.12 feet; Thence, S 59°59'58" E, 705.33 feet; Thence, East 354.34 feet; Thence, South, 926.67 feet; Thence, West 1444.61 feet; Thence, N 79d45'01" W, 603.86 feet; Thence, S 84°04'59" W, 417.08 feet; Thence, N 01°08'59" E, 383.96 feet; Thence, S 61°51'45" W, 266.41 feet; Thence, N 39°d58'39" W, 357.84 feet to the Point of Beginning of the herein described parcel. Containing 88.960 acres, more or less. (Map 142, Portion of Parcel 31.00.

**TRACT 3  
(WATER TANK SITE)**

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

Beginning at the Northwest corner of Woodridge Condo Phase 1 as shown in Plat Book 9 at Page 185; Said Point being on the Easterly Right-of-Way Line of Renegade Mountain Parkway as shown in PB 2 at Pg 90, Revised in PB 9 at Pg 191, at the office of the Register of Deeds, Cumberland County, Tennessee;

Thence Northeasterly along said Easterly Right of way Line, being a curve to the right, having a radius of 137.18 feet, thru a central angle of 63° 19' 00", 151.60 feet; Thence, N 68°51'47" E, 45.17 feet; Thence, S 59°50'18" E, 62.16 feet; Thence, S 70°02'32" E, 48.11 feet; Thence, S 34°36'48" W, 129.83 feet; Thence, N 43°05'21" W, 57.01 feet; Thence, S 74°10'36" W, 103.96 feet; to the Point of Beginning of the herein described Water Tank Site Tract. (Containing 0.43 Acres more or less). A Portion of Map 141, Parcel 031.00 and a Portion of Map 141, Parcel 056.00.

**TRACT 4  
(RIGHT OF WAYS IN THE FOLLOWING PLATS OF RENEGADE MOUNTAIN)**

Being underlying ownership in the public and/or private Rights of Way tracts of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade

3/3/2016

Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as shown on the following Plats:

BLOCK 1: Recorded in Plat Book 2, page 57, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 2: Recorded in Plat Book 2, page 58, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 2 Revised: Recorded in Plat Book 2, page 89, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 4: Recorded in Plat Book 2, page 69, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 4-A: Recorded in Plat Book 2, page 67, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 5: Recorded in Plat Book 2, page: 68, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 6: Recorded in Plat Book 3, page 5, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby.

BLOCK 7: Recorded in Plat Book 2, page 81, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 8: Recorded in Plat Book 2, page 90, as revised in Plat Book 9, page 191, Register's Office, Cumberland County, Tennessee, to which said plats specific reference is hereby made.

BLOCK 9: Recorded in Plat Book 3, pages 51-52, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made. Lot 404 was revised by a plat of record in Plat Book 8, page 289, Register's Office, Cumberland County, Tennessee.

BLOCK 15: Recorded in Plat Book 9; page 188, as revised in Plat Book 9, page 207, Register's Office, Cumberland County, Tennessee, to which said plats specific reference is hereby made.

BLOCK 16: Recorded in Plat Book 9, page 189-190, as revised in Plat Book 9, pages 208-209, Register's Office, Cumberland County, Tennessee, to which said plats specific reference is hereby made.

BLOCK 17: Recorded in Plat Book 10, page 419, Register's Office, Cumberland County, Tennessee, to which said plats specific reference is hereby made.

3/3/2016

ALL THE ABOVE TRACTS 1 THROUGH 4 ARE SUBJECT TO all covenants, restrictions, reservations, and the like, if any, together with all rights and easements heretofore existing.

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE is executed this 5<sup>th</sup> day of April, 2016, effective as of October 26, 2015 (the "Effective Date"), by LAUREL HILLS CONDOMINIUM PROPERTY OWNERS ASSOCIATION, a Tennessee non-profit corporation (hereinafter "LAUREL HILLS").

WHEREAS, LAUREL HILLS has been requested to issue this Assignment and Bill of Sale assigning and conveying whatever interest it may have in and to certain of its former water company assets to the LAUREL HILLS WATER SYSTEM IN RECEIVERSHIP (hereinafter "LAUREL HILLS RECEIVERSHIP").

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, LAUREL HILLS does hereby assign, remise, release and quit claim unto LAUREL HILLS RECEIVERSHIP forever, all of the right, title, interest, claim and demand which LAUREL HILLS has in and to the following personal property relating to the water system formerly operated by LAUREL HILLS on Renegade Mountain, Cumberland County, Tennessee, to-wit:

(SEE ATTACHED SCHEDULE "A")

TO HAVE AND TO HOLD the same together with all and singular, the appurtenances thereto belonging or in anywise appertaining, and all of the estate, right, title, interest, lien, equity and claim whatsoever of the said LAUREL HILLS.

IN WITNESS WHEREOF, this Assignment and Bill of Sale is executed by the undersigned on the day and year first written above.

WITNESSES:

Judith A. Sullivan

Print Name: Judith A. Sullivan BY:

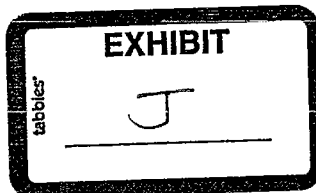
Lois Antenucci

Print Name: Lois Antenucci

LAUREL HILLS CONDOMINIUM  
PROPERTY OWNERS ASSOCIATION

Michael McClung

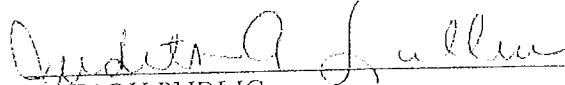
MICHAEL MCCLUNG, President of  
LAUREL HILLS CONDOMINIUM  
PROPERTY OWNERS ASSOCIATION,  
a Tennessee non-profit association

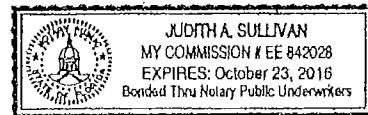


STATE OF FLORIDA  
COUNTY OF ST. LUCIE

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County foresaid to make acknowledgments, personally appeared MICHAEL MCCLUNG, as President of LAUREL HILLS CONDOMINIUM PROPERTY OWNERS ASSOCIATION, a Tennessee non-profit association, personally known to me or who produced \_\_\_\_\_ as identification, to be the person described in and who executed the foregoing instrument and he acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 5th day of April, 2016.

  
NOTARY PUBLIC  
STATE OF FLORIDA AT LARGE  
MY COMMISSION EXPIRES:



**SCHEDULE "A"**

**LIST OF ASSETS TO BE CONVEYED TO THE RECEIVER**

1. All water transmission lines;
2. All water service lines;
3. All water meters and valves;
4. The pumping station located on Mullinax Drive, Crab Orchard, Tennessee;
5. The water storage tank located next to the pumping station;
6. All other tangible assets used by Laurel Hills in connection with the Renegade Mountain Water System (currently in the possession of Laurel Hills Receivership);
7. All accounts receivable;
8. All rights under any contracts related to water service;
9. All service rights;
10. All other general intangible rights related to the provision of water service.

OWNER/RESPONSIBLE TAXPAYER:  
RECEIVESHIP MANAGEMENT, INC.  
783 Old Hickory Boulevard – Suite 255  
Brentwood, TN 37027-4508

THIS INSTRUMENT PREPARED BY:  
Tennessee Valley Title Insurance Co.  
800 S. Gay Street, Suite 1700  
Knoxville, TN 37929  
File No. 96729 (JHH)

Map 141, Parcel 056.01

### QUITCLAIM DEED

THIS INDENTURE made this 3rd day of February, 2016, between MOY TOY, LLC, a Tennessee limited liability company, Grantor, and RECEIVERSHIP MANAGEMENT, INC., a Tennessee corporation, as Receiver of Laurel Hills Water System, Grantee:

### WITNESSETH:

THAT SAID GRANTOR, for in and in consideration of the sum of Ten and No/100 (\$10.00) Dollars, and other good and valuable consideration, to it in hand paid by said Grantee, the receipt of which is hereby acknowledged, has bargained, sold, remised, released and QUITCLAIMED, and does by these presents sell, remise, release and QUITCLAIM unto Grantee, all of Grantor's right, title and interest in and to the following described premises (the "Property"), to-wit:

(SEE PROPERTY DESCRIPTION ON EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF)

BEING the same property conveyed to Moy Toy, LLC, by Warranty Deed (In Lieu of Foreclosure) from Laurel Hills Condominiums Property Owners Association, dated February 25, 2014, and recorded in Book 1427, page 58, in the Cumberland County Register's Office.

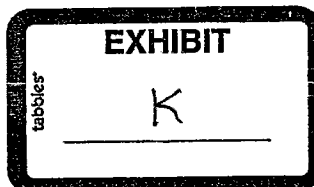
and all the estate, right, title and interest of Grantor therein, with the hereditaments and appurtenances thereto appertaining, hereby releasing all claims therein to the said Grantee, its successors and assigns forever.

### Restrictions

This conveyance is made subject to the following restrictions which shall run with the land:

1. The Property shall be used for water utility purposes only. If the water tower now located on the Property or any replacement thereof is abandoned, ceases to be used for water utility purposes (provided the Grantee is not obligated to utilize the water

Page 1 of 4



*Handwritten mark*



tower in its current condition for utility operations until it is reconditioned and connected to the water system), or ceases to be used as part of the Renegade Mountain Water System, title to the Property shall automatically revert to Grantor or its designated successor or assign.

2. Grantee shall maintain the Property, keeping any grass regularly mowed and landscaping trimmed and neat.

3. No building or structure unrelated to utility purposes or required for the support and maintenance of the water tower located on the Property or its replacement shall be permitted.

4. No chain link or barbed wire fencing shall be permitted on the Property.

5. The water tower now located on the Property and any replacement thereof and any buildings or structures related to the support and maintenance of the water tower or its replacement shall be regularly maintained by Grantee. If the Grantee has the water tower repainted or constructs utility related buildings or structures then they shall be painted colors that are neutral and in harmony with other structures in the Renegade Mountain development. Repainting shall be done in coordination with Grantor so as to allow for the installation, preservation or repainting of signage on the water tower as set out below.

#### **Reservation of Rights and Easements**

Grantor, for itself and its successors and assigns, hereby reserves the right of an easement to install and maintain an antenna and supporting appurtenances on top of the water tower now located on the Property and any replacement thereof. This easement shall include a right of ingress and egress over the Property to access the antenna. The antenna shall be of such design and construction as Grantor in its sole discretion shall determine.

In addition, Grantor, for itself and its successors and assigns, reserves an easement to install and maintain lighting to illuminate the water tower now located on the Property and any replacement thereof as well as an easement to keep and maintain a sign with the name "Renegade Mountain" or any successor name of the Renegade Mountain development thereon.

Whenever in this instrument a pronoun is used it shall be construed to represent either singular or plural, as the case may demand.

IN WITNESS WHEREOF, the said Grantor has caused this instrument to be executed as of the day and year first above written.

Moy Toy, LLC, a Tennessee limited liability company,

By: Renegade Florida, Limited, Managing Member

By: Renegade Florida Management, LLC,  
General Partner

By: [Signature]  
Phillip G. Guettler, Managing Member

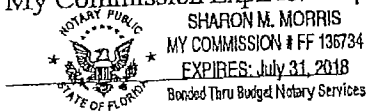
STATE OF FLORIDA

COUNTY OF ST. LUCIE

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, PHILLIP G. GUETTLER, 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 Managing Member of a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker to execute this instrument on behalf of the maker.

WITNESS my hand and official seal at office this 3rd day of February, 2016.

My Commission Expires: 07/31/2018



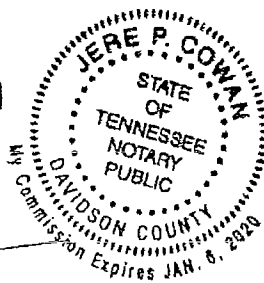
[Signature]  
Notary Public

DAVIDSON CO.; TN

I hereby swear or affirm that the actual consideration of this transfer is \$ 50,00. Affiant [Signature]

Subscribed and sworn to before me this 29<sup>th</sup> day of February, 2016.

My Commission Expires: 1/6/2020



[Signature]  
Notary Public

EXHIBIT "A"

Being a tract of land located in the Fourth District of Cumberland County, Tennessee, and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

BEGINNING at the northwest corner of Woodridge Condo Phase 1 as shown in Plat Book 9, at page 185; said point being on the easterly right-of-way line of Renegade Mountain parkway as shown in PB 2, at Pg 90, Revised in PB 9, at Pg 191, at the office of the Register of Deeds, Cumberland County, Tennessee;

Thence northeasterly along said easterly right-of-way line, being a curve to the right, having a radius of 137.18 feet, thru a central angel of 63 deg. 19 min. 00 sec., 151.60 feet;

Thence North 68 deg. 51 min. 47 sec. East, 45.17 feet;

Thence South 59 deg. 50 min. 18 sec. East, 62.16 feet;

Thence South 70 deg. 02 min. 32 sec. East, 48.11 feet;

Thence South 34 deg. 36 min. 48 sec. West, 129.83 feet;

Thence North 43 deg. 05 min. 21 sec. West, 57.01 feet;

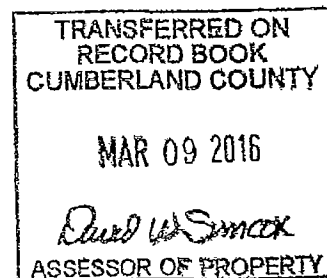
Thence South 74 deg. 10 min. 36 sec. West, 103.96 feet to the point of Beginning of the herein described Water Tank Site Tract (Containing 0.43 acres, more or less).

BK/PG: 1470/2178-2182

16002660

5 PGS:AL-QUITCLAIM DEED	
BATCH: 98365	
03/07/2016 - 10:35 AM	
VALUE	50.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	25.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	27.00

STATE OF TENNESSEE, CUMBERLAND COUNTY  
JUDY GRAHAM SWALLOWS  
REGISTER OF DEEDS

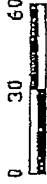


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Exhibit "A"

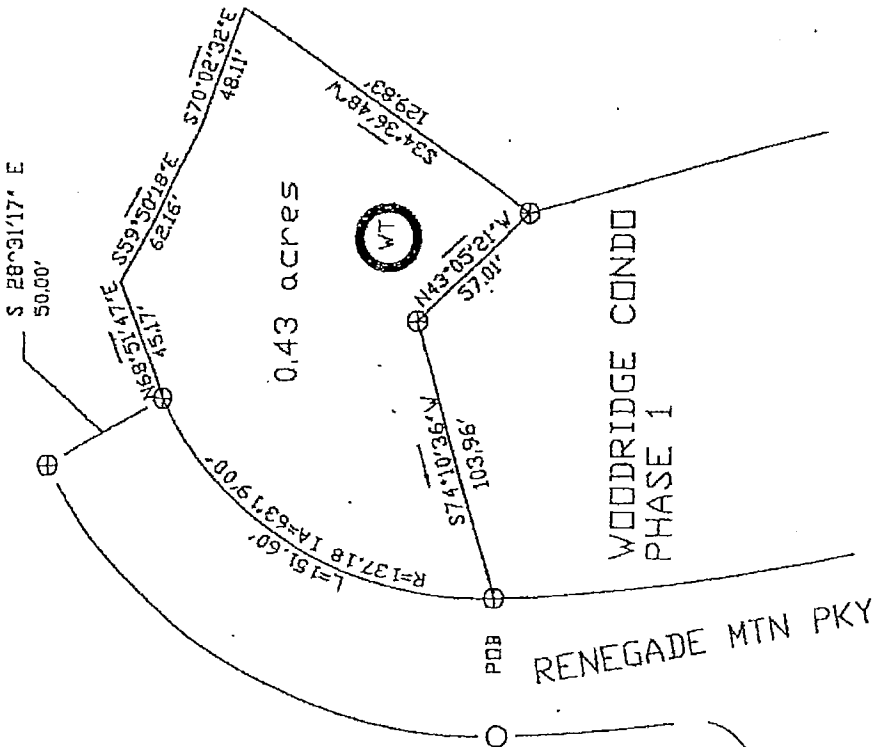
RENEGADE MOUNTAIN  
 Sketch of Deed  
 for  
 Water Tank Site

TENNESSEE GRID COORDINATE



SCALE IN FEET

31.05 PORTION  
 CUMBERLAND GARDENS ACC. CORP.  
 D.B. 311, PG. 384



BK/PG: 1427/58-62  
 14003077



5 PGS-AL-DEED	
BATCH: 79048	
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MORTGAGE TAX	0.00
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RECORDING FEE	25.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	768.00

STATE OF TENNESSEE, CUMBERLAND COUNTY  
**JUDY GRAHAM SWALLOWS**  
 REGISTER OF DEEDS

After Recording Return To:  
Aqua Green Utility Inc.  
3350 Galts Rd  
Acworth, Georgia 30102  
Attn: Dart Kendall

(For Recording Purposes)

## GRANT OF EASEMENT

State of Tennessee  
County of Cumberland

PROJECT NAME: Renegade Mountain

This Easement Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ hereinafter referred to as "Grantor(s)," and Aqua Green Utility Inc, a TRA regulated Utility of the State of Tennessee, as party of the second part hereinafter referred to as "Grantee" (the term "Grantee" to include respective heirs, beneficiaries, legal representatives, employees, contractors, agents, tenants and subtenants, successors and assigns, where the context hereof requires or permits):

### WITNESSETH

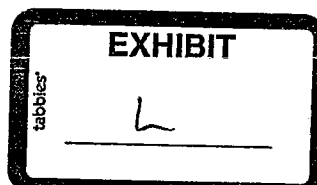
That Grantor(s) for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, and convey unto Grantee, a perpetual easement over and under Grantor's(s') property being more particularly described as follows:

All that tract or parcel of land lying and being all roads, shoulder, or right of way and all other easements, in the entire community known as Renegade Mountain and being improved property attached hereto as Exhibit "A" which shows this easement and which is made a part hereof by reference.

The water/sewer easement conveyed by this instrument is and includes the permission from Grantor(s) to use up to 20 feet in width for the construction and installation of the water/sewer Mains to be situated within the said easement.

This grant of easement shall include the right of ingress to and egress from the strip over and across the real property by means of roads and lanes on such property, if such exist, otherwise by such routes or routes as shall occasion the least practical damage and inconvenience to grantor. Grantee shall have the right of grading, improving and maintaining all such roads, including bridges, on or across the real property as grantee may deem necessary in the exercise of the right of ingress and egress or provide access to the subject real property.

The water/sewer easement conveyed herein by Grantor(s) is for the purpose of a water/sewer system and includes the rights to enter upon Grantor's(s') property to install and repair water/sewer lines and needed street repairs to be situated within the said easement, and to inspect, maintain, replace, or repair the same, as may from time to time be necessary, or whenever Grantee deems fit, with all rights, members and appurtenances to said easement and right-of-way in anywise appertaining or belonging thereto.



Grantor(s) for both itself and its heirs and assigns understands and agrees in connection with this conveyance that any and all construction, digging, grubbing, clearing, filling or other earth moving or construction activities within or in the easement area conveyed herein are specifically in violation of the rights conveyed herein and are, therefore, prohibited without written permission from the Utility.

Grantor(s) hereby covenants with Grantee that it is lawfully seized and possessed of the real estate previously described herein and that it has good and lawful right to convey the easement covered by this document, or any part thereof, and that the said easement is free from all encumbrances. The easement herein granted shall bind the heirs and assigns of Grantor(s) and shall inure to the benefit of the successors in title of Grantee.

**Additional Stipulations:**

Grantor(s) for both itself and its heirs and assigns understands and agrees in connection with this conveyance that any and all property used for Utility purposes is exempt from any covenants and or restrictions and is not subject to any HOA, club or any other such fees.

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

\_\_\_\_\_  
Witness (Signature)

**GRANTOR(S):**

\_\_\_\_\_  
Witness (Printed Name)

\_\_\_\_\_  
Insert Property Owner's Name

Sworn to and subscribed before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
Insert Property Owner's Name

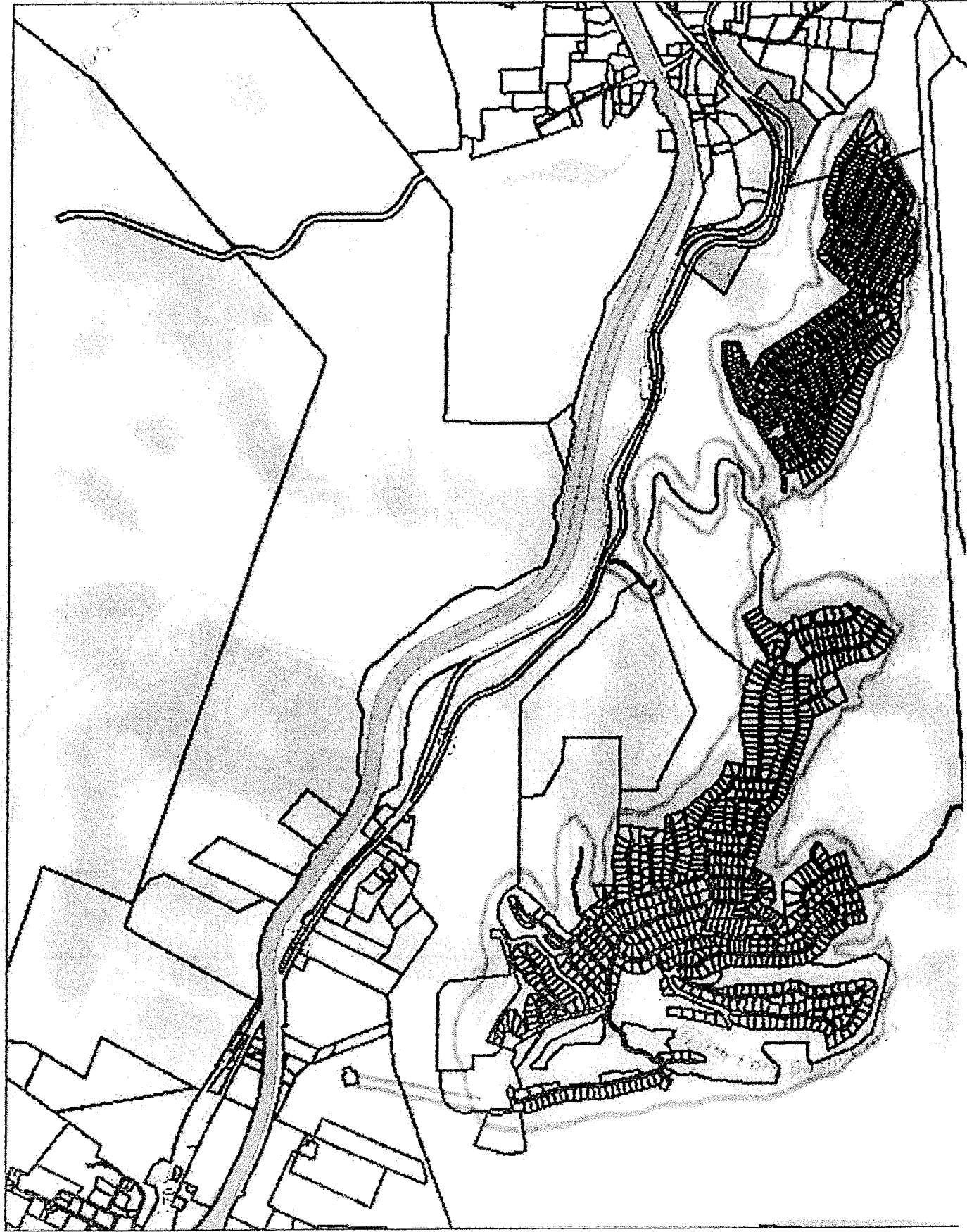
\_\_\_\_\_  
**NOTARY PUBLIC**

**(SEAL)**

**\*\*Attached "8 1/2 x 11" Plat - Exhibit "A"\*\***

Exhibit "A"

Cumberland County - Parcel: 142P D 023.00



**BILL OF SALE**

STATE OF FLORIDA  
COUNTY OF ST. LUCIE

WHEREAS, **MOY TOY, LLC**, a Tennessee limited liability company, (hereafter "**MOY TOY**") and **LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION**, a Tennessee nonprofit corporation, (hereafter "**LAUREL HILLS**") entered into a Conveyance Agreement dated May 1, 2011, for **MOY TOY** to transfer of all its right, title to, and interest in a water system being operated for the benefit of property generally known as Renegade Mountain in Crab Orchard, Tennessee, including customers and other assets, on the date of conveyance, to **LAUREL HILLS**; and

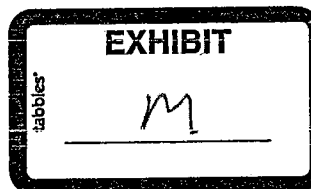
WHEREAS, the transfer of **MOY TOY'S** interest in the water system and its assets evidenced by this bill of sale is subject to all of the terms and conditions set forth in the Conveyance Agreement.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, including the mutual covenants, representations and promises contained in the Conveyance Agreement, **MOY TOY** hereby bargains, sells, assigns, transfers, and conveys to **LAUREL HILLS** all right, title to and interest in the water system and its assets, both tangible and intangible, including, but not limited to, all water transmission lines, water service lines, water meters, valves, pumping stations, water storage tanks and all other tangible assets (and all appurtenances thereto), all accounts receivable, all rights under any contracts, all service rights, and all other general intangible assets.

TO HAVE AND TO HOLD said assets unto **LAUREL HILLS**, its successors and assigns, forever.

**MOY TOY**, for itself and its representatives, does hereby covenant with **LAUREL HILLS**, its successors and assigns, that it is the true and lawful owner of said assets hereby transferred and has the full power to sell and convey the same; that the title so conveyed is free and clear of all liabilities, liens, charges, security interests and any other encumbrances; and further, that it does warrant and will defend the same against all claims of all persons whomsoever.

IN WITNESS WHEREOF, this Bill of Sale is executed by the undersigned effective this 1<sup>st</sup> day of May, 2011.






DATED: May 1, 2011.

**MOY TOY, LLC, a Tennessee  
limited liability company,**

**BY:**

  
\_\_\_\_\_  
**PHILLIP G. GUETTLER, Managing Member  
of RENEGADE FLORIDA MANAGEMENT,  
LLC, as General Partner of RENEGADE  
FLORIDA, LIMITED, as Managing Member  
of MOY TOY, LLC**