

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

FILED
Date 10.3.2016 at 12:47 PM
Entered: _____
SUE TOLLETT, CLERK & MASTER
Cumberland County, Crossville, TN
BY LT

RECEIVER'S EIGHTH REPORT AND MOTION FOR APPROVAL AND
AUTHORIZATION FOR PAYMENT OF FEES AND EXPENSES

Robert E. Moore, Jr., Attorney and Chief Operations Officer of Receivership Management, Inc. [hereinafter the "Receiver"], the court appointed Receiver of the Laurel Hills water system [hereinafter the "LHWS"] previously controlled by Laurel Hills Condominiums Property Owners Association [hereinafter the "Laurel Hills Condominiums POA"], submits the Receiver's Eighth Report and moves this Honorable Court for an order approving the fees and expenses presented for payment by the Receiver and authorizing payment to the Receiver in the amount of such fees and expenses.

1. On October 26, 2015, the Plaintiff, the Tennessee Regulatory Authority [hereinafter the "TRA" or the "Authority"] filed a Motion for Appointment of Receiver in the above-styled action. Said motion was granted that same day, and, pursuant to Tenn. Code Ann. §§ 65-3-105 and 29-1-101, the Court appointed Receivership Management, Inc. as Receiver of the Laurel Hills Water System by order dated October 26, 2015.¹

¹ This order was amended on April 21, 2016, but Receivership Management, Inc. continues to be the court-appointed receiver for the Laurel Hills Water System. See Amended Order Appointing Receiver, at ¶ 2, p.1.

2. The Receiver filed its first report with the Cumberland County Clerk and Master on December 12, 2015, in which it provided the Court with financial and operational information for the LHWS, summarized the Receiver's activities regarding the system, and detailed some of the legal issues involving control of the water system properties in question. The Receiver filed its second, third, fourth, fifth, sixth, and seventh reports with the Cumberland County Clerk and Master on February 24, 2016, March 28, 2016, May 27, 2016, June 27, 2016, August 4, 2016, and August 26, 2016, respectively, in which it provided the Court with additional financial and operational information, summarized the Receiver's activities regarding the system, and detailed some of the continuing legal issues involving control of the water system properties in question.

Implementation of Receivership Plan

3. The Receiver filed its Receivership Plan Implementation Progress Report with this Honorable Court on August 16, 2016, and reference is made to that progress report for the Receiver's activities relative to the Receivership Plan. As stated in that progress report, the Receiver intends to file a motion with this Court prior to the sale of the LHWS, to ratify the terms and conditions of the purchase agreement and approve the transaction. The preferred bidder, Aqua Green Utility, Inc. [hereinafter "Aqua Green"], has been informed that final approval of the transaction by this Honorable Court is a prerequisite to closing.

4. Aqua Green has informed the court of numerous issues it has discovered relative to the LHWS which would impact its decision to move forward and acquire the LHWS. A letter delineating those issues was provided to the Receiver on August 17, 2016. A copy of that letter, along with a copy of the Receiver's letter announcing the acceptance of Aqua Green's bid, are attached hereto as collective Exhibit A, and are incorporated herein by reference.

Operations and Other Activities of the Receiver

5. On June 9, 2016, on motion of the Receiver, this Honorable Court adopted by order a modification of the rates to be charged to customers of the LHWS. The LHWS rate was increased to \$114.24 per customer per month, a \$1000.00 tap fee was established, and other rate structure rules were adopted. The new rate and rate structure went into effect on July 1, 2016.

6. Starting with the July, 2016 billing cycle, LHWS customers received bills that reflected the new rate. As previously reported, in the month of July, 2016, 104 of the 131 customers of the LHWS paid their water bill. Of the 27 non-paying customers, 22 are in the Cumberland Pointe condominium units, and 5 are located elsewhere on Renegade Mountain. The Receiver understands that the Cumberland Pointe Homeowners' Association has acted on its own initiative to cut off LHWS water to non-paying customers, and the Receiver takes no issue with this action.

7. In the month of August, 2016, 101 of the 131 customers of the LHWS paid their water bill. Of the 30 non-paying customers, 22 are in the Cumberland Pointe condominium units, and 8 are located elsewhere on Renegade Mountain. No decision has yet been made by the Receiver as to whether to cut water off to the non-paying customers of the LHWS that are not residences within the Cumberland Pointe condominium units.

8. With respect to ownership/titling issues of the LHWS, the Receiver has still not received a substantive response to Mr. Sinor's April 12, 2016 letter from Moy Toy, LLC which requested information concerning such issues.

9. On the morning of Friday, August 26, 2016, a major leak was discovered on the LHWS, near the bottom of the water system at the entrance to the Laurel Hills condominium units. An approximate 20 foot section of pipe was cracked through the middle and leaking tremendous amounts of water. While working on the leak, there was

little if any water pressure in the LHWS. In order to discover the source of the problem and repair the leak, it was necessary to cut the road at the entrance of the Laurel Hills condominium units and completely replace the pipe. Total water pressure throughout the system was restored later that same day. The total cost to repair the leak, including the cost of the pipe, repair to the road, etc., is estimated to be approximately \$400.00 to \$450.00.²

10. As previously reported by the Receiver, an extension was filed with the Internal Revenue Service for the filing of the LHWS's 2015 tax return and the payment of 2015 federal income taxes.³ An extension was automatically granted until September 15, 2016. The LHWS adopted a cash basis of accounting for purposes of filing its 2015 tax return. The tax return was timely filed, and a small amount of taxes (\$1624.00) was paid by the LHWS to the Internal Revenue Service for 2015 federal income taxes. A copy of this tax return is attached hereto as Exhibit B and is incorporated herein by reference.

11. Mr. Gerald Williams has been the LHWS's contract engineer since well before the institution of the receivership estate. Mr. Williams has indicated to the Receiver that he does not wish to continue to provide these services any longer. The Receiver is currently looking for a properly licensed operator to provide these services for the LHWS.

12. Residents near the top of the mountain have intermittently complained of a lack of adequate water pressure. The Receiver is of the belief that one of the contributing causes of that lack of water pressure is the use of LHWS water for non-essential outdoor use. Accordingly, the Receiver issued a water use notice in which the use of water for washing cars or irrigating/watering lawns was prohibited. That water use notice was

² This information is gathered from an electronic mail sent from Mr. Gerald Williams to the Receiver's counsel, dated September 8, 2016.

³ See Receiver's Fourth Report, filed May 27, 2016, at ¶ 6, p.3.

issued on September 16, 2016. A copy of the water use notice is attached hereto as Exhibit C and is incorporated herein by reference.

Financial Information

13. As of September 22, 2016, there was an accounts receivable balance of \$19,861.16.⁴ A copy of the Accounts Receivable Aging Summary, calculated as of September 22, 2016, is attached hereto as Exhibit D and is incorporated herein by reference. The LHWS received \$11,948.28 in payments in August 2016, a much higher amount than in the months prior to the institution of the new rate.⁵

14. On a cash basis, LHWS had a net gain in August 2016 of \$1268.37. See Collective Exhibit E, attached hereto and incorporated herein by reference. As of August 31, 2016, LHWS had a balance of \$15,259.76 in its main operating account. See Collective Exhibit F, attached hereto and incorporated herein by reference.

15. The LHWS was able to meet current obligations in August of 2016.⁶ Even though the LHWS has a relatively large accounts receivable balance, all past due payable balances have been satisfied, and the Receiver's fees and expenses can be paid out of estate assets upon approval by this Honorable Court.

Fees and Expenses of Receiver

16. Pursuant to the Amended Order Appointing Receiver, compensation for the Receiver is payable from funds or assets of the LHWS, if such funds are available. If the funds or assets of the LHWS are not available to pay Receivership fees and costs, then those fees and costs are to be taxed as interim court costs to be paid by the Authority. The

⁴ Of this amount, \$12,452.16 is less than a month past due, and \$7409.00 is more than a month past due. See Exhibit D.

⁵ As provided in the Receiver's Seventh Report, filed with this Honorable Court on August 26, 2016, the LHWS received \$11,558.71 in payments in July of 2016, the first month after the new rate went into effect. For the first six (6) months of 2016, the LHWS received on average \$4550.81 in payments. See Exhibit E.

⁶ It should be noted that this does not include costs of this matter previously taxed on an interim basis to the Tennessee Regulatory Authority, which amount to \$89,493.23.

Receiver is to submit invoices to the Authority on a monthly basis for approval. These invoices are reviewed and paid after approval of the Authority and the Court, through an interim taxation of costs, if necessary.⁷

17. As shown in Collective Exhibit G, attached hereto and incorporated herein by reference, Mr. Robert E. Moore, Jr, Chief Operations Officer of the Receiver, and other persons at the Receiver's office, including Ms. Jeanne Bryant, Mr. Cody Smith, and Ms. Jere Cowan, performed work for this Receivership for the period of August 1, 2016 through August 31, 2016 in the amount of \$2424.51.⁸ Those working on contract for the Receiver under Mr. Moore (Mr. Sinor) have performed work for the Receivership and have incurred fees and expenses as shown in Collective Exhibit G for the period August 1, 2016 through August 31, 2016 in the amount of \$3103.07.

18. The Authority has determined these fees, costs and expenses to be reasonable, appropriate and necessary for the services rendered for the Receivership, and, thus, these fees, costs and expenses have been approved for payment by the Authority. *See* Affidavit of Kelly Cashman-Grams, General Counsel for the Tennessee Regulatory Authority, attached hereto as Exhibit H and incorporated herein by reference; *see also* Affidavit of Jeanne Barnes Bryant, attached hereto as Exhibit I and incorporated herein by reference.

19. The billings so reviewed, and for which Court approval is sought, are as follows:

- a. Invoices for Robert E. Moore, Jr. and others at the Receiver for August of 2016: \$2424.51; and,
- b. Invoices for those working under Mr. Moore for August of 2016: \$3103.07.

⁷ Amended Order Appointing Receiver, entered April 21, 2016, at ¶ 10, pp. 4-6.

⁸ This figure includes normal overhead and operating costs and expenses, charged by Receivership Management, Inc., for the period of August 1, 2016 through August 31, 2016, which total \$380.21.

20. In the Amended Order Appointing Receiver, a procedure is set forth in paragraph 10 whereby the Receiver submits to this Honorable Court for approval its fees and expenses. If no opposition is filed within ten (10) calendar days of the filing of this Motion, the Court shall order the approval of the fees and expenses and tax them as costs, if necessary, absent question raised by the Court upon its review. Submitted herewith is a proposed Order Granting Motion for Approval of Fees and Expenses for the Court's consideration if no opposition is filed.

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Motion for Approval of Fees and Expenses and Authorization for Payment

Accordingly, the Receiver respectfully **MOVES** this Court for an order approving the fees and expenses as set forth in the aggregate amount of \$5527.58, and further **MOVES** this Court to authorize payment of such fees and expenses out of Laurel Hills Water System in Receivership estate's funds.

Respectfully Submitted,

Laurel Hills Water System in Receivership

By: Robert E. Moore, Jr.
Robert E. Moore, Jr. (BPR#013600)
Chief Operations Officer
Receivership Management Inc.
1101 Kermit Drive, Suite 735
Nashville, Tennessee 37217
615-370-0051 (Phone)
615-373-4336 (Facsimile)
rmoore@receivermgmt.com (Email)
*Court Appointed Receiver for
Laurel Hills Water System*

*by Frank B. J.
permissio
granted by email
on 9/22/2016*

Everett Sinor, Jr.
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)

Certificate of Service

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

James R. Layman, Esq.
Staff Attorney
Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

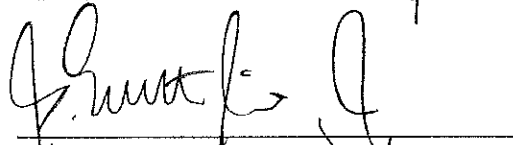
James L. Gass, Esq.
Ogle, Gass & Richardson
Counsel for Laurel Hills Condominiums
Property Owners Association
103 Bruce Street
Sevierville, Tennessee 37862

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

Vance Broemel, 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 30th day of September, 2016.



Everett Sinor, Jr.



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

EXHIBIT

A

tabbles

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

Receivership Management, Inc.

1101 Kermit Drive, Suite 735 Nashville, TN 37217 (615) 370-0051 Fax (615) 373-4336

August 17, 2016

Mr. Dart Kendall
President
Aqua Green Utility, Inc.
3350 Galts Road
Acworth, Georgia 30102

RE: Laurel Hills Water System in Receivership – Preferred Bid from Aqua Green

VIA UNITED STATES FIRST CLASS MAILS & ELECTRONIC MAIL

Dear Mr. Kendall:

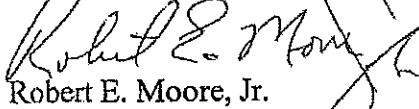
I am pleased to announce that your bid has been accepted by the Receiver in the above-referenced receivership estate as its preferred bid for the sale of the Laurel Hills Water System [hereinafter the "LHWS"]. A partially redacted copy of your bid proposal, dated July 22, 2016, is attached hereto for your ready reference. I would suggest that we speak in the next few days to plan how to move forward towards consummating the sale of the LHWS.

Prior to the sale of the LHWS, the Receiver intends to file a motion with the Cumberland County Chancery Court, ratifying the terms and conditions of the purchase agreement and approving the transaction. Final approval of the transaction by that Court will be a prerequisite to closing.

From your bid, I understand that you require execution of your standard easement agreement by "the owner of the roads and right of ways for all roads on Renegade Mountain." If you have any concerns about procuring such easement rights, or any other concerns or issues that come to mind before we begin the process of preparing closing document, please let me know as soon as possible so they those issues can be considered and dealt with.

Thank you again, and please let me know if you have any questions or comments.

Yours sincerely,



Robert E. Moore, Jr.
Chief Operating Officer of RMI
Receiver for Laurel Hills Water System in Receivership

cc: G. Everett Sinor, Jr., Esq.
James R. Layman, Esq.
James L. Gass, Esq.



AquaGreen Utility Inc.

July 22, 2016

Renegade Mountain Water System Bid:

In regards to the bid for the Renegade Mountain Water System, Aqua Green Utility would like to place a bid for \$2501. The current land market value according to the State of Tennessee Comptroller of the Treasury of the water tower property is \$2500. Additionally we offer \$1 for easements, this is an industry standard price.

We have included a financial budget for this project showing expected cash flow as well as the cost impact it would have on the residents at \$73, then \$45.

We require our Standard Easement Agreement be signed by the owner of the roads and right of ways for all roads on Renegade Mountain, so as the system can be properly maintained. Our Standard Easement Agreement is included.

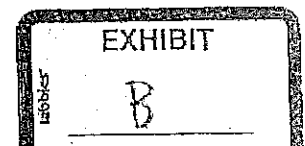
We offer this bid based on and agree to and accept the terms set forth in the TRA docket settlement agreement and release dated 27th of July 2015, by, between, and among Laurel Hills Condominiums Property Owners Association and the TRA. We understand this matter is to be resolved in the court of Cumberland County and we will abide by the courts decision.

Based on the Laurel Hills Water District Schedule of Receipts, Disbursements and Net Assets, the amount of cash or debt is unclear as indicated in Notes A,B,C and D. Therefore if the bid is accepted, it is contingent on Laurel Hills Water District having \$0.00 cash on hand and having no debt or amount owed. Any difference can be negotiated on the day of title transfer.

We are a TRA regulated Utility and do not need to go through the long CCN process.

Thank you for your consideration of this bid offer.

Dart Kendall
President
Aqua Green Utility Inc.



State of Tennessee  Comptroller of the Treasury
Real Estate Assessment Data

[Home](#) | [About](#) | [New Search](#) | [Return to List](#)

County Number: 010

County Name: CUMBERLAND

Tax Year: 2016

Property Owner and Mailing Address

Jan 1 Owner:
 MOY TOY LLC
 3227 RENEGADE MTN PKWY
 CRAB ORCHARD, TN 37723

Current Owner:
 RECEIVERSHIP MANAGEMENT INC
 789 OLD HICKORY BLVD STE 265
 BRENTWOOD, TN 37027

Property Location

Address: RENEGADE MOUNTAIN PKWY

Map: 141 Grp: Ctrl Map: 141 Parcel: 056.01 Pl: S/I: 000

Value Information

Reappraisal Year: 2012

Land Mkt Value: \$2,500
 Improvement Value: \$0
 Total Market Appraisal: \$2,500
 Assessment %: 25
 Assessment: \$625

General Information

| | | | |
|----------------------------|------------------|--------------------------|-------------|
| Class: | 00 - RESIDENTIAL | | |
| City #: | 000 | City: | |
| SSD1: | 000 | SSD2: | 000 |
| District: | 04 | Mkt Area: | G05 |
| # Bldgs: | 0 | # Mobile Homes: | 0 |
| Utilized - Water / Sewer: | 12 - NONE / NONE | Utilities - Electricity: | 01 - PUBLIC |
| Utilized - Gas / Gas Type: | 00 - NONE | Zoning: | |

Subdivision Data

Subdivision: RENEGADE RESORT

Plat Bk: Plat Pg: Block: Lot:

Additional Description

Building Information

Extra Features

Sale Information

| Sale Date | Price | Book | Page | Vac/Imp | Type Instrument | Qualification |
|------------|-------|------|------|---------|-----------------|---------------|
| 02/03/2016 | | 1470 | 2178 | | QC | |

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 ____.

GRANTOR(S):

Witness (Signature)

Insert Property Owner's Name

Witness (Printed Name)

Insert Property Owner's Name

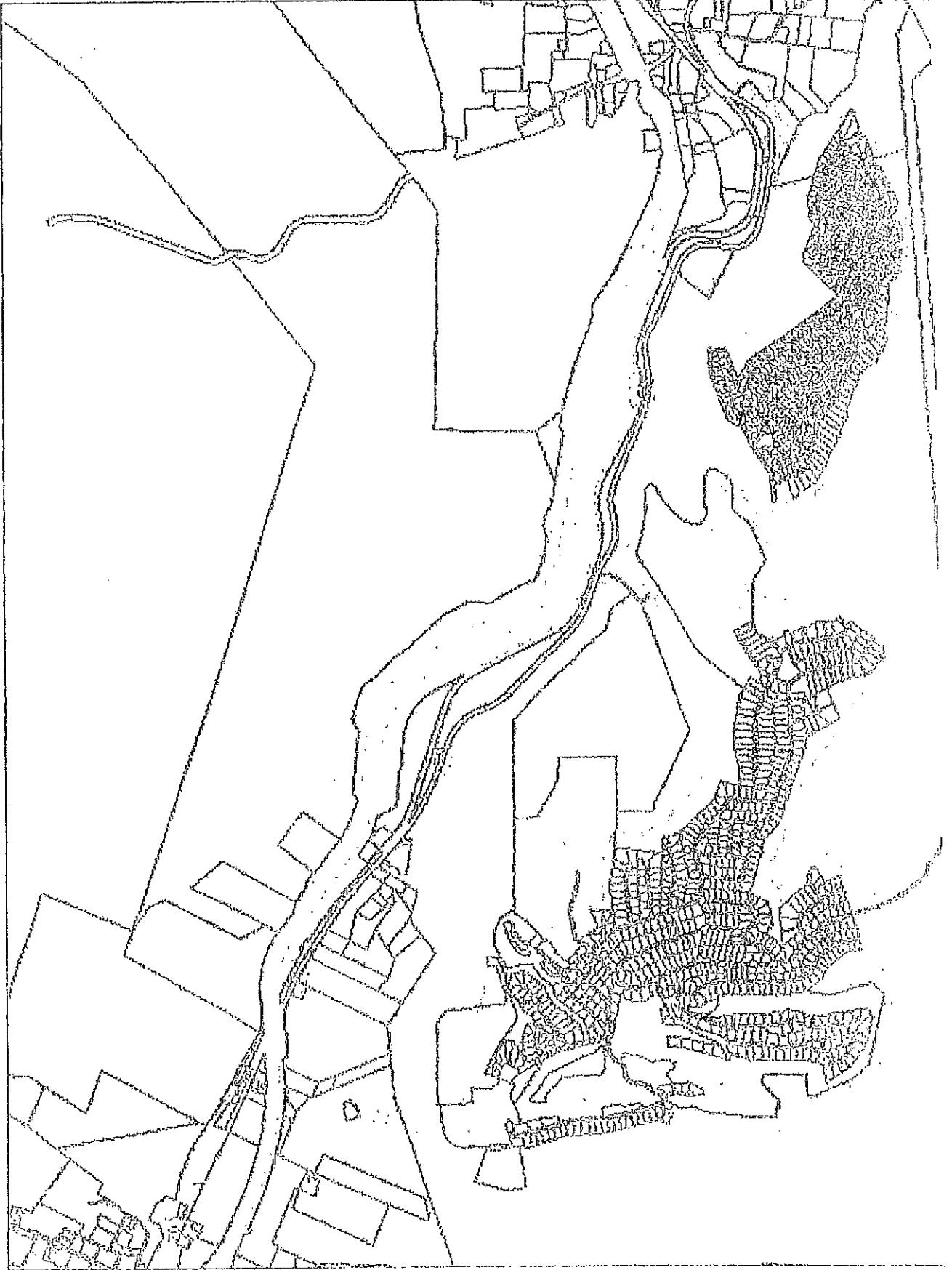
Sworn to and subscribed before me this
____ day of _____, 20 ____.

NOTARY PUBLIC

(SEAL)

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

Cumberland County - Parcel: 142P D 023.00



Renegade Mountain Projected Cash Flow Profit Loss

| Project Items | September | October | November | December | 2016 |
|-----------------------|------------|----------------------------|-------------|------------|------|
| Water Testing | \$67.00 | \$67.00 | \$67.00 | \$67.00 | |
| Property Tax | \$10.00 | \$10.00 | \$10.00 | \$10.00 | |
| Telephone | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Insurance | \$500.00 | \$500.00 | \$500.00 | \$500.00 | |
| Lighting | \$200.00 | \$200.00 | \$200.00 | \$200.00 | |
| Utilities Electric | \$450.00 | \$450.00 | \$450.00 | \$450.00 | |
| Accounting | \$190.00 | \$190.00 | \$190.00 | \$190.00 | |
| PEC Permits | \$25.00 | \$25.00 | \$25.00 | \$25.00 | |
| System Maintenance | \$500.00 | \$500.00 | \$500.00 | \$500.00 | |
| Operator/Engineer | \$500.00 | \$500.00 | \$500.00 | \$500.00 | |
| Water Purchased | \$2,159.00 | \$2,159.00 | \$2,159.00 | \$2,159.00 | |
| Major system rehab | | Freeze proof for winter | \$10,000.00 | | |
| 10% P/E 5% | | | | | |
| Purchase price | \$2,501.00 | | | | |
| Total Cost Projection | \$7,102.00 | \$4,601.00 | \$14,601.00 | \$4,601.00 | |
| Projected Income | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | |
| Difference | \$2,461.00 | \$4,962.00 | \$5,293.00 | \$4,962.00 | |
| Cash Flow Balance | \$500.00 | \$4,922.00 | \$5,150.00 | \$4,845.00 | |
| | | 15% rate payers at \$78.00 | | | |

Renegade Mountain Projected Cash Flow Profit Loss

| Project Items | January 2017 | February | March | April | May | June | July | August | September | October | November | December |
|-----------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|
| Water Testing | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 |
| Property Tax | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Telephone | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Insurance | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| Billing | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Utilities Electric | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 |
| Accounting | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 |
| DEC Permits | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 |
| System Maintenance | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 |
| Operator/Engineer | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| Water Purchased | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 |
| Major system rehab | | | | | | | | | | 42,000.00 | | |
| Profit 5% | | | | | | | | | | | | |
| Purchase price | | | | | | | | | | | | |
| Total Cost Projection | \$5,601.00 | \$5,601.00 | \$5,601.00 | \$5,601.00 | \$5,601.00 | \$5,601.00 | \$5,601.00 | \$5,601.00 | \$5,601.00 | \$47,601.00 | \$5,601.00 | \$5,601.00 |
| Projected Income | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 | \$9,563.00 |
| Difference | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 | \$3,962.00 |
| Cash Flow Balance | \$8,808.00 | \$12,770.00 | \$16,732.00 | \$20,694.00 | \$24,656.00 | \$28,618.00 | \$32,580.00 | \$36,542.00 | \$40,504.00 | \$2,466.00 | \$6,428.00 | \$10,390.00 |

131 rate payers at \$73.00

Renegade Mountain Projected Cash Flow Profit Loss

| Project Items | January 2020 | February | March | April | May | June | July | August | September | October | November | December |
|----------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Water Testing | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 | 67.00 |
| Property Tax | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Telephone | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Insurance | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| Billing | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Utilities Electric | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 |
| Accounting | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 | 190.00 |
| DEC Permits | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 | \$25.00 |
| System Maintenance | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 |
| Generator/Engineer | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| Water Purchased | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 | 2,159.00 |
| Major system rehab | | | | | | | | | | | | |
| Profit 5% | 294.00 | 294.00 | 294.00 | 294.00 | 294.00 | 294.00 | 294.00 | 294.00 | 294.00 | 294.00 | 294.00 | 294.00 |
| Purchase price | | | | | | | | | | | | |
| Total Cost Projection | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 | 5,595.00 |
| Projected Income | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 | 5,895.00 |
| Difference | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Cash Flow Balance | \$18,778.00 | \$19,078.00 | \$19,378.00 | \$19,678.00 | \$19,978.00 | \$20,278.00 | \$20,578.00 | \$20,878.00 | \$21,178.00 | \$21,478.00 | \$21,778.00 | \$22,078.00 |
| 131 rate payers at \$45.00 | | | | | | | | | | | | |



AquaGreen Utility Inc.

Background/Biographical Information:

Dart and Becky Kendall own 100% of the stock in Aqua Green Utility Inc. We do construction and repairs through an affiliate type company and then bills Aqua Green Utility. Through our affiliate type companies, we have been installing pipelines, building and operating water and sewer plants since 1984. We currently own free and clear Caterpillar tractors 420, 226 and 301.7, multiple trucks and trailers as well as 8.5 acres with a 6000 square foot commercial building near Atlanta. We have many specialized pieces of digging equipment and currently hold approximately \$40,000 dollars worth of pipe and tube type inventory. These assets give us the ability to quickly make any necessary repairs the water system might need without needing to depend on subcontractors.

Aqua Green Utility Inc. already has a CCN with the TRA and would only need to add the water system to our territory. Aqua Green Utility Inc. has the financial capabilities required by the TRA to provide water service for the Renegade Mountain Water System. Currently the financial surety provided by Aqua Green Utility Inc. is in the form of a letter of credit, rather than a bond. It should be noted that the amount is in excess of the minimum we are currently required to maintain. Also, an important consideration is that the letter of credit is fully backed by a certificate of deposit in which the utility collects interest, helping keep the rates down for our customers. Our escrow account is also in excess of the minimum amount required, and we have not needed to use any money from our escrow account to date.

We currently own and operate 2 sewer treatment plants on Douglas Lake. We designed and built these plants totally in-house. One of the plants has been so successful at reducing energy cost that it has been featured in a national magazine.

Aqua Green Utility Inc. has the managerial capability to operate the Renegade Mountain Water System. The utility has successfully operated since July 2009 with no complaints from our customers. Our surety amounts have steadily increased. We have an established billing system in which each payment and envelope is scanned to eliminate mistakes as much as possible and to verify payments if needed. Our treatment plants or other systems operate by PLC automation that will report problems to our technicians and report data to a central computer. If a plant or system does not report that information, an email is sent to our technicians. This type of management system assures that even if a system has a

total failure, we will know and take appropriate action in a timely manner and reduce the impact it would have on the residents.

Dart Kendall, has owned his own business for 32 years and has worked with the Cobb County Fire Department for 30 years before retiring in 2008. As an officer with the fire department, he received many honors and awards throughout his career. He also taught classes on the use of hydraulics and pumps and was known for his expertise in the field. This background gives him the ability to address the needs for maintaining the water system in a manner that assures proper fire protection at Renegade Mountain. He has also served on the Water Planning Advisory Board in Georgia for the past 10 years and the Georgia Onsite Wastewater Association Board for the past 15 years where he also served as president.

Becky Kendall graduated from Clemson University in 1981 with honors. She worked for Milliken & Co. for 16 years in various capacities, specifically as a marketing manager. After leaving Milliken she became co-owner of Aqua Green Utility and its' affiliate company, Advanced Septic Inc., where she currently manages the accounting and bookkeeping. She is also a State Coordinator for the Georgia Hearing Loss Association of America and conducts quarterly chapter meetings for the hearing impaired.

Information about Form 1041 and its separate instructions is at www.irs.gov/form1041.

Header section A-E: Check all that apply, For calendar year 2015 or fiscal year beginning, 2015, and ending, 20, Name of estate or trust (if a grantor type trust, see the instructions.), LAUREL HILLS WATER IN RCVRSHP, Employer identification number 47-7386855, Date entity created 10-26-2015, Name and title of fiduciary RECEIVER, RECEIVERSHIP MANAGEMENT INC, Number, street, and room or suite no. (If a P.O. box, see the instructions.), PO BOX 2307, City or town, state or province, country, and ZIP or foreign postal code BRENTWOOD TN 37024, F Check applicable boxes: [X] Initial return, [] Final return, [] Amended return, [] Change in trust's name, [] Change in fiduciary, [] Change in fiduciary's name, [] Change in fiduciary's address, E Described in sec. 4947(a)(1). Check here if not a private foundation [], Described in sec. 4947(a)(2) [], Net operating loss carryback [], Change in fiduciary's address []

G Check here if the estate or filing trust made a section 645 election [] Trust TIN []

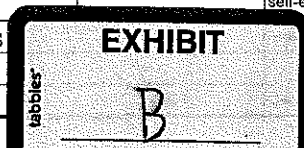
Income section: 1 Interest income, 2a Total ordinary dividends, b Qualified dividends allocable to: (1) Beneficiaries, (2) Estate or trust, 3 Business income or (loss). Attach Schedule C or C-EZ (Form 1040) 7,425, 4 Capital gain or (loss). Attach Schedule D (Form 1041), 5 Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040), 6 Farm income or (loss). Attach Schedule F (Form 1040), 7 Ordinary gain or (loss). Attach Form 4797, 8 Other income. List type and amount, 9 Total income. Combine lines 1, 2a, and 3 through 8 7,425

Deductions section: 10 Interest. Check if Form 4952 is attached [], 11 Taxes, 12 Fiduciary fees, 13 Charitable deduction (from Schedule A, line 7), 14 Attorney, accountant, and return preparer fees, 15a Other deductions not subject to the 2% floor (attach schedule), 15b Net operating loss deduction (see instructions), 15c Allowable miscellaneous itemized deductions subject to the 2% floor 0, 16 Add lines 10 through 15c 0, 17 Adjusted total income or (loss). Subtract line 16 from line 9 17 7,425, 18 Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041), 19 Estate tax deduction including certain generation-skipping taxes (attach computation), 20 Exemption 100, 21 Add lines 18 through 20 100

Tax and Payments section: 22 Taxable income. Subtract line 21 from line 17. If a loss, see instructions 7,325, 23 Total tax (from Schedule G, line 7) 1,624, 24 Payments: a 2015 estimated tax payments and amount applied from 2014 return, 24a, 24b Estimated tax payments allocated to beneficiaries (from Form 1041-T), 24c Subtract line 24b from line 24a 0, 24d Tax paid with Form 7004 (see instructions), 24e Federal income tax withheld. If any is from Form(s) 1099, check [], Other payments: f Form 2439, g Form 4136; Total 24h, 25 Total payments. Add lines 24c through 24e, and 24h 0, 26 Estimated tax penalty (see instructions), 27 Tax due. If line 25 is smaller than the total of lines 23 and 26, enter amount owed 1,624, 28 Overpayment. If line 25 is larger than the total of lines 23 and 26, enter amount overpaid, 29 Amount of line 28 to be: a Credited to 2016 estimated tax, b Refunded

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of fiduciary or officer representing fiduciary, Date, EIN of fiduciary if a financial institution, May the IRS discuss this return with the preparer shown below (see instr.?) [X] Yes [] No

Paid Preparer Use Only: Print/Type preparer's name TERRY STEPHENS CPA, Preparer's signature, Date, Check [X] if self-employed, PTIN P00010092, Firm's name LANSFORD & STEPHENS CPAs, Firm's address 92 Rockwood Avenue, Crossville TN 38555, EIN 20-1965405, Form no. 931-484-6105, Form 1041 (2015)



| Schedule A Charitable Deduction. Do not complete for a simple trust or a pooled income fund. | | | |
|---|--|---|--|
| 1 | Amounts paid or permanently set aside for charitable purposes from gross income (see instructions) | 1 | |
| 2 | Tax-exempt income allocable to charitable contributions (see instructions) | 2 | |
| 3 | Subtract line 2 from line 1 | 3 | |
| 4 | Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes | 4 | |
| 5 | Add lines 3 and 4 | 5 | |
| 6 | Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes (see instructions) | 6 | |
| 7 | Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13 | 7 | |

| Schedule B Income Distribution Deduction | | | |
|---|--|----|---|
| 1 | Adjusted total income (see instructions) | 1 | |
| 2 | Adjusted tax-exempt interest | 2 | |
| 3 | Total net gain from Schedule D (Form 1041), line 19, column (1) (see instructions) | 3 | |
| 4 | Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion) | 4 | |
| 5 | Capital gains for the tax year included on Schedule A, line 1 (see instructions) | 5 | |
| 6 | Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number | 6 | |
| 7 | Distributable net income. Combine lines 1 through 6. If zero or less, enter -0- | 7 | 0 |
| 8 | If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law | 8 | |
| 9 | Income required to be distributed currently | 9 | 0 |
| 10 | Other amounts paid, credited, or otherwise required to be distributed | 10 | |
| 11 | Total distributions. Add lines 9 and 10. If greater than line 8, see instructions | 11 | 0 |
| 12 | Enter the amount of tax-exempt income included on line 11 | 12 | |
| 13 | Tentative income distribution deduction. Subtract line 12 from line 11 | 13 | 0 |
| 14 | Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0- | 14 | 0 |
| 15 | Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18 | 15 | 0 |

| Schedule G Tax Computation (see instructions) | | | |
|--|---|----|-------|
| 1 | Tax: a Tax on taxable income (see instructions) | 1a | 1,624 |
| | b Tax on lump-sum distributions. Attach Form 4972 | 1b | |
| | c Alternative minimum tax (from Schedule I (Form 1041), line 56) | 1c | |
| | d Total. Add lines 1a through 1c | 1d | 1,624 |
| 2a | Foreign tax credit. Attach Form 1116 | 2a | |
| | b General business credit. Attach Form 3800 | 2b | |
| | c Credit for prior year minimum tax. Attach Form 8801 | 2c | |
| | d Bond credits. Attach Form 8912 | 2d | |
| | e Total credits. Add lines 2a through 2d | 2e | 0 |
| 3 | Subtract line 2e from line 1d. If zero or less, enter -0- | 3 | 1,624 |
| 4 | Net investment income tax from Form 8960, line 21 | 4 | |
| 5 | Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 | 5 | |
| 6 | Household employment taxes. Attach Schedule H (Form 1040) | 6 | |
| 7 | Total tax. Add lines 3 through 6. Enter here and on page 1, line 23 | 7 | 1,624 |

| Other Information | | Yes | No |
|--------------------------|--|-----|----|
| 1 | Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$ _____ | | X |
| 2 | Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement? | | X |
| 3 | At any time during calendar year 2015, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶ _____ | | |
| 4 | During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions | | X |
| 5 | Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment | | X |
| 6 | If this is an estate or a complex trust making the section 663(b) election, check here (see instructions) ▶ <input type="checkbox"/> | | |
| 7 | To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here (see instructions) ▶ <input type="checkbox"/> | | |
| 8 | If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/> | | |
| 9 | Are any present or future trust beneficiaries skip persons? See instructions | | X |

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2015

Department of the Treasury
Internal Revenue Service (99)

► Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Attachment
Sequence No. **09**

| | | |
|---|--|---|
| Name of proprietor LAUREL HILLS WATER IN RCVRSHP | | Social security number (SSN) |
| A Principal business or profession, including product or service (see instructions) WATER SERVICE | | B Enter code from instructions ► 221000 |
| C Business name. If no separate business name, leave blank. | | D Employer ID number (EIN), (see instr.) 47-7386855 |
| E Business address (including suite or room no.) ► PO BOX 2307 City, town or post office, state, and ZIP code BRENTWOOD TN 37024 | | |
| F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ► | | |
| G Did you "materially participate" in the operation of this business during 2015? If "No," see instructions for limit on losses | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| H If you started or acquired this business during 2015, check here | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| I Did you make any payments in 2015 that would require you to file Form(s) 1099? (see instructions) | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| J If "Yes," did you or will you file required Forms 1099? | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Part I Income

| | | |
|---|---|--------|
| 1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked | 1 | 10,989 |
| 2 Returns and allowances | 2 | 0 |
| 3 Subtract line 2 from line 1 | 3 | 10,989 |
| 4 Cost of goods sold (from line 42) | 4 | |
| 5 Gross profit. Subtract line 4 from line 3 | 5 | 10,989 |
| 6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) | 6 | |
| 7 Gross income. Add lines 5 and 6 | 7 | 10,989 |

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

| | | | | | |
|---|-----|-----|--|-----|-------|
| 8 Advertising | 8 | | 18 Office expense (see instructions) | 18 | 46 |
| 9 Car and truck expenses (see instructions) | 9 | | 19 Pension and profit-sharing plans | 19 | |
| 10 Commissions and fees | 10 | | 20 Rent or lease (see instructions): | | |
| 11 Contract labor (see instructions) | 11 | | a Vehicles, machinery, and equipment | 20a | |
| 12 Depletion | 12 | | b Other business property | 20b | |
| 13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions) | 13 | 175 | 21 Repairs and maintenance | 21 | |
| 14 Employee benefit programs (other than on line 19) | 14 | | 22 Supplies (not included in Part III) | 22 | |
| 15 Insurance (other than health) | 15 | | 23 Taxes and licenses | 23 | |
| 16 Interest: | | | 24 Travel, meals, and entertainment | | |
| a Mortgage (paid to banks, etc.) | 16a | | a Travel | 24a | |
| b Other | 16b | | b Deductible meals and entertainment (see instructions) | 24b | |
| 17 Legal and professional services | 17 | | 25 Utilities | 25 | 2,843 |
| 28 Total expenses before expenses for business use of home. Add lines 8 through 27a | 28 | | 26 Wages (less employment credits) | 26 | |
| 29 Tentative profit or (loss). Subtract line 28 from line 7 | 29 | | 27 a Other expenses (from line 48) | 27a | 500 |
| 30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30 | 30 | | b Reserved for future use | 27b | |
| 31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32. | 31 | | 28 Total expenses before expenses for business use of home. Add lines 8 through 27a | 28 | 3,564 |
| 32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12 , (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited. | | | 29 Tentative profit or (loss). Subtract line 28 from line 7 | 29 | 7,425 |
| | | | 30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). | | |
| | | | 31 Net profit or (loss). Subtract line 30 from line 29. | | |
| | | | 32a <input type="checkbox"/> All investment is at risk. | | |
| | | | 32b <input type="checkbox"/> Some investment is not at risk. | | |
| | | | 31 Net profit or (loss). Subtract line 30 from line 29. | 31 | 7,425 |

For Paperwork Reduction Act Notice, see the separate instructions.

Schedule C (Form 1040) 2015

Name(s) LAUREL HILLS WATER IN RCVRSHIP SSN

Part III Cost of Goods Sold (see instructions)

Table with 2 columns: Description and Line Number. Rows include: 33 Method(s) used to value closing inventory, 34 Was there any change in determining quantities, costs, or valuations, 35-39 Inventory and cost items, 40-41 Summary lines, 42 Cost of goods sold.

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business.

- 43 When did you place your vehicle in service for business purposes?
44 Of the total number of miles you drove your vehicle during 2015, enter the number of miles you used your vehicle for:
45 Was your vehicle available for personal use during off-duty hours?
46 Do you (or your spouse) have another vehicle available for personal use?
47 a Do you have evidence to support your deduction?
b If "Yes," is the evidence written?

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

Table with 2 columns: Description and Amount. Row 1: WATER TESTING, 500

48 Total other expenses. Enter here and on line 27a 48 500

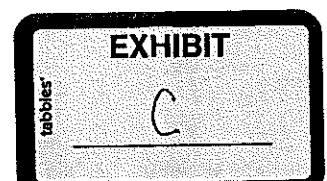
WATER USE NOTICE

To all Laurel Hills Water System Customers:

Recently, there have been complaints of a lack of water pressure on certain portions of the Laurel Hills Water System. We believe this lack of water pressure is likely caused by the use of water to wash cars, water lawns and other non-essential outdoor uses.

Effective immediately, no water within the Laurel Hills Water System may be used to wash cars or water lawns. We apologize for this inconvenience, but we want to ensure that every residence has adequate water and water pressure.

In the meantime, if you have any questions, please contact Everett Sinor, counsel for the Receiver, at 615.969.9027.

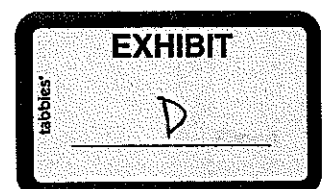


10:34 AM

09/22/16

**Laurel Hills Water System In Receivership
A/R Aging Summary
As of September 22, 2016**

| | Current | 1 - 30 | 31 - 60 | 61 - 90 | > 90 | TOTAL |
|----------------------------------|-------------|------------------|-----------------|---------------|-----------------|------------------|
| BAUER, TOMMY | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| BOWLES, MELVIN & MARY ANNE | 0.00 | 0.00 | 114.24 | 114.24 | 0.00 | 228.48 |
| BRASSELL, CRYSTAL | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| CECCHETT, DON & DIANNE | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| CHAMBERS, BARRY | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| CPCA (84) | 0.00 | 9,596.16 | 5,026.56 | 0.00 | 0.00 | 14,622.72 |
| DEPEW, MICHAEL (Running Deer) | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| EAGLES NEST, LLC. | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| HAISER, GARY & JEANNIE | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| HEIRS, LUKE & ANNA DUNN | 0.00 | 114.24 | 114.24 | 114.24 | 66.20 | 408.92 |
| HOGARTH, ARDIS | 0.00 | 114.24 | 114.24 | 0.00 | 0.00 | 228.48 |
| KRABOUSANOS, MIKE | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| LATHAM, KENT | 0.00 | 114.24 | 114.24 | 0.00 | 0.00 | 228.48 |
| Laurel Hills Condo Assoc (#5101) | 0.00 | 114.24 | 114.24 | 0.00 | 0.00 | 228.48 |
| Laurel Hills Condo Assoc (#5102) | 0.00 | 114.24 | 114.24 | 0.00 | 0.00 | 228.48 |
| Laurel Hills Condo Assoc (#5103) | 0.00 | 114.24 | 114.24 | 0.00 | 0.00 | 228.48 |
| MANERS, EMMETT | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| MATERDOMINI, DINA | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| MCMEANS, LARRY | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| MITCHELL SHARON | 0.00 | 114.24 | 114.24 | 114.24 | 761.30 | 1,104.02 |
| NEALE, MIKE | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| PETERS, JOHN (1) | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| PETERS, JOHN (2) | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| PETERS, JOHN (3) | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| ROBINSON, CARL | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| SCHLABATH, DAVID & CHRISTY | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| SCHWARTZ, ROBERT | 0.00 | 0.00 | 0.00 | 0.00 | 298.30 | 298.30 |
| WALL, TRACY | 0.00 | 114.24 | 0.00 | 0.00 | 0.00 | 114.24 |
| TOTAL | 0.00 | 12,452.16 | 5,940.48 | 342.72 | 1,125.80 | 19,861.16 |



| 2016 DEPOSITS | |
|---------------|---------------------|
| MONTH | AMOUNT |
| Jan-16 | \$ 3,773.40 |
| Feb-16 | \$ 4,005.10 |
| Mar-16 | \$ 3,773.40 |
| Apr-16 | \$ 4,369.06 |
| May-16 | \$ 6,950.90 |
| Jun-16 | \$ 4,433.00 |
| Jul-16 | \$ 11,558.71 |
| Aug-16 | \$ 11,948.28 |
| TOTAL | \$ 50,811.85 |

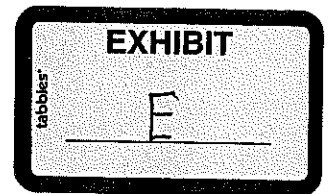
| OPERATING EXP | |
|---------------|---------------------|
| MONTH | AMOUNT |
| Jun-16 | \$ 8,166.16 |
| Jul-16 | \$ 7,466.06 |
| Aug-16 | \$ 5,152.33 |
| TOTAL | \$ 20,784.55 |

| RMI EXP | |
|--------------|---------------------|
| MONTH | AMOUNT |
| Jun-16 | \$ 9,210.33 |
| Jul-16 | \$ 3,063.26 |
| Aug-16 | \$ 5,527.58 |
| TOTAL | \$ 17,801.17 |

| EXPENSE MONTH | DEPOSIT AMOUNT | OPERATING EXP AMOUNT | RMI EXP AMOUNT | DIFFERENCE |
|---------------|----------------|----------------------|----------------|----------------|
| Jun-16 | \$ 4,433.00 | \$ 8,166.16 | \$ 9,210.33 | \$ (12,943.49) |
| Jul-16 | \$ 11,558.71 | \$ 7,466.06 | \$ 3,063.26 | \$ 1,029.39 |
| Aug-16 | \$ 11,948.28 | \$ 5,152.33 | \$ 5,527.58 | \$ 1,268.37 |

JUN-AUG AVG MONTHLY DEPOSIT \$ 9,313.33
 JUN-AUG AVG MONTHLY EXPENSE \$ 12,861.91
 DIFFERENCE \$ (3,548.58)

JUL/AUG AVG DEPOSIT \$ 11,753.50
 JUL/AUG AVG EXPENSE \$ 10,604.62
 DIFFERENCE \$ 1,148.88



LAUREL HILLS WATER DISTRICT
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND NET ASSETS
 (WATER OPERATIONS ONLY)

| RECEIPTS | FOR THE PERIOD | | |
|---|-------------------------|-----------------------|-------------------------|
| | 10/26/2015 7/31/2016 | 8/1/2016 8/31/2016 | 10/26/2015 8/31/2016 |
| 1000-INTEREST INCOME | - | - | - |
| 1010-REGIONS 8611 | - | - | - |
| 4910-WATER BILL RECEIPTS | 49,852.77 | 11,948.28 | 61,801.05 |
| TOTAL REVENUE | 49,852.77 | 11,948.28 | 61,801.05 |
| DISBURSEMENTS | | | |
| FEEES | | | |
| 5695-ACCOUNTING FEES | 900.00 | 300.00 | 1,200.00 |
| 5400-LEGAL FEES | 49.00 | - | 49.00 |
| 5610-CONTRACT LABOR | 2,345.56 | - | 2,345.56 |
| TOTAL FEES | 3,294.56 | 300.00 | 3,594.56 |
| OTHER EXPENSES: | | | |
| 5697-OTHER FEES | 100.00 | - | 100.00 |
| 6060-RENT | - | - | - |
| 6190-EQUIPMENT MAINTENANCE | 349.78 | - | 349.78 |
| 6215-COPIES POSTAGE & SHIPPING | 130.00 | - | 130.00 |
| 6220-TELEPHONE & INTERNET | - | - | - |
| 6230-OFFICE SUPPLIES | 45.58 | - | 45.58 |
| 6250-PRINTING | - | - | - |
| 6260-STORAGE | - | - | - |
| 6270-MOVING EXPENSE | - | - | - |
| 6290-UTILITIES | 27,354.33 | 3,582.24 | 30,936.57 |
| 6299-MISC EXPENSE | 607.28 | - | 607.28 |
| 6325-BANK CHARGES | 12.00 | - | 12.00 |
| 6330-COURT COSTS | - | - | - |
| 6340-INSURANCE | 6,315.43 | 1,270.09 | 13,900.95 |
| 6350-TRAVEL | - | - | - |
| TOTAL OTHER EXPENSES | 34,914.40 | 4,852.33 | 46,082.16 |
| TOTAL EXPENSES | 38,208.96 | 5,152.33 | 49,676.72 |
| NET RECEIPTS LESS DISBURSEMENTS | 11,643.81 | 6,795.95 | 12,124.33 |
| SCHEDULE OF CHANGE IN NET ASSETS | | | |
| FUND BALANCE RECEIVED | 100.00 | - | 100.00 |
| NET RECEIPTS LESS DISBURSEMENTS | 11,643.81 | 6,795.95 | 18,439.76 |
| DISTRIBUTIONS PAID | - | - | - |
| CLAIMS PAYABLE | - | - | - |
| NET ASSETS | 11,743.81 | | 18,539.76 |
| 9/16/2016 10:51 | | | |
| TOTAL ASSETS | 11,743.81 | | 15,259.76 |
| TOTAL LIABILITIES | | | 3,280.00 |
| NET ASSETS | 11,743.81 | | 18,539.76 |

NOTE : FIGURES DO NOT INCLUDE ACCOUNT PAYABLE OWED/DUE TO TRA FOR RECEIVERSHIP FEE, OTHER CONTRACT LABOR, AND LEGAL FEES.

LAUREL HILLS WATER DISTRICT
REGIONS BANK ACCOUNT 232618611

8/31/2016

OPERATING BANK ACCOUNT

| | BALANCE PER BANK STMT | BALANCE PER GENERAL LEDGER |
|---------------------------|--------------------------|-------------------------------|
| END OF MONTH AC 232618611 | 17,795.31 | 15,259.76 |
| END OF MONTH AC 232618638 | (12.00) | |
| OUTSTANDING CHECKS | (2,523.55) | |

| | |
|------------------|------------------|
| <u>15,259.76</u> | <u>15,259.76</u> |
|------------------|------------------|

16-Sep-16
10:55 AM

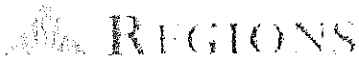
OUTSTANDING CHECKS

| | |
|------|----------|
| 1044 | 2,000.00 |
| 1045 | 523.55 |

| |
|-----------------|
| <u>2,523.55</u> |
|-----------------|

| | |
|---------------|----------|
| 2015 TAX PYMT | 1,624.00 |
| 2016 TAX PYMT | 1,230.00 |





Regions Bank
 Brentwood
 329 Franklin RD
 Brentwood, TN 37027

LAUREL HILLS CONDO POA IN RECEIVERSHIP
 783 OLD HICKORY BLVD STE 255
 BRENTWOOD TN 37027-4508

ACCOUNT # 0232618611

Cycle 053
 Enclosures 26
 Page 0
 1 of 2

LIFEGREEN BUSINESS CHECKING
 July 30, 2016 through August 31, 2016

SUMMARY

| | | | | |
|--------------------------|--------------------|---|-----------------|----------|
| Beginning Balance | \$12,426.94 | | Minimum Balance | \$7,356 |
| Deposits & Credits | \$11,948.28 | + | Average Balance | \$12,542 |
| Withdrawals | \$0.00 | - | | |
| Fees | \$0.00 | - | | |
| Automatic Transfers | \$0.00 | + | | |
| Checks | \$6,579.91 | - | | |
| Ending Balance | \$17,795.31 | | | |

DEPOSITS & CREDITS

| | | |
|-------------------------------------|---------------------|--------------------|
| 08/01 | Deposit - Thank You | 228.99 |
| 08/11 | Deposit - Thank You | 1,370.88 |
| 08/16 | Deposit - Thank You | 1,518.22 |
| 08/23 | Deposit - Thank You | 7,996.80 |
| 08/31 | Deposit - Thank You | 833.39 |
| Total Deposits & Credits | | \$11,948.28 |

CHECKS

| <u>Date</u> | <u>Check No.</u> | <u>Amount</u> | <u>Date</u> | <u>Check No.</u> | <u>Amount</u> |
|-------------|------------------|---------------|-------------|---------------------|-------------------|
| 08/01 | 1037 | 201.00 | 08/09 | 1041 | 3,058.69 |
| 08/03 | 1039 * | 470.13 | 08/08 | 1042 | 300.00 |
| 08/08 | 1040 | 1,270.09 | 08/31 | 1043 | 1,280.00 |
| | | | | Total Checks | \$6,579.91 |

* Break In Check Number Sequence.

DAILY BALANCE SUMMARY

| <u>Date</u> | <u>Balance</u> | <u>Date</u> | <u>Balance</u> | <u>Date</u> | <u>Balance</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 08/01 | 12,454.93 | 08/09 | 7,356.02 | 08/23 | 18,241.92 |
| 08/03 | 11,984.80 | 08/11 | 8,726.90 | 08/31 | 17,795.31 |
| 08/08 | 10,414.71 | 08/16 | 10,245.12 | | |

Regions Bank
Brentwood
329 Franklin RD
Brentwood, TN 37027

LAUREL HILLS CONDO POA IN RECEIVERSHIP
783 OLD HICKORY BLVD STE 255
BRENTWOOD TN 37027-4508

ACCOUNT #

0232618611

| | |
|------------|--------|
| | 053 |
| Cycle | 26 |
| Enclosures | 0 |
| Page | 2 of 2 |

**LOOKING FOR A WAY TO END MONTHLY SERVICE
FEES? WHEN YOU ACCEPT ELECTRONIC
PAYMENTS THROUGH REGIONS MERCHANT
SERVICES, WE WILL WAIVE YOUR MONTHLY
ACCOUNT FEE WHEN YOU HAVE AT LEAST ONE
MERCHANT SERVICES TRANSACTION PER MONTH.
WE ALSO OFFER FLEXIBLE PAYMENT
SOLUTIONS. FOR MORE INFORMATION, PLEASE
VISIT REGIONS.COM/MERCHANTSERVICES OR
CALL 1-800-REGIONS.**

**For all your banking needs, please call 1-800-REGIONS (734-4667)
or visit us on the internet at www.regions.com (TTY/TDD 1-800-374-5791).**

Thank You For Banking With Regions!

**LAUREL HILLS WATER SYSTEM IN RECEIVERSHIP
SUMMARY TIME SHEET - RECEIVER'S FEES**

Jeanne Barnes Bryant

| | |
|----------------------------|----------|
| July 2016 Fees | \$417.20 |
| July 2016 Overhead Expense | \$39.20 |

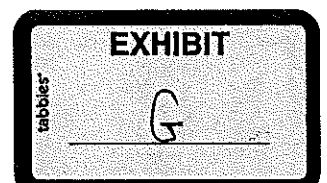
Receivership Management, Inc.

| | |
|----------------------------|------------|
| July 2016 Fees | \$1,627.10 |
| July 2016 Overhead Expense | \$222.60 |
| July 2016 Expenses | \$118.41 |

Everett Sinor

| | |
|---------------------------|-------------------|
| July 2016 Fees & Expenses | <u>\$3,103.07</u> |
|---------------------------|-------------------|

\$5,527.58



Receivership Management, Inc.
P. O. Box 2307
Brentwood, TN 37024

Invoice for Professional Services

| LAUREL HILLS WATER DISTRICT | | | | August 2016 | |
|-----------------------------|----------------------|--|-----|-------------|-----------------|
| 8/1/2016 | Jeanne Barnes Bryant | CALL AND EMAILS FROM COUNSEL RE JUNE REPORT | 0.2 | \$163.00 | \$32.60 |
| 8/3/2016 | Jeanne Barnes Bryant | EMAIL FROM COUNSEL RE CALL, CONFERENCE CALL WITH COUNSEL AND ROB MOORE RE SCHEDULE, NEXT REPORT, BID STATUS, EMAIL RE SAME | 0.5 | \$163.00 | \$81.50 |
| 8/4/2016 | Jeanne Barnes Bryant | REVIEW AND SIGN CHECKS, CALL FROM COUNSEL RE SCHEDULE | 0.2 | \$163.00 | \$32.60 |
| 8/8/2016 | Jeanne Barnes Bryant | EMAIL FROM COUNSEL RE BIDS AND REPORT, REVIEW SAME, QUESTION TO ROB MOORE RE DRAFT | 0.2 | \$163.00 | \$32.60 |
| 8/9/2016 | Jeanne Barnes Bryant | DISCUSSION WITH ROB MOORE RE CALL | 0.1 | \$163.00 | \$16.30 |
| 8/11/2016 | Jeanne Barnes Bryant | EMAIL FROM COUNSEL, REVIEW CHANGES TO DRAFT | 0.1 | \$163.00 | \$16.30 |
| 8/17/2016 | Jeanne Barnes Bryant | EMAIL FROM COUNSEL RE FILING, DISCUSSION WITH ROB MOORE RE STATUS | 0.2 | \$163.00 | \$32.60 |
| 8/18/2016 | Jeanne Barnes Bryant | EMAIL RE AQUA GREEN, EMAIL FROM COUNSEL RE REPORTS | 0.2 | \$163.00 | \$32.60 |
| 8/19/2016 | Jeanne Barnes Bryant | DISCUSSION WITH ROB MOORE RE BID ISSUES | 0.1 | \$163.00 | \$16.30 |
| 8/23/2016 | Jeanne Barnes Bryant | EMAIL AND CALLS FROM COUNSEL RE AFFIDAVIT, REVIEW CHANGES AND EXECUTE, MEETING WITH COUNSEL RE SAME | 0.5 | \$163.00 | \$81.50 |
| 8/24/2016 | Jeanne Barnes Bryant | DISCUSSION WITH ROB MOORE RE CALL, CONFERENCE CALL WITH SINOR AND GRAHAM MATHERNE RE POSSIBLE FILING, QUESTION RE CURRENT OPERATIONS | 0.5 | \$163.00 | \$81.50 |
| Total | | | | | \$456.40 |

Receivership Management, Inc.
P. O. Box 2307
Brentwood, TN 37024

Invoice for Professional Services

| LAUREL HILLS WATER DISTRICT | | | | August 2016 | |
|-----------------------------|----------------------|--|-----|-------------|----------|
| 8/1/2016 | Cody C. Smith | UPDATE REGISTER AND RECONCILE BANK ACCOUNT | 0.3 | \$123.00 | \$36.90 |
| 8/1/2016 | Jere P. Cowan | TELEPHONE CONVERSATION WITH E. SINOR RE: PREPARATION OF COURT FILING; REVIEW SAME AND PREPARE; EMAILS RE: SAME | 0.5 | \$50.00 | \$25.00 |
| 8/1/2016 | Jere P. Cowan | TELEPHONE CONVERSATION WITH M. DEPEW RE: NO WATER; | 0.1 | \$50.00 | \$5.00 |
| 8/1/2016 | Robert E. Moore, Jr. | EMAIL FROM K.KRUCHNSKI RE: NOT BIDDING; FORWARD TO E.SINOR .10; EMAIL TO T.STEVENS RE: DELINQUENT PAYER ADDRESSES .10 | 0.2 | \$153.00 | \$30.60 |
| 8/2/2016 | Cody C. Smith | POST FEE AND EXPENSE ACCRUALS TO GL. PREPARE NECESSARY BACKUP DOCUMENTATION | 0.1 | \$123.00 | \$12.30 |
| 8/2/2016 | Jere P. Cowan | ASSISTANCE WITH FINALIZING STATUS REPORT FOR COURT FILING AND SUPPORTING EXHIBITS; CONFERENCE WITH RECEIVER R MOORE RE: SAME; EMAIL FROM E. SINOR RE: SAME | 1 | \$50.00 | \$50.00 |
| 8/3/2016 | Jere P. Cowan | EMAILS FROM E. SINOR RE: ADDITIONAL EXHIBITS FOR FILINGS; FORWARD REPORT AND SUPPORTING EXHIBITS TO COUNSEL; EMAIL FROM E. SINOR RE: COUNSEL CHANGES FOR TRA; UPDATE SAME | 1 | \$50.00 | \$50.00 |
| 8/3/2016 | Robert E. Moore, Jr. | REVIEW AND RESPOND TO EMAILS FROM D.KENDALL RE: BID STATUS AND J.LAYMAN RE: CONFERENCE CALL ON BIDS .10 | 0.1 | \$153.00 | \$15.30 |
| 8/4/2016 | Robert E. Moore, Jr. | EMAIL RE: CONFERENCE CALL WITH TRA REPRESENTATIVES .10 | 0.1 | \$153.00 | \$15.30 |
| 8/5/2016 | Robert E. Moore, Jr. | PULL HISTORICAL DOCUMENTS FOR BID PROJECT AND RECEIVERSHIP WIND DOWN .3 | 0.3 | \$153.00 | \$45.90 |
| 8/9/2016 | Robert E. Moore, Jr. | CALL WITH E.SINOR RE: DRAFT NOTICE TO THE COURT RE: BIDS .10; TRA CONFERENCE CALL RE: BID AWARD .5; CALL WITH E.SINOR AND D.KENDALL RE: BID AWARD .4; UPDATE J.BRYANT RE: CALL .10 | 1.1 | \$153.00 | \$168.30 |

LAUREL HILLS WATER DISTRICT

August 2016

| Date | Employee | Description | Hours | Rate | Total |
|-----------|----------------------|--|-------|----------|----------|
| 8/12/2016 | Cody C. Smith | DISCUSSION ON COMPANY STATUS UPDATE FOR CURRENT PERIOD. POST FEE AND EXPENSE ACCRUALS TO GL. PREPARE NECESSARY BACKUP DOCUMENTATION. DISCUSS IMPLICATIONS OF ACCRUAL VS. CASH BASIS TAX FILINGS AND SEND BANK STATEMENTS TO TERRY STEPHENS CPA OFFICE. | 2.2 | \$123.00 | \$270.60 |
| 8/15/2016 | Cody C. Smith | PREPARING EXHIBITS FOR COURT REPORTS. POST FEE AND EXPENSE ACCRUALS TO GL. PREPARE NECESSARY BACKUP DOCUMENTATION. PROVIDE BANK STATEMENTS AND REGISTER REPORTS TO TERRY STEPHEN'S OFFICE. | 1.6 | \$123.00 | \$196.80 |
| 8/16/2016 | Cody C. Smith | UPDATE REGISTER AND RECONCILE BANK ACCOUNT | 0.3 | \$123.00 | \$36.90 |
| 8/18/2016 | Jere P. Cowan | ASSISTANCE WITH FINALIZING PROGRESS REPORTING; CONFERENCE WITH R. MOORE RE: EXHIBITS FOR SAME; EMAILS WITH E. SINOR RE: SAME | 0.4 | \$50.00 | \$20.00 |
| 8/18/2016 | Jere P. Cowan | EMAIL FROM E. SINOR RE: BID LETTER; REVIEW LETTER FROM R. MOORE; CONFERENCE RE: SUPPORTING EXHIBITS; EMAILS W/ SINOR RE: SAME; FORWARD SAME | 0.3 | \$50.00 | \$15.00 |
| 8/18/2016 | Robert E. Moore, Jr. | CALL WITH E. SINOR RE: ISSUES ON BID, DISCUSSION OF SAME AND NEED FOR CONFERENCE WITH TRA, DISCUSSION AND REVIEW OF PRESENTED LEGAL ISSUES AS RAISED BY AQUA GREEN .3; REVIEW AND APPROVE ACTIVITY REPORT .10 | 0.4 | \$153.00 | \$61.20 |
| 8/19/2016 | Robert E. Moore, Jr. | CONFERENCE CALL WITH TRA REPRESENTATIVES RE: BID ISSUES 1.3; CALL WITH E. SINOR RE: SCHEDULING OF FILINGS .25 | 1.55 | \$153.00 | \$237.15 |
| 8/21/2016 | Cody C. Smith | REVIEW DEPOSIT DETAIL AND P&L RECEIVED FROM TERRY STEPHENS CPA, USED TO FOR TY 2015 TAX RETURN. | 0.6 | \$123.00 | \$73.80 |
| 8/22/2016 | Robert E. Moore, Jr. | CALL FROM J. BRYANT RE: STATUS, PENDING CONCERNS ON BID .25 | 0.25 | \$153.00 | \$38.25 |
| 8/23/2016 | Cody C. Smith | DISCUSSION ON COMPANY STATUS UPDATE FOR CURRENT PERIOD. TELEPHONE CALL WITH EVERETTE SINOR. | 0.3 | \$123.00 | \$36.90 |
| 8/23/2016 | Jere P. Cowan | REVISIONS AND FINALIZING J. BRYANT AFFIDAVIT | 0.2 | \$50.00 | \$10.00 |
| 8/23/2016 | Jere P. Cowan | TELEPHONE CONVERSATION WITH R. WALL RE: NEW OWNER OF PROPERTIES AND UPDATE TO CONTACT INFORMATION; EMAIL TO R. MOORE RE: SAME | 0.1 | \$50.00 | \$5.00 |
| 8/24/2016 | Cody C. Smith | UPDATE REGISTER AND RECONCILE BANK ACCOUNT | 0.3 | \$123.00 | \$36.90 |

LAUREL HILLS WATER DISTRICT **August 2016**

| Date | Name | Description | Hours | Amount |
|--------------|----------------------|---|-------|-------------------|
| 8/24/2016 | Robert E. Moore, Jr. | CONFERENCE CALL RE: PROJECT STATUS WITH TRA AND AG REPRESENTATIVES AND E.SINOR 1.5; CALL WITH G.MATHERNE AND E.SINOR RE: POTENTIAL LITIGATION, FORWARD EMAILS TO G.MATHERNE FOR REVIEW 1.5 | 1.5 | \$153.00 |
| 8/26/2016 | Jere P. Cowan | RECEIPT/PROCESS INVOICES FOR PAYMENT; REVIEW AND PROCESS PAYMENT OF SAME; FORWARD | 0.3 | \$50.00 |
| 8/26/2016 | Jere P. Cowan | TELEPHONE CONVERSATION WITH M. DEPEW RE: NO WATER ISSUE | 0.1 | \$50.00 |
| 8/26/2016 | Robert E. Moore, Jr. | CALL FROM MELODY DEPEW RE: LOSS OF WATER, CALL TO G.WILLIAMS, CONDITIONS ALREADY NOTED, MAJOR LEAK AND REPAIR UNDERWAY .10; CALL FROM E.SINOR RE: CALL FROM W.HARKELROAD RE: WATERING FOR LAWN DEVELOPMENT, DISCUSSION AND INSTRUCT E.SINOR TO ALLOW FOR 3 WEEK | 0.6 | \$153.00 |
| 8/31/2016 | Robert E. Moore, Jr. | FORWARD INFORMATION ON LITIGATION TO TRA OFFICIALS .10 | 0.1 | \$153.00 |
| Total | | | | \$1,849.70 |

**G. Everett Sinor, Jr.
Attorney at Law**

September 1, 2016

Receivership Management, Inc.
Attn: Mr. Robert E. Moore, Jr.
1101 Kermit Drive, Suite 735
Nashville, Tennessee 37217

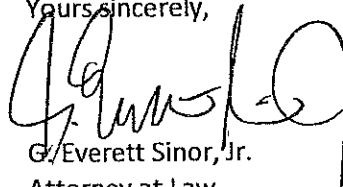
RE: *August 2016 Billings – RMI/Laurel Hills Water System in Receivership*

VIA UNITED STATES FIRST CLASS MAIL & ELECTRONIC MAIL

Dear Mr. Moore:

Please find enclosed herewith my billings for the previous month on the matter referenced above. If you have any questions about this bill, please do not hesitate to contact me.

Yours sincerely,



G. Everett Sinor, Jr.
Attorney at Law

Enclosure

*E-mailed & mailed on
9/1/16*

G. Everett Sinor, Jr., Attorney at Law

| <u>Date</u> | <u>Description</u> | <u>Hours</u> | <u>Rate</u> | <u>Fee</u> |
|-------------|---|--------------|-------------|------------|
| 8/1/2016 | Finalize 6th report & motion; T.C. w J Cowan re same; supplemental letter and docs filing; review of letter from Tennessee American letter re: bid; email from R Moore re customer list | 0.6 | | |
| 8/2/2016 | Email to J Cowan re: mailings; email transmission of report and motion to Chancellor Thurman's sec'y; email to J Bryant & R Moore re plan | 0.1 | | |
| 8/3/2016 | Review of J Layman pleading substituting counsel; email to J Layman re same; T.C. w J Bryant & R Moore re plan of action for estate; VMs for J Layman & K Cashman-Grams on conf. call request; T.C. w J Layman re same; email to R Moore w addresses | 0.7 | | |
| 8/4/2016 | J. Layman & R Moore emails on meeting; T.C. w J Bryant re conference call for Tuesday; email from C Tumer @ Cumberland Co Clerk and Master re 6th report; response to same | 0.3 | | |
| 8/5/2016 | Email from G Williams re bill | 0.1 | | |
| 8/8/2016 | Work on report re bid package; email to G. Williams re bids; email to R Moore re J Layman appearance notice; email to R Moore & J Bryant re issues on bid from Aqua Green | 2.5 | | |
| 8/9/2016 | T.C. w R Moore re bid and LHWS items; Conf. Call w J Layman, K Cashman-Grams, E Taylor, V Broemel & R Moore re bid and outstanding items | 1.3 | | |
| 8/10/2016 | T.C. w J Layman re follow up to conf call; email to R Moore re same | 0.2 | | |
| 8/11/2016 | review of Cumberland Pointe email & R Moore response; response to R Moore communication re bidders; further revisions to receivership plan implementation progress report; prep of 7th report and ancillary documents; email to R Moore & J Bryant re same; email to C Smith & Lansford & Stephens re financial information for July 2016 | 1.4 | | |
| 8/12/2016 | Finalize Progress Report; email to all interested parties; T Stephens email re taxes; email to R Moore & C Smith re same; C Smith email re TRA payment of RMI fees and tax implications; email from R Moore & C Smith re inquiries | 1.1 | | |
| 8/15/2016 | Email on LHWS outstanding items; message for Cumberland Co. C&M; T.C. w Connie @ Cumberland Co. C&M; Note from T. Stephens re: Hudson request; review pleading from J Gass moving to dismiss show cause; email to RMI & L&S re outstanding items | 0.3 | | |

| | | | | |
|-----------|--|-------------|-----------------|-------------------|
| 8/16/2016 | T.C. w C Smith re outstanding items; review of Lansford & Stephens docs, including A/R summary | 0.1 | | |
| 8/17/2016 | T.C. (2) w R Moore re Aqua Green bid, conversation with D Kendall, conversation w J Moore, and lack of pressure on top of Renegade Mtn.; T.C. (2) w D Kendall re talks w Moy Toy and Aqua Green bid; T.C. (2) w J Moore re lack of pressure on Renegade Mtn and Aqua Green bid; left VM for Jeannie Haiser, resident on Renegade Mtn re lack of pressure; draft preferred bid letter to Aqua Green; VM for J Layman @ TRA re Aqua Green's bid and easement right procurement; T.C. w J Layman re Aqua Green bid and conversations; work on 7th report and ancillary docs; T.C. w M Stephens @ L&S re A/R summaries; emails with C Smith re 7th report docs; email to R Moore re same; T.C. w G Williams re inability to find leak; discussion with R Moore re all LHWS matters | 4.1 | | |
| 8/18/2016 | Review D Kendall letter re system; forward same to R Moore; T Stephens email on tax form; emails to J Cowan, C Smith & R Moore re different aspects of 7th report; T.C. w R Moore re Kendall letter; email to J Layman & K Cashman-Grams re Kendall letter and seeking a conference; T.C. (2) w T Stephens re A/R summary & taxes; email to C Smith & R Moore re taxes; finalize 7th report and send to TRA; email from C Smith re accrual v cash taxes for 2015 | 1.7 | | |
| 8/19/2016 | J Layman email; T C R Moore re LHWS; T C w J Layman setting up conference call; Conference call w R Moore, J Layman & K Cashman-Grams re Aqua Green problems; Post conference call discussion w R Moore | 2.0 | | |
| 8/22/2016 | J. Layman email to C Kinser; review of order from Chancellor Thurman; forward same to J Layman | 0.1 | | |
| 8/23/2016 | Finalize and file 7th report; review of J Layman & C Kinser emails re Wednesday conf call; email to J Layman re same | 1.0 | | |
| 8/24/2016 | T.C. w J Layman to discuss conf. call; Conference call with TRA and Consumer Advocate reps; Conf call w G Matherne & R Moore re potential actions | 2.9 | | |
| 8/25/2016 | Review of C Kinser email re J Moore conversation w TDEC | 0.1 | | |
| 8/26/2016 | T.C. w W Harkleroad concerning ability to provide water to development; T.C. (2) w G Williams re same; T.C. (2) w R Moore re same; T. C. w W Harkleroad delineating established rule on commercial use of water | 0.9 | | |
| 8/29/2016 | T.C. w J Moore re show cause proceeding | 0.1 | | |
| 8/30/2016 | T.C. w R Moore re LHWS matters; email response to R Moore re G Matherne estimate | <u>0.4</u> | | |
| | Hourly Billing Total | 22.0 | \$140.00 | \$3,080.00 |

| | <u>Miles</u> | <u>Rate</u> | |
|----------------------|--------------|---------------|---------------|
| Mileage Total | 0.0 | \$0.47 | \$0.00 |

8/23/2016 Postage for 7th Report \$23.07

Other Expenses Reimburseable Total **\$23.07**

Balance Owed this month **\$3,103.07**

Previous Balance Owed \$5,466.11

Total Amount Due and Payable **\$8,569.18**

Please remit payment to: Everett Sinor, 3504 Robin Road, Nashville, Tennessee 37204

The UPS Store - #3355
115 Penn Warren Drive
Suite 300
Brentwood, TN 37027
(615) 377-8100

08/23/16 04:49 PM

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shipping, postal and business needs.

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COUPONS, SPECIALS, FACEBOOK FRIDAY!!



| | | |
|------------------|----------|----------|
| 001 500490 (022) | TO \$ | 4.72 |
| Flat | | |
| 002 500490 (022) | TO \$ | 18.35 |
| Flat | | |
| Reg Unit Price | \$ | 3.67 |
| | QTY | 5 |
| | SubTotal | \$ 23.07 |
| | Total | \$ 23.07 |

Master Card \$ 23.07

ACCOUNT NUMBER *

*****3631

Appr Code: (S) Sale

Receipt ID 83997712912419888200 006 Items
CSH: Kaye Tran: 2763 Reg: 001

RETURN W/ RECEIPT FOR 15% OFF NXT PURCHASE
(excludes USPS) EXPIRES 1 WEEK FROM TODAY!

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needs, we are here to serve you.

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www.theupsstore.com/signup

LAWS - 7th Reg

Mailbox

RMI EXP RECOVERABLE LHWD

8/1/16 Through 8/31/16

| Category Description | 8/1/16- 8/31/16 | OVERALL TOTAL |
|---------------------------|--------------------|------------------|
| 5100 FEES RMI | | |
| 5300-RECEIVERS FEES | -417.20 | -417.20 |
| 5610-CONTRACT LABOR RMI | -1,627.10 | -1,627.10 |
| 5690-RMI OH EXPENSE | -261.80 | -261.80 |
| TOTAL 5100 FEES RMI | -2,306.10 | -2,306.10 |
| 5150 FEES OTHER | | |
| 5697-OTHER CONTRACT LABOR | -3,103.07 | -3,103.07 |
| TOTAL 5150 FEES OTHER | -3,103.07 | -3,103.07 |
| 5300 EXPENSES | | |
| 6060-RENT | -35.46 | -35.46 |
| 6205-COPIES | -53.10 | -53.10 |
| 6210-POSTAGE | -29.85 | -29.85 |
| TOTAL 5300 EXPENSES | -118.41 | -118.41 |
| OVERALL TOTAL | -5,527.58 | -5,527.58 |

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.

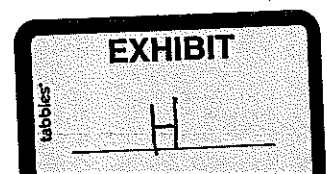
No. 2012-CH-560
Chancellor Thurman

AFFIDAVIT OF KELLY CASHMAN-GRAMS

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

COMES NOW, Kelly Cashman-Grams, after being duly sworn, state as follows:

1. I am of majority age and have personal knowledge of the facts set forth herein. I submit this Affidavit in support of the Receiver's Motion for Approval and Authorization of Payment of Fees and Expenses.
2. I am the General Counsel for the Tennessee Regulatory Authority in this matter. Pursuant to Tennessee law, the Tennessee Regulatory Authority took over the operations of the Laurel Hills Water System and moved this Court to appoint Receivership Management, Inc. as Receiver. Said Motion was granted on October 26, 2015.
3. Either I, or my staff at my direction, have reviewed the invoices for fees and expenses contained in this filing for the services performed by the Receiver for the period of August 1, 2016 through August 31, 2016 that are contained in this filing.



4. Based on my personal review, and the recommendations of my staff, I have determined that the rates being charged by the Receiver for the services provided are either at a discounted or market rate for the area.

5. Either I, or my staff at my direction, have reviewed the invoices for fees and expenses presented by the Receiver, and I have determined that all of the fees charged are fair, reasonable and proper for the services provided and that they are necessary costs of this Receivership. The invoices for fees and expenses attached as exhibits to the Receiver's Motion note the work performed, the amount charged and the person performing the work. No billings were excessive or duplicative.

6. Furthermore, either I, or my staff at my direction, have reviewed the fees and expenses for outside contractees, and, based upon this review and the recommendations of the Receiver, I have determined that both the rate and the amount of those fees and expenses are fair, reasonable and proper for the services provided.

7. I believe that all fees and expenses contained in this filing and presented for approval are fair, reasonable and proper for the necessary services provided.

[intentionally blank]

8. Pursuant to the Court's Amended Order Appointing Receiver, I request that the Court approve the fees and expenses, as submitted and supported, and that the Court authorize payment to the Receiver out of receivership estate assets in the amount of said fees and expenses.

FURTHER THE AFFIANT SAITH NOT.

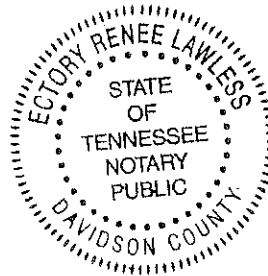
Kelly Cashman Grams
KELLY CASHMAN-GRAMS

Sworn to and subscribed before me this

26 day of September, 2016.

Etory R. Lawless
NOTARY PUBLIC

My commission expires: 11/9/2018



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

AFFIDAVIT OF JEANNE BARNES BRYANT

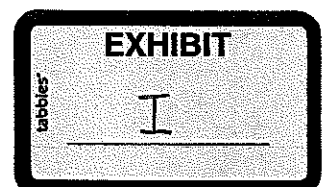
STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

COMES NOW, Jeanne Barnes Bryant, after being duly sworn, state as follows:

1. I am of majority age and have personal knowledge of the facts set forth herein. I submit this Affidavit in support of the Receiver's Motion for Approval and Authorization of Payment of Fees and Expenses.

2. I am the President of Receivership Management, Inc., the Receiver appointed in this action by the Court and the Tennessee Regulatory Authority. In that capacity, I have reviewed and approved the administration of the Laurel Hills Water System ("LHWS") from the date of the Order Appointing Receiver entered by this Court on October 26, 2015.

3. The Receiver has filed a Motion for approval of fees and expenses in the LHWS Receivership. The Receiver's Motion seeks approval of the amount of fees and



expenses incurred for the period of time between August 1, 2016 and August 31, 2016 that are contained in the Receiver's motion.


4. I have reviewed all of the fee and expense items for the staff of Receivership Management, Inc. who have performed services to this Receivership, as well as the overhead and operating charges of Receivership Management, Inc. and persons who have contracted with Receivership Management, Inc. to provide services on this receivership. The fees and expenses were necessary for the work provided and are not duplicative or excessive. I believe the fees presented for approval are fair, reasonable and proper for the services provided. I have also determined that the rates charged by these individuals for the services provided are either at a discounted or market rate for their area.

5. Therefore, I believe that all fees and expenses presented for approval contained in this filing are fair, reasonable and proper for the necessary services provided.

[intentionally blank]

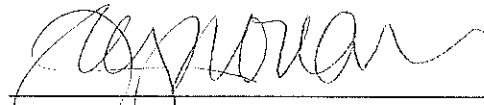
6. Based upon an initial review of financial documentation for LHWS, it appears that there are sufficient assets available to address the payment of the fees and expenses presented for approval in the Receiver's Motion over and above the assets needed for operational expenses. Accordingly, and pursuant to the Court's Amended Order Appointing Receiver, it is requested that the Court approve payment to the Receiver out of the assets of the Laurel Hills Water System in Receivership in the amount of \$5527.58 (i.e., the amount of fees and expenses set forth in the Receiver's Motion).

FURTHER THE AFFLIANT SAITH NOT.


JEANNE BARNES BRYANT

Sworn to and subscribed before me on this

28th day of September, 2016.



Notary Public

Commission Expires: 1/6/2020

