

G. EVERETT SINOR, JR.
Attorney at Law

November 9, 2016

The Honorable Sue Tollett
Clerk and Master
Cumberland County Chancery Court
60 Justice Center Drive, Suite 226
Crossville, Tennessee 38555

*RE: Tennessee Regulatory Authority v. Laurel Hills Condominiums Property
Owners Association, Docket No. 2012-CH-560*

VIA UNITED STATES FIRST CLASS MAILS

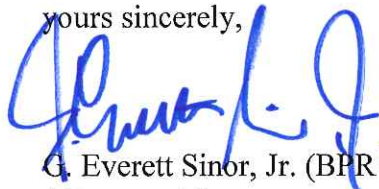
Dear Ms. Tollett:

Please find enclosed herewith the following:

1. The Receiver's Ninth Report and Motion for Approval of Fees and Expenses, Authorization for Payment of Certain Fees and Expenses, and for an Interim Taxation of Costs; and,
2. A proposed Order Granting the Receiver's Motion.

Please return to me a copy of these documents, once stamped filed with your office, in the self-addressed, stamped envelope. Thanking you for your consideration of this matter, I remain,

yours sincerely,



G. Everett Sinor, Jr. (BPR #017564)
Attorney at Law

Enclosures

cc: Receivership Management, Inc.
Kelly Cashman-Grams, Esq.
James Gass, Esq.
Scott D. Hall, Esq.
Melanie Davis, Esq.
Vance Broemel, Esq.
Roger York, Esq.

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

RECEIVER'S NINTH REPORT AND MOTION FOR APPROVAL OF FEES AND
EXPENSES, AUTHORIZATION FOR PAYMENT OF CERTAIN FEES AND EXPENSES,
AND FOR AN INTERIM TAXATION OF COSTS

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 this, the Receiver's Ninth 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 of certain fees and expenses and for an interim taxation of costs.

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

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 has filed subsequent reports with the Cumberland County Clerk and Master in which it has provided the Court with additional financial and operational information, summarized the Receiver's activities regarding the system, set forth its implementation of the Receivership Plan, and detailed some of the continuing legal issues involving control of the water system properties in question.²

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, as well as the Receiver's Eighth Report, for the Receiver's activities relative to the Receivership Plan. As previously reported, the Receiver's preferred bidder, Agua Green Utility, Inc. [hereinafter "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.

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 See the Receiver's second, third, fourth, fifth, sixth, seventh, and eighth reports, filed with the Cumberland County Clerk and Master on February 24, 2016, March 28, 2016, May 27, 2016, June 27, 2016, August 4, 2016, August 26, 2016, and October 3, 2016, respectively.

4. 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.

5. Given the numerous issues raised by Aqua Green, all relating to proper titling of, and use and easement rights relating to, the LHWS; the Receiver intends to institute a condemnation action against parties that hold fee simple title and/or use and/or easement rights in and to the LHWS. As required by Tenn. Code Ann. § 29-16-105, copies of the petition have been mailed to the "owner[s] of the land or rights" in advance of filing. It is anticipated that the petition will be filed with the Cumberland County Circuit Court once the requisite five (5) days' notice required by Tenn. Code Ann. § 29-16-105 has passed. A true and complete copy of said petition is attached hereto as Exhibit B for this Court's ready reference, and is incorporated herein by reference. J. Graham Matherne, Esq. is counsel for the Receiver for purposes of that condemnation action; his services were procured by the Receiver with the full knowledge and understanding of the Authority, the party responsible for interim taxation of costs in this proceeding.

6. Complete implementation of the Receivership Plan via a sale of the LHWS to the Receiver's preferred bidder must await successful prosecution of the condemnation action, given the LHWS titling issues referenced above and Aqua Green's reservations.

Operations and Other Activities of the Receiver

7. 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.

8. Starting with the July, 2016 billing cycle, LHWS customers received bills that reflected the new rate. Here follows the collection statistics for the third quarter of 2016:

- a. **July of 2016:** 106 of the 131 customers of the LHWS have now paid their water bill. Of the 25 non-paying customers, 22 are in the Cumberland Pointe condominium units, and 3 are located elsewhere on Renegade Mountain.
- b. **August of 2016:** 105 of the 131 customers of the LHWS have now paid their water bill. Of the 26 non-paying customers, 22 are in the Cumberland Pointe condominium units, and 4 are located elsewhere on Renegade Mountain.
- c. **September of 2016:** 99 of the 131 customers of the LHWS paid their water bill. Of the 32 non-paying customers, 24 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. As previously reported, the Receiver understands that the Cumberland Pointe Homeowners' Association has cut water off to non-paying customers within those condominium units.

9. As previously reported, 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 issued on September 16, 2016. Two (2) or three (3) complaints have been received by the Receiver relating to the content of that water use notice. However, since

issuance of the water use notice, there have not been any complaints about the lack of water pressure in the LHWS.

10. Also as previously reported, Mr. Gerald Williams has indicated to the Receiver that he does not wish to continue to provide engineering/operational services for the LHWS any longer. The Receiver continues to search for a properly licensed operator to provide these services for the LHWS.

11. On October 4, 2016, Mr. Williams indicated that there was a substantial leak on the supply line running up Renegade Mountain. He highly recommends that the leak be repaired before winter. Mr. Williams estimates the cost of the supply leak repair to be as follows: \$200.00 to \$400.00 for parts; and \$400.00 to \$600.00 for labor (consisting of 3 men for a full day). That repair has been authorized, and it is expected Mr. Williams will complete the work before winter.

Financial Information

12. As of November 1, 2016, there was an accounts receivable past due balance of \$13,380.67.³ A copy of the Accounts Receivable Aging Summary, calculated as of November 1, 2016, is attached hereto as Exhibit C and is incorporated herein by reference.

13. On a cash basis, LHWS had a net gain in September 2016 of \$5637.44. See Exhibit D, attached hereto and incorporated herein by reference. As of October 16, 2016, LHWS had a balance of \$20,398.20 in its main operating account. See Collective Exhibit E, attached hereto and incorporated herein by reference.

14. The LHWS was able to meet current obligations in September and October of 2016.⁴ Though the LHWS has a relatively large accounts receivable balance, all past due payable balances have been satisfied.

³ Of this amount, \$3622.62 is less than a month past due, and \$9758.05 is more than a month past due. See Exhibit C.

Cash Flow Projection – Anticipated Problems

15. As noted above, Mr. Matherne was hired by the Receiver to pursue a condemnation action on behalf of the LHWS. Mr. Matherne's fees and expenses were not anticipated by the Receiver when the LHWS receivership estate was created. The Receiver believes that the addition of Mr. Matherne's fees and expenses cannot be paid out of the estate, and the Authority was so informed before Mr. Matherne's services were procured. The Authority was aware of this financial exposure and has nonetheless agreed to the filing of the condemnation action, understanding that it is liable to pay such fees through an interim taxation of costs that it may be unable to later recover.

16. However, even laying aside Mr. Matherne's current and projected fees and expenses, the LHWS still faces a cash flow problem. Attached as Exhibit F, and incorporated herein by reference, is an electronic mail, dated October 25, 2016, sent from Mr. Sinor to Ms. Kelly Cashman-Grams, General Counsel for the Authority. This email explains the cash flow problem, provides historical financial information for the second and third quarters of 2016 for the LHWS, and provides a cash flow projection for the LHWS through July of 2017.

17. In its projection, the Receiver attributes the cash flow problem to the fact that less customers are paying their bill than was initially projected. In the Authority rate filing case as well as the Receiver's rate filing motion with this Court, it was anticipated that the LHWS would have 130 paying customers—instead, the number is closer to 100 paying customers.⁵

18. In the Authority rate filing case as well as the Receiver's filing motion with this Court, the Receiver's monthly fees and expense were estimated at \$8000.00. For

⁴ 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.

⁵ See ¶ 8, supra.

purposes of the cash flow projection provided to Ms. Cashman-Grams, the Receiver's monthly fees and expense were estimated at \$7500.00. Given the number of LHWS customers who are not paying their bill, the Receiver estimates that a break-even point for the Receiver's fees and expenses is closer to \$5500.00.

19. At its current pace, the Receiver anticipates the LHWS running out of money in December of 2016.⁶ When this occurs, it will be necessary for further interim taxation of costs to take place to make up the difference.

Fees and Expenses of Receiver

20. 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 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

21. 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 September 1, 2016 through September 30, 2016 in the amount of \$3639.71.⁸ Mr. Sinor, working on contract for the Receiver under Mr. Moore, has performed work for the Receivership and has incurred fees and expenses as shown in Collective Exhibit G for the period September 1, 2016

⁶ Again, this does not take into account Mr. Matherne's projected fees and expenses, nor does it take into account previous costs and expenses of the receivership estate taxed on an interim basis to the Authority.

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 September 1, 2016 through September 30, 2016, which total \$546.51.

through September 30, 2016 in the amount of \$3458.62. Mr. Matherne, working on contract for the Receiver under Mr. Moore, has performed work for the Receivership and has incurred fees and expenses as shown in Collective Exhibit G for the period September 1, 2016 through September 30, 2016 in the amount of \$7263.00.

22. 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 Robert E. Moore, Jr., attached hereto as Exhibit I and incorporated herein by reference.

23. 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 September of 2016: \$3639.71; and,
- b. Invoice for Mr. Sinor working under Mr. Moore for September of 2016: \$3458.62; and,
- c. Invoice for Mr. Matherne working under Mr. Moore for September of 2016: \$7263.00.

24. 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.

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 herein in the aggregate amount of \$14,361.33, and further **MOVES** this Court to (a) authorize payment of fees and expenses out of Laurel Hills Water System in Receivership estate's funds in the amount of \$7098.33 (constituting all fees and expenses save Mr. Matherne's); and (b) tax costs to the Authority on an interim basis in the amount of \$7263.00 (constituting the amount of Mr. Matherne's fees and expenses).

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*

G. 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)

*by [Signature] / by [Signature]
by permission
granted on
11/7/16 via
electronic mail*

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

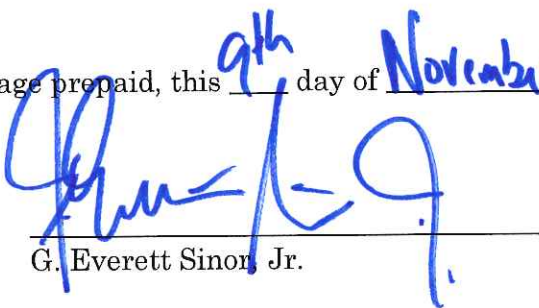
Scott D. Hall, Esq.
Counsel for Moy Toy, LLC
105 Bruce Street
Sevierville, Tennessee 37862

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 9th day of November, 2016.


G. Everett Sinor, Jr.

*Condominium Petition
Exhibits provided
electronically by e-mail
only. A written copy
will be provided upon
request.*

11/9/16



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 'DK' followed by a large, stylized flourish.

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:

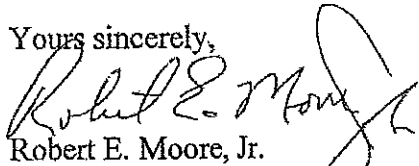
I am pleased to announce that your bid has been accepted by the Receiver in the above-referenced receivership estate as its preferred bid for the sale of the Laurel Hills Water System [hereinafter the "LHWS"]. A partially redacted copy of your bid proposal, dated July 22, 2016, is attached hereto for 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.

IN THE CIRCUIT COURT FOR CUMBERLAND COUNTY, TENNESSEE

LAUREL HILLS WATER SYSTEM,)
in Receivership, by and through its)
Court-Appointed Receiver,)
RECEIVERSHIP MANAGEMENT,)
INC.,)

Petitioner,)

v.)

Moy Toy, LLC, A Tennessee)
Limited Liability Company, and)
Terra Mountain Holdings, LLC,)
a Georgia Limited Liability Company)

Respondents.)
)
)
)
)
)
)
)
)

Docket No. _____

Jury Demanded

PETITION FOR CONDEMNATION AND/OR
CLARIFICATION OF RIGHTS TO PROPERTY

Comes now, Laurel Hills Water System, in Receivership ("LHWS"), through its Court-Appointed Receiver, Receivership Management, Inc. ("Receiver"), and seeks an order of condemnation as to property or property interests as herein described *and/or* clarification of rights to property or property interests.

**I. ESTABLISHMENT OF RECEIVERSHIP OVER LHWS,
A PUBLIC UTILITY / COURT APPROVED RECEIVERSHIP PLAN**

1. LHWS is a public utility which provides, and is to provide, potable water to areas located on Renegade Mountain in Cumberland County, Tennessee. *See Laurel Hills Condominium Property Owner's Assn. v. Tennessee Regulatory Authority*, _____ S.W.3d _____ (Tenn. Ct. App. 2014), 2014 WL 1494126 at *6 (April 14, 2014).



2. In a still-pending Cumberland County, Tennessee Chancery Court proceeding – *Tennessee Regulatory Authority v. Laurel Hills Condominium Property Owners Assn.* (#2012-CH-560 / Chancellor Thurman) (hereinafter “LHWS Receivership Court”) – that Court placed LHWS into receivership. The LHWS Receivership Court entered, on October 26, 2015, an Order Appointing Receiver which appointed Receiver “as Receiver for the water system controlled by [Laurel Hills Condominium Property Owners Association]” – i.e. LHWS. A copy of Order Appointing Receiver is attached as **Exhibit A**¹.

3. In the LHWS Receivership Court’s Order Appointing Receiver (**Exhibit A**), the Receiver was “directed to take exclusive custody, control and possession of [all property and interest] owned or held by [LHWS] relating *in whole or in part* to the water system, with full power to sue for . . . and take possession of [water system related] properties.” *Id.* at ¶3 (emphasis, ellipses and brackets added).

4. The LHWS Receivership Court’s Order Appointing Receiver expressly stated that if the Receiver determined that a rehabilitation of LHWS was unfeasible, it would prepare a plan for the liquidation and sale of the LHWS water system assets and, if approved by the LHWS Receivership Court, the Receiver “shall carry out the plan.” *Id.* at ¶15.

5. On June 1, 2016, the Receiver moved the LHWS Receivership Court to approve and adopt its Receivership Plan. *See* Motion attached as **Exhibit C**. Filed with that Motion was the Receivership Plan (copy attached as **Exhibit D**) which set forth the unfeasibility of a rehabilitation of LHWS and proposed the plan of soliciting bids for the ownership and operation of LHWS and to then submit any satisfactory proposals to the LHWS Receivership Court for approval. Through

¹ The LHWS Receivership Court entered an Amended Order Appointing Receiver on April 29, 2016. *See* **Exhibit B** hereto. The amendments effected through the LHWS Receivership Court’s Amended Order Appointing Receiver do not affect the ability or standing of LHWS, through its Receiver, to maintain this action.

order entered by the LHWS Receivership Court on June 9, 2016, that Receivership Plan was approved and adopted, stating that “The Receiver shall forthwith implement and carry out its receivership plan.” *See Exhibit E.*

6. In discharge of the Receivership Plan, the Receiver sought out entities to bid upon LHWS. Ultimately, only one entity, Aqua Green Utility, Inc. of Acworth, Georgia, submitted a bid. Aqua Green then engaged in discussions with the entity that asserts most ownership/control over the property rights and property interests at issue in this action – Moy Toy, LLC. Aqua Green engaged in those discussions in order to clarify that it would have ownership or property rights sufficient to operate LHWS and also those property rights which it understood would be required by the Tennessee Regulatory Authority to issue a Certificate of Convenience and Necessity (“CCN”) to Aqua Green to operate LHWS as a public water utility. Those discussions did not result in Aqua Green being assured that it would receive from Moy Toy the needed property rights. *See August 17, 2016 letter from Aqua Green to counsel for Receiver, attached as Exhibit F.*

7. As more fully described herein, in order to carry out the Receivership Plan, this condemnation action and/or action for clarification is necessitated.

II. PARTIES TO THIS ACTION

8. LHWS brings this action by and through its Receiver, Receivership Management, Inc., which is a Tennessee corporation with its principal place of business being 1101 Kermit Drive, Nashville, Tennessee 37217. Receivership Management, Inc. acts in this matter solely in the capacity as Receiver of LHWS.

9. Respondent Moy Toy, LLC is a Tennessee Limited Liability Company with its principal office located at 3227 Renegade Mountain Parkway, Crab Orchard, Tennessee 37723.

10. Respondent Terra Mountain Holdings, LLC is a Georgia Limited Liability Company with its principal office located at 901 N. Broad Street, Suite 140, Rome, Georgia, 30161.

**III. ENTITIES NOT A PARTY TO THIS ACTION
BUT TO WHOM NOTICE IS GIVEN**

11. The Receiver has, in good faith, listed above the entities which have property rights or interests affected by this action or from which clarification of property rights or interests is needed. Other entities, however, may believe that their property rights or interests are affected and may, upon discovery in this matter, have property rights or interests that are at issue. In order to provide notice to those entities, a copy of this Petition for Condemnation and/or Clarification of Rights to Property will be sent to the following so that they may enter an appearance (so as to receive copies of pleadings, etc.) and/or move to intervene so as to address any issues relating to this Petition for Condemnation and/or Clarification of Rights to Property:

- a. Cumberland Point Condominium Property Owner's Association c/o Mary Ann Dorris, Highway 70 East, P.O. Box 3667, Crossville, TN 38557
- b. Laurel Hills Condominium Property Owners Association c/o Michael M. McClung, 3227 Renegade Mountain Parkway, Crab Orchard, TN 37723
- c. Woodridge Condominiums Property Association c/o Glenn McDonald, Highway 70 East, P.O. Box 288, Crab Orchard, TN 37723
- d. Atlantic Coast Conservancy, Inc. c/o Dr. Robert Keller, 72 South Main Street, Jasper, GA 30143

IV. STANDING, JURISDICTION AND VENUE

12. As a public utility, LHWS, through its Court-appointed Receiver, has standing to pursue the relief sought herein. See **Exhibit A** at ¶3; T.C.A. §65-27-101 et. seq. and T.C.A. §29-16-

101 et. seq. To the extent that the requests for clarification of rights are sought requires declaration of rights or interests, LHWS has standing pursuant to T.C.A. §29-14-101 et. seq.

13. Jurisdiction over the subject matter of this action lies in this Court. T.C.A. §65-27-101 et. seq. and T.C.A. §29-16-104. To the extent that the requests for clarification of rights are sought herein requires declaration of rights or interests, jurisdiction is also based upon T.C.A. §29-14-101 et. seq.

14. Jurisdiction over the named Respondents is appropriate because they own, or are, in good faith, believed to own, the property and/or property interests at issue, all of which are located in the State of Tennessee.

15. Venue of this action in this judicial district is appropriate because all the property/property interests at issue are located in Cumberland County, Tennessee.

V. **LAUREL HILLS CONDOMINIUM PROPERTY OWNERS ASSOCIATION /**
TENNESSEE REGULATORY AUTHORITY PROCEEDINGS
AND SETTLEMENT AGREEMENT

16. In 2012, and for some time prior thereto, Laurel Hills Condominium Property Owners' Association ("Laurel Hills POA") was the operator of the water system at issue. In 2012, in reaction to an order from the Cumberland County Chancery Court which ordered Laurel Hills POA to continue to provide water to Renegade Mountain residents, Laurel Hills POA filed a petition with the Tennessee Regulatory Authority ("TRA") requesting the issuance of a certificate of public convenience and necessity ("CCN"). *See* Docket #12-00030 (filed with the TRA on April 12, 2012). In those TRA proceedings, Laurel Hills POA maintained that it was the holder of all assets and service rights for the providing of potable water to the Renegade Mountain development.

17. In that TRA proceeding, Laurel Hills POA was denied a CCN and was ordered to divest itself of the water utility. Laurel Hills POA appealed to the Tennessee Court of Appeals. The

Court of Appeals, in its decision referenced in ¶1 above, noted that there was no dispute that the Laurel Hills POA water system was a public utility and upheld the TRA order that Laurel Hills POA divest itself of the public utility.

18. Laurel Hills POA, apparently, was unable to divest itself of the public water utility and on July 27, 2015 entered into a settlement agreement in which various matters were agreed to as between Laurel Hills POA and the TRA Party Staff, one of which was Laurel Hills POA's voluntary placement of LHWS into receivership. That receivership was instituted in the LHWS Receivership Court on October 26, 2015, and, as referenced in ¶2 above, the Receiver was appointed by the LHWS Receivership Court.

19. The Settlement Agreement as between Laurel Hills POA and the TRA Party Staff does not have the Receiver as a party. While the Settlement Agreement contemplated the establishment of the receivership, it did not, and does not, bind the Receiver in the discharge of its duties.

20. Rather the Receiver, having been appointed as Receiver by the LHWS Receivership Court, is an officer of that court and is to be regarded as the hand of the appointing court in discharging the Receiver's duties as ordered by the LHWS Receivership Court.

21. As set forth previously, the LHWS Receivership Court has approved the Receiver's Receivership Plan regarding LHWS, a public utility, and has ordered the Receiver to take the necessary actions to implement that plan. *See Exhibits D and E* attached.

22. As discussed herein, the implementation of the Receivership Plan involves numerous matters that were either not addressed in the Laurel Hills POA – TRA staff settlement, or which are in need of clarification, relating to having title and/or easements to property or property interests regarding the entirety of LHWS so as to enable the Receiver to sell LHWS out of

receivership, upon the approval of the LHWS Receivership Court, and in accordance with parameters that would, upon information and belief, allow the purchaser to have the necessary rights to secure a CCN from the TRA to operate the public water system.

23. Again, in order to proceed with the implementation of the Receivership Plan, as the Receiver is ordered to do by the LHWS Receivership Court, this action was necessitated.

VI. PROPERTY/PROPERTY INTERESTS AT ISSUE AND/OR IN NEED FOR CLARIFICATION

24. There are four distinct areas of necessary taking of property or property interests, and/or clarification of property or property interests, in relation to LHWS, a public entity, so as to allow the Receiver to implement the Receivership Plan: (1) property rights or interests relating to the water supply line which runs from property owned by the Crab Orchard Water Utility District to a water tower property “on the top” of Renegade Mountain, (2) property rights or interests relating to the referenced water tower property, (3) water service line easements throughout the Renegade Mountain development’s platted areas and roadways, and (4) access easement as to Renegade Mountain Parkway.

25. As set forth below, each of the areas of “taking” and/or clarification relate to the providing of potable water to the Renegade Mountain development by a public utility and therefore are in furtherance of the public good.

A. Water Supply Line

26. Attached as **Exhibit G** is a drawing of the Water Supply Line at issue in this action, with handwritten notes inserted, in good faith, by undersigned counsel for the Receiver.

27. The water for LHWS is purchased from the Crab Orchard Utility District (“COUD”) which is supplied from a 1.2 acre pump station property owned by the COUD, said parcel described as Parcel #141 033.00 in the Cumberland County Register of Deeds (“ROD”) Office.

28. Access (ingress and egress) to that COUD pump station property is through travel from Kemmer Road and Mullinax Road, both of which, upon reasonable investigation by the Receiver, are public streets maintained by the City of Crab Orchard, Tennessee. Therefore, the Receiver asserts that LHWS (and any subsequent water utility operator, such as Aqua Green) has the ability to travel upon those public streets to reach the 1.2 acre COUD property.

29. Located on the COUD 1.2 acre property are a small pump house and pipes owned by LHWS. LHWS, by and through its Receiver, anticipates agreement with COUD that would grant it full easement rights, while purchasing water from COUD, to the small pump house and water pipes and the full right to come upon the 1.2 acre property to maintain, repair and/or replace the small pump house (and contents) and the Water Supply Line owned by LHWS located on that property. That anticipated agreement also grants LHWS, by and through its Receiver (and its successors and assigns), the ability to use and occupy needed portions of the 1.2 acre tract to effect maintenance, repair or replacement of the small pump house (and contents) and/or the Water Supply Line. With that anticipated agreement, there are no further property, or property interests, held by COUD needed by the Receiver to implement the Receivership Plan. Accordingly, COUD is not named as a party to this action.

30. From that COUD water pump station property, the Water Supply Line runs “up the mountain” across portions of a 158.5 acre parcel owned by James A. and Elizabeth L. Kemmer, said parcel described as ROD Parcel #141 029.02. *See Exhibit G.*

31. LHWS, by and through its Receiver anticipates agreement with James A. and Elizabeth E. Kemmer that would grant it full easement rights as to the Water Supply Line as it crosses the Kemmer property and the full right to come upon the Kemmer property to maintain, repair or replace the Water Supply Line. The anticipated agreement also grants LHWS, by and

through its Receiver (and its successors and assigns) the ability to use and occupy needed portions of the Kemmer property to effect maintenance, repair or replacement of the Water Supply Line. With that anticipated agreement, there are no further property, or property interests, held by the Kemmers needed by the Receiver to implement the Receivership Plan. Accordingly, Mr. and Mrs. Kemmer are not named as parties to this action.

32. The Water Supply Line continues “up the mountain” (*see Exhibit G*), and it crosses from the Kemmer 158.5 acre property on to a parcel owned by Terra Mountain Holdings, LLC (ROD Parcel #142 031.06), but which is subject to a Deed of Conservation Easement in favor of Atlantic Coast Conservancy, LLC (*see* ROD Book 1422, Page 1806-2009) – relevant parts attached as **Exhibit H**. The Deed of Conservation Easement, in pertinent part, states:

8. Permitted Uses. Permitted uses [reserved by Terra Mountain] of the Easement Area vary depending on where on the Easement Area such use occurs as specifically indicated below.

...

- 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 [Terra Mountain] to maintain, repair, remove, or replace the waterline and its improvements.

...

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

...

8.1.D Acceptable Development Area – Existing Waterline. Without prior written permission from the Conservancy, [Terra Mountain] 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.

See **Exhibit H**, Deed of Conservation Easement, ROD Book 1422 at Pages 1815, 1816, 1817 and 1819 (brackets and emphasis added).

33. The above quoted portion of the Deed of Conservation Easement references an “existing waterline” as identified in “Section XI of the Baseline Documentation Report.” That Baseline Documentation Report contains a map which states that the Existing Waterline is shown in the color “Lepidolite Lilac,” but all that is recorded is a poor black and white copy upon which no colors are discernable. See **Exhibit H**, Deed of Conservation Easement, ROD Book 1422 at Page 1942 and 1943 (pp. 42 and 43 of the Baseline Documentation Report). The Receiver is aware of no waterline that crosses the conservation easement area established by the Deed of Conservation Easement other than the LHWS Water Supply Line. To that end, the Receiver relies upon the reasonable conclusion, and therefore asserts, that Terra Mountain is the holder of the existing water line easement set forth in the above-quoted language of the Deed of Conservation Easement which applies to the Water Supply Line. Accordingly, the grantee, Atlantic Coast Conservancy, Inc., has

no interest in the Water Supply Line crossing over the Conservation Easement². In order to operate as a public utility, and to implement its Plan, the Receiver must have Terra Mountain assign to it all rights, title and interest it holds to the existing Water Supply Line and referenced easements as set forth in the Deed of Conservation Easement.

34. Moving further “up the mountain,” the Water Supply Line runs from the Conservation Easement property (as described immediately above) and crosses on to a parcel of land (22.75 acres) owned by Moy Toy, LLC. *See* ROD Parcel #141 056.00 and **Exhibit G**. This property is also known as the “Original Lodge Tract,” the original lodge of the Renegade Mountain development (which has subsequently burned to the ground) having been located thereon.

35. On February 3, 2016, Moy Toy granted to Laurel Hills POA an irrevocable, but limited, license for “existing utility purposes” which granted to Laurel Hills POA limited rights regarding the operation of the LHWS, in receivership. *See* copy attached as **Exhibit I**.

36. That “irrevocable license agreement” is purported to be part of the Laurel Hills POA/TRA Party Staff settlement referenced in ¶¶ 18 - 20 above and to which the Receiver is not bound. Again, the Receiver is specifically authorized to take the necessary actions to implement the Receivership Plan approved by the LHWS Receivership Court.

37. Part of the “irrevocable license agreement” was Moy Toy’s granting of a non-exclusive, but supposedly irrevocable, license to Laurel Hills POA to come upon and use the “original lodge tract” regarding the “operation of a water distribution system” including “existing water transmission lines.” (*See Exhibit I* at p. 2 and p.1 of Exhibit A thereto.) The Receiver, in good faith, assumes that the “existing water transmission line” located on the “original lodge tract”

² The ability to come upon the conservation easement area to maintain, repair, remove or replace the existing water line (**Exhibit H** at Book 1422, Page 1819) expressly does not require permission from Atlantic Coast Conservancy.

is the same as, or includes, the Water Supply Line that crosses the Moy Toy property (RODMap 141, Parcel 056.00); *see also* **Exhibit G**.

38. The “irrevocable license” agreement from Moy Toy to Laurel Hills POA is a license, not the grant of an easement³. The “irrevocable license” agreement is a limited, non-exclusive grant. The “irrevocable license” agreement is vague in what the physical dimensions of the “license” are and what use rights are included regarding the Water Supply Line. The “irrevocable license” agreement does not address issues of repair, replacement and/or maintenance of the Water Supply Line nor the ability of the Receiver, or any subsequent utility provider, to come upon land adjacent to the Water Supply Line to effect repair, replacement and/or maintenance and to occupy said adjacent land during any such repair, replacement or maintenance.

39. In order to operate as a public utility, and to effect implementation of the Receivership Plan, the Receiver needs to have an (a) easement of 30’ (15’ as to each side of the Water Supply Line), (b) an access easement across the Moy Toy property for the purpose of maintaining, repairing and/or replacing that portion of the Water Supply Line that crosses the Moy Toy property, and (c) an easement to use and/or occupy such portion of the Moy Toy property to effect any such repair, replacement or maintenance to the Water Supply Line. To the extent that Moy Toy asserts ownership rights to the Water Supply Line itself, such interest must be titled in the name of LHWS, in Receivership.

³ A license, revocable or not, is not an easement, the former providing use rights only and the later providing an interest in the land that, while subject to the dominant tenement, would run with the land. Upon information and belief, it is the gaining of easements, not licenses for use, that the TRA would require in relation to the operation of a public utility and it is the gaining of an easement, not a license for use, that is need to implement the Receivership Plan. There is also question as to how Laurel Hills POA has conveyed the “rights” obtained from Moy Toy through this “irrevocable license” on to LHWS. Presumably, Laurel Hills POA will maintain that what it received from Moy Toy, through the irrevocable license, was conveyed to LHWS, in Receivership, pursuant to an April 5, 2016 Bill of Sale. *See Exhibit J*. This is far from clear and requires either clarification or the granting of a full easement from the holder of the property rights at issue relating to that section of the Water Supply Line that crosses the Moy Toy property as well as other property rights conveyed in the April 5, 2016 Bill of Sale.

40. The Water Supply Line further runs “up the mountain” from the Moy Toy property, referenced in the paragraphs immediately above, to the parcel of property upon which the water tower is located – ROD Parcel #141 056.01. For further discussion of the Water Tower Property see ¶¶ 46 - 61 below.

41. In order to operate as a public water utility, LHWS in Receivership must have the ability to have water supplied to it and must have full property rights (not licenses) to maintain, repair, replace and exercise control over the Water Supply Line, as well as having the ability to come upon the relevant property for the purpose of inspection, maintenance, repair or replacement of the Water Supply Line and have the ability to use and occupy the property adjacent to the Water Supply Line, needed to effect any necessary maintenance, repair or replacement.

42. The use intended for the Water Supply Line easements are for the public good of supplying potable water to the Renegade Mountain development community.

43. Moreover, in order for the Receiver to move forward with the Receivership Plan submitted to, and approved by, the LHWS Receivership Court, the Water Supply Line easements and access noted in this section are necessary to secure a third party – e.g. Aqua Green – to purchase the LHWS and for that subsequent operator to secure the needed CCNs from the TRA.

44. If clarification of the property/property interests rights in favor of the LHWS regarding the Water Supply Line is not forthcoming, the Receiver requests the following property rights and interests be ordered as titled in its name and that such property rights and interests be fully transferrable from the Receiver to a court-approved third party water utility operator as per the Receivership Plan:

- a. The existing water line easements reserved by Terra Mountain in relation to the portion of the Water Supply Line that crosses the Conservation Easement

and any ownership retained by Terra Mountain in said Water Supply Line,
and

- b. 30' easement (15' on each side of the Water Supply Line) as to the Water Supply Line running across the Moy Toy property (i.e. the Original Lodge Tract) for maintaining, repairing, removing, and/or replacing that Water Supply Line, an easement to come upon the Moy Toy property to inspect, maintain, repair or replace the Water Supply Line and an easement to come upon, use and occupy the Moy Toy property adjacent to the 30' easement to the extent needed to effect the maintenance, repair, removal or replacement of the Water Supply Line and any ownership retained by Terra Mountain in said Water Supply Line.

45. The property rights and interests sought in relation to the Water Supply Line may have been intended by the present holders of such rights. If so, then clarification of these property rights and interests may address the issue through declaration. If, however, condemnation is required, because the Water Supply Line has existed for decades over the Terra Mountain property, and because transfer of the easements reserved by Terra Mountain would not diminish the value of any property right that Terra Mountain may have reserved in the Deed of Conservation Easement, transfer of the water line easements reserved by Terra Mountain in the Deed of Conservation Easement to the LHWS should not require any bond or deposit⁴. Because the Water Supply Line has existed for decades over the Moy Toy property, because establishment of the requested easement would not diminish the value of the 22.75 acre Moy Toy parcel and because Moy Toy, both as (a) the developer of the Renegade Mountain development in need of reliable potable water

⁴ Filed with the Petition is a Motion for Expedited Court-Ordered Mediation and to Defer Bond or Deposit Issues in Relation to Petition for Condemnation.

service and (b) the owner of numerous parcels in the platted areas of the Renegade Mountain development, stands to benefit through the provision of potable water to the area, imposition of an easement, as requested herein, over the Moy Toy property (Parcel #141 056.00) should not require any bond or deposit.⁵

B. Water Tower Property

46. Part of the LHWS assets is a .43 acre property upon which a water tower is located (ROD Parcel #141 056.01) (“Water Tower Property”). While the Water Supply Line, which supplies the water for the Renegade Mountain development, terminates at a water tower located on the Water Tower Property, the water tower itself has not been utilized for several years because of its poor condition, the tremendous costs associated with repairing it, and the lack of funds by previous operators to maintain and/or repair it⁶.

47. In order for the Receiver to implement its Receivership Plan, it must have clear ownership rights to the Water Tower Property free of unreasonable restrictions or provisions.

48. Prior to February 3, 2016 fee simple ownership of the Water Tower Property was held by Moy Toy.

49. On February 3, 2016, Moy Toy, via Quitclaim Deed, conveyed its rights and interests in the Water Tower Property and all appurtenances to the Receiver, as Receiver for LHWS.

See Exhibit K.

50. The February 3, 2016 Quitclaim Deed from Moy Toy to the Receiver contains restrictions and reversion provisions:

- a. The Water Tower Property would be used for water utility purposes only;

⁵ Filed with the Petition is a Motion for Expedited Court-Ordered Mediation and to Defer Bond or Deposit Issues in Relation to Petition for Condemnation.

⁶ The current status of the water tower is such the Tennessee Department of Environment and Conservation will not permit the water tower’s use in relation to any potable water distribution system.

- b. The Receiver is not obligated to utilize the water tower in its current condition, but if it, or any replacement, is used and subsequently abandoned or ceases to be used as part of the “Renegade Mountain Water System,” title to the Property reverts back to Moy Toy;
- c. The Receiver is required to “maintain the Water Tower Property, keeping any grass regularly mowed and landscaping trimmed and neat;”
- d. No chain link or barbed wire fencing shall be permitted on the Water Tower Property;
- e. The water tower (or replacement thereof) and any buildings or structures related to the support and maintenance of the water tower or its replacement are to be regularly maintained by the Receiver; and
- f. If the water tower is repaired, or if buildings or structures are constructed on the Water Tower Property, the repainting or painting will be of a neutral color and in harmony with other structures in the Renegade Mountain development and repainting of the water tower shall be in coordination with Moy Toy so as to allow for the installation, preservation or repainting of advertising signage on the water tower.

Exhibit K at pp. 1-2.

51. The February 3, 2016 Quitclaim Deed also contained various reservations of rights and easements:

- a. Moy Toy reserved the right of an easement to install and maintain an “antenna and supporting appurtenances” on top of the water tower, or any replacement, including the right of ingress and egress to access the antenna,

the design and construction of the antenna being in the sole discretion of Moy Toy; and

- b. Moy Toy reserved an easement to install and maintain lighting to illuminate the water tower, or any replacement, as well as an easement to keep and maintain a sign with the name “Renegade Mountain” on the water tower.

See Exhibit L.

52. In order to operate LHWS as a public utility, and in order to implement the court-approved Receivership Plan in the LHWS receivership proceedings, the Receiver needs a fee simple transfer from Moy Toy of the Water Tower Property and all appurtenances, or in the alternative, a fee simple transfer from Moy Toy without various of the limitations and restrictions set forth in the February 3, 2016 Quitclaim Deed.

53. It is the Receiver’s understanding that the sole bidder for LHWS – Aqua Green – is agreeable to use the Water Tower Property only for current and/or planned water utility purposes. To the extent that not using the Water Tower Property solely for water utility purposes triggers a reversion (and that is not clear from the Quitclaim Deed), such must not be “automatic” and cannot occur without prior approval from the applicable regulatory authority having jurisdiction over the water utility. Additionally, the restriction that if a water utility operator starts using the water tower and then elects to utilize other means of water storage on the Water Tower Property, then the property would revert to Moy Toy is not acceptable. Moreover, the ability/discretion to dismantle the water tower and utilize other means of water storage on the Water Tower Property must be held and controlled by the Receiver or a subsequent operator.

54. The water tower located on the Water Tower Property is in poor condition and thus the Receiver, or a subsequent operator, may need to dismantle it. Therefore, the restrictions in the

February 3, 2016 Quitclaim Deed keyed to the existence of the water tower – e.g. painting, placement of an antenna with easement rights of ingress and egress to that antenna, design of any such antenna(s) being in the sole discretion of Moy Toy⁷, an easement for Moy Toy to install and maintain lighting of a sign saying “Renegade Mountain” – all must be expressly contingent on the existence, but not the requirement, of a water tower being on the Water Tower Property.

55. To the extent that an antenna is placed on top of the water tower, such must be upon the approval of LHWS, or a subsequent operator, because dependent upon what antenna is being proposed, operation and/or maintenance of the water tower could be disrupted - - e.g. a high intensity antenna would prohibit maintenance of the water tower at or around the area of its location. And, again, any ability for placement of an antenna must yield to the Receiver’s, or any subsequent operator’s ability to dismantle the water tower and any easement as to that antenna must be expressly conditioned on not interfering with the operation of LHWS.

56. The Receiver has no comment as to the restriction that it, or a subsequent operator, will maintain the Water Tower Property in a mowed/well-kept fashion nor the restriction that painting of the water tower or additional buildings on the property (if the Receiver or a subsequent operator elects to paint the water tower or construct additional buildings on the property) will be of an appropriate neutral color.

57. The Receiver also has no comment as to the restriction in the February 3, 2016 Quitclaim Deed prohibiting a chain link fence or barbed wire fencing on the Water Tower Property, so long as such is not required by law or such restriction does not otherwise interfere with the Receiver’s or subsequent operator’s ability to operate the water system.

⁷ Leaving the design, construction and placement of antennas on the top of the water tower in the sole discretion of Moy Toy also leaves open the issue of liability if such design, construction and placement creates a hazard or renders the water tower unstable or otherwise creates an impediment to the operations of the water utility.

58. Upon information and belief, various of the restrictions and prohibitions set forth in the February 3, 2016 Quitclaim Deed – if not having the conveyance by quitclaim deed, as opposed to via warranty deed, in the first instance – unreasonably restrict the Receiver, or a subsequent operator, to demonstrate ownership and control of the Water Tower Property necessary to operate a public water utility and/or to secure a CCN from the TRA.

59. Accordingly, various of the restrictions and prohibitions set forth in the February 3, 2016 Quitclaim Deed do not allow the Receiver to implement its Receivership Plan.

60. The Receiver requests that the conveyance of the Water Tower Property be via warranty deed, without limitation or restriction. In the alternative, the Receiver requests that the conveyance of the Water Tower Property to the Receiver be clarified, through declaration, so as to be in concert with the issues raised herein which impede its progression with the implementation of the Receivership Plan.

61. To the extent that the objectionable restrictions regarding the transfer of the Water Tower Property were not intended by Moy Toy, clarification of the issues raised, through declaration, may well address the issues. If not, the issuance of a warranty deed as to the Water Tower Property without the objectionable reversions, restrictions or prohibitions set forth above does not diminish the value received by Moy Toy when it conveyed the Water Tower Property to the Receiver.⁸ Accordingly, no bond or deposit should be required in relation to any “taking” relating to the Water Tower Property.⁹

⁸ To the Receiver’s understanding, the only “challenged” restriction which could affect the “value” retained by Moy Toy is the ability to enjoy payment from Cumberland County for the placement of a 911 antenna atop the water tower. The Receiver, however, does not object to the placement of a 911 antenna on the water tower, if such yields to the Receiver’s, or subsequent operator’s ability to dismantle the water tower and not replace it and/or that the Receiver, or subsequent operator, be able to require that the placement of a 911 antenna would not jeopardize the stability of the water tower and not otherwise impair or impede the operation of the water utility. These are not matters which would unreasonably restrict any

C. Water Service Line Easements

62. In order to implement the Receivership Plan, the Receiver needs to have full easement rights as to existing water service lines as well as to easement rights to the platted areas of the Renegade Mountain development.

63. As discussed earlier (§ 6 above), in taking efforts to implement the Receivership Plan, the Receiver has obtained one, and only one, bidder for the LHWS - - Aqua Green. Aqua Green has conditioned its bid upon securing easement rights which would substantially comply with a template easement provided by it¹⁰. See **Exhibit L**.

64. As a result of the “transfers” of the LHWS assets to date, the Receiver does not have the easement rights sufficient to operate the water utility nor to implement the Receivership Plan nor to comply with, upon information and belief, the TRA criteria to grant a CCN for the water utility.

65. What the Receiver has is an “irrevocable license” from Moy Toy to enter upon various tracts of land owned by Moy Toy on Renegade Mountain “in connection with the operation of a water system in receivership” and to utilize various tracts of land owned by Moy Toy on Renegade Mountain where water utility lines currently exist. See **Exhibit I**.

66. What the Receiver needs, whether through clarification or through condemnation, are specific easements, perpetual in nature that run with the land, both as to the existing water service lines and as to the providing of potable water with regard to the service rights transferred by Laurel Hills POA to the Receiver consistent in terms and effect with **Exhibit L**.

i) Easements As To Existing Water Service Lines.

expectation by Moy Toy of “value” regarding payments from Cumberland County if those parties agreed to place a 911 antenna on the water tower.

⁹ Filed with the Petition is a Motion for Expedited Court-Ordered Mediation and to Defer to Bond or Deposit Issues in Relation to Petition for Condemnation.

¹⁰ **Exhibit L**, the template easement agreement, references water and sewer utilities. The issues involved in this action involve only a water utility.

67. To the Receiver's understanding, the majority of the existing water service lines at issue (some of which are inoperable due to pre-receivership neglect and failure to repair/replace) are on property owned or controlled by Moy Toy.

68. To the Receiver's understanding, those existing water service lines are located underneath various roadways or otherwise placed on rights-of-way throughout the Renegade Mountain development - - roadways and rights-of-ways over which Moy Toy asserts ownership and/or control.

69. In its February 3, 2016 "irrevocable license" (**Exhibit I**), Moy Toy grants non-exclusive rights for the Receiver (or a subsequent water utility operator) to "come upon land" where water service lines are located (presumably the roadways and/or rights-of-way) in connection with the operation of the water system. But, otherwise, the "irrevocable license" is silent or ambiguous as to critical aspects of the water utility operator's "rights" to come upon the land, e.g. physical dimensions (e.g. 20' - 10' as to each side of the existing water service line), the ability to affect maintenance, repair or replacement of the existing water service lines, the ability to occupy needed areas next to an easement to effect maintenance, repair or replacement, etc.).

70. Again, a license, revocable or not, is not an easement. In order to implement its court-approved Plan, and, upon information and belief, to secure the rights needed to comply with TRA criteria for the issuance of a CCN, easements rights in the nature of those set forth in **Exhibit L** are needed as to all existing water service lines existing on property owned or controlled by Moy Toy.¹¹

¹¹ Moy Toy's "irrevocable license" (**Exhibit I**) which, again, addresses only existing water utility infrastructure, sets forth four areas or "tracts" to which the license applies: (1) Original Lodge Tract, (2) Sport Tract, (3) Water Tank Site and (4) Rights of Way in Numerous Plats of the Renegade Mountain Development. As discussed above (¶¶37 - 40) the Receiver assumes that the reference to the "Original Lodge Tract" applies to the Water Supply Line that crosses that property, not to any water service lines. To the extent, however, that water service lines exist on the "Original Lodge Tract," the easements

71. There are other sub-developments where water service lines exist in the overall Renegade Mountain development - - e.g. Cumberland Point, Laurel Hills, Woodridge. To the extent that discovery in this action reveals that the operation of the water system (and to the implementation of the Receivership Plan) necessitates inclusion of those sub-developments regarding needed easements, the Receiver reserves the right to amend this Petition accordingly. *See* T.C.A. §29-17-909.

ii) Water Service Line Easements As To Service Area Where Water Service Lines Do Not Exist

72. As noted above, all that the Receiver has regarding water service lines rights is an “irrevocable license” from Moy Toy that is limited and/or silent in various unacceptable ways and only covers existing water lines, meters, valves, etc.

73. In the Assignment and Bill of Sale executed by Laurel Hills to the Receiver dated April 5, 2016 (**Exhibit J**), Laurel Hills assigned all rights, title, and interests to numerous matters including “all service rights.” Laurel Hills had acquired those service rights from Moy Toy through Bill of Sale dated May 1, 2011 (**Exhibit M**).

74. The “service rights” held by Laurel Hills were the pre-receivership rights it had to furnish water in the Renegade Mountain development. The original plats to the Renegade Mountain development clearly establish that all platted lots had 10’ utility easements parallel to all property lines and that the roadways, open spaces, parks, etc. were dedicated to public use.¹²

requested herein are needed as to any such water service lines. The “Sport Tract” refers to a parcel of land (Parcel # 142 031.05 ROD) which has an abandoned swimming pool and tennis complex. To the Receiver’s understanding, a water service line runs under Running Deer Drive to that abandoned sport’s complex, said water service line having been “shut off” for some time. The easements requested herein would need to apply to any and all water service lines on that tract. The “Water Tank Site” is a reference to the Water Tower Property discussed earlier (¶¶ 46 - 61). Finally, the “Right of Way” Tracts refer to numerous parcels of land platted and recorded with the ROD where water service lines exist (or may exist) in the roadways or rights-of-way set forth in those platted parcels. The easements requested herein would need to apply to those roadways/platted areas as well.

¹² *See* Plat of Block 1 (ROD Plat Book 2, Page 57); Plat of Block 2 (ROD Plat Book 2, Page 58); and Plat of Block 2 Revised (ROD Plat Book 2, Page 89); Plat of Block 4 (ROD Plat Book 2, Page 69); Plat of Block 4-A (ROD Plat Book 2, Page 67); Plat of Block 5 (ROD Plat Book 2, Page 68); Plat of

75. The Receiver asserts that in order to implement its Plan and in order to realize upon the transfer from Laurel Hills of “all service rights,” clarification, through declaration, is needed that all of the 10’ utility easements set forth in the Plat Books referenced in footnote 12 run with the land and are in favor of the Receiver and fully assignable.

76. The roadways, open spaces and common areas shown on the Plat Books referenced in footnote 12 are dedicated to “public and private” use.

77. To the Receiver’s understanding, the majority of the roadways, open spaces, common areas, rights-of-way, etc. shown on the Plat Books referenced in footnote 12 are owned and/or controlled by Moy Toy. *See e.g.* Irrevocable License (**Exhibit I**) at Ex. A “Tract 4.”

78. Because those platted roadways are dedicated to “public use,” establishment of utility easements in those roadways or right-of-ways is reasonable and in the public good of providing potable water to the platted lots set forth in the Plats Books referenced in footnote 12.

79. Moreover, to the extent that services areas set forth in the Plats identified in footnote 12 are not contiguous, utility easements must be established along roadways or rights of way (e.g. Renegade Mountain Parkway) that run between or otherwise connect the non-contiguous service areas.

80. Accordingly, whether through clarification that the utility easements requested herein exist in the platted roadways or are otherwise established, or through order of condemnation

Block 6 (ROD Plat Book 3, Page 25); Plat of Block 7 (ROD Plat Book 2, Page 81); Plat of Block 8 (ROD Plat Book 2, Page 90); Plat of Block 9 (ROD Plat Book 3, Pages 51-52 – with revision at Plat Book 8, Page 289); Plat of Block 15 (ROD Plat Book 9, Page 188 – with revision at Plat Book 9, Page 207); Plat of Block 16 (ROD Plat Book 9, Pages 188-189 – with revisions at Plat Book 9, Pages 208-209); Plat of Block 17 (ROD Plat Book 10, Page 419); Final Plat of Cumberland Point (ROD Plat Book 9, Page 165); Final Plat of Block Woodridge (ROD Plat Book 9, Page 185); Plat of Block 10 (ROD Plat Book 3, Page 54); Plat of Block 10-A (ROD Plat Book 5, Page 70); Plat of Block 11 (ROD Plat Book 3, Page 55); Plat of Block 12 (ROD Plat Book 3, Page 56 – with revision at Plat Book 5, Page 14); and Plat of Block 12-A (ROD Plat Book 5, Page 13).

establishing such utility easements, the Receiver requests that such easements be recognized and/or established in favor of the Receiver.

81. To the extent that the relief granted consists of clarification, through declaration, and recognition of easement rights, no bond or deposit would be required. To the extent that establishment of easement rights occurs by virtue of condemnation, the establishment of the utility easements requested herein is for the benefit of the Renegade Mountain community because the establishment of the easements is for the sole purpose of reliably providing potable water to that community. The establishment of the easements requested would not affect the value of the platted lots nor the relevant roadways or rights of way. Indeed, the benefit of having the easements would enhance, not diminish, the value of the property effected by the easements. Thus no bond or deposit should be required.¹³

D. Ingress / Egress Easement As To Renegade Mountain Parkway

82. To the Receiver's understanding, the road from US Highway 70 "up the mountain" and leading to and through the platted areas of the Renegade Mountain development – i.e. Renegade Mountain Parkway – is a private road which is owned and/or controlled by Moy Toy.

83. In order to implement the Receivership Plan and to otherwise operate the public water utility, the Receiver, and any subsequent utility operator, needs ingress and egress rights as to Renegade Mountain Parkway, including any bridges along the access route.

84. Accordingly, to the extent that clarification is not reached as to these access rights, the Receiver requests the establishment of full and complete access easement in its favor regarding Renegade Mountain Parkway, including bridges, consistent with the easement rights being requested herein.

¹³ Filed with the Petition is a Motion for Expedited Court-Ordered Mediation and to Defer Bond or Deposit Issues in Relation to Petition for Condemnation.

85. Because the grant of simple access easements to allow the operation of a public water utility does not diminish the property rights of Moy Toy - - indeed, if anything the operation of the public water utility would increase the value of Moy Toy's holdings and interests in the Renegade Mountain development - - no bond or deposit should be required as to the access rights upon Renegade Mountain Parkway.¹⁴

V. RECEIVER'S REQUEST FOR EXPEDITED COURT-ORDERED MEDIATION

86. Throughout this Petition, the Receiver requests clarification of property rights. This has been caused, in large measure, because of the non-specific, if not ambiguous, nature by which the Receiver has obtained various interests in property and/or that the conveyances are silent as to needed details (e.g. whether the water tower property conveyance requires the existence of a water tower or a replacement water tower, what are the dimensions and use rights regarding the easements set forth in the "irrevocable license", etc.).

87. Clarification of these issues need not be by declaration, but could be had through agreement and such agreement could resolve much, if not all, of the matters at issue in this case.

88. As more fully set forth in the Motion for Expedited Court-Ordered Mediation and to Defer Deposit or Bond Issues, filed contemporaneously with the Petition (and served upon Respondents with the Summons and Petition), Receiver stresses that there is an urgent need to see if matters concerning the property rights and interests can be clarified and agreed to so that a water utility operator - - e.g. Aqua Green - - can be approved by the Receivership Court, as per the Receivership Plan, and set about the business of securing regulatory approval and providing reliable potable water to the Renegade Mountain community.

¹⁴ Filed with the Petition is a Motion for Expedited Court-Ordered Mediation and to Defer Bond or Deposit Issues in Relation to Petition for Condemnation.

89. Accordingly, the Receiver requests the Court to order the parties, on an expedited basis, to conduct mediation in this case.

VI. PRAYER FOR RELIEF Wherefore, LHWS, by and through its Receiver prays for the following relief:

1. Summons issued as to the named Respondents;
2. The Court order the parties to expedited mediation as soon as possible after service upon Respondents;
3. The Court defer any bonding or deposit requirement until after the results of the mediation are known;
4. If mediation is unsuccessful, all matters in dispute be tried before a jury of appropriate number consistent with the applicable eminent domain laws of the State;
5. The Court issue orders declaring rights and/or vesting title as to property and/or easement rights as requested herein in the name of LHWS, by and through its Receiver; and
6. The Court grant all other relief as dictated by equity and justice.

Respectfully Submitted,

By: _____
J. Graham Matherne, BPR No. 011294
Wyatt, Tarrant & Combs, LLP
2525 West End Avenue, Suite 1500
Nashville, Tennessee 37203-1423
Telephone: 615.244.0020
Facsimile: 615.256.1726
gmatherne@wyattfirm.com

Attorneys for Petitioner for Laurel Hills Water System, in Receivership by and through its court-Appointed Receiver, Receivership Management, Inc.

**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 [Signature]

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. § 65-3-105¹ 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,

¹ 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.
[Signature]
 CLERK & MASTER

EXHIBIT
A

to condominium petition

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.

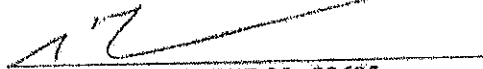
21. Pursuant to T.C.A. § 29-1-104, the Receiver will post a bond of \$ Waived with the Cumberland County Clerk & Master within five (5) business days of the entry of this Order. This Order will be effective, however, during the five (5) day period and will be effective thereafter. The beneficiary of 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 26th 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, 4th 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:

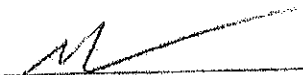
Donald Scholes
Benjamin Gastel
227 Second Avenue North
Fourth Floor
Nashville, Tennessee 37201

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 21st day of October, 2015.



Shiva K. Bozarth

**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**

Date 4-29 FILED 2016 at 3:00 PM
 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.

[EXHIBIT
tabbies
B
to condemnation petition]

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 21ST day of April, 2016.



RONALD THURMAN, CHANCELLOR

Submitted for Entry By:



Shiva K. Bozarth, BPR No.22685
Chief of Compliance
Tennessee Regulatory Authority
502 Deaderick Street, 4th 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 12th 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:

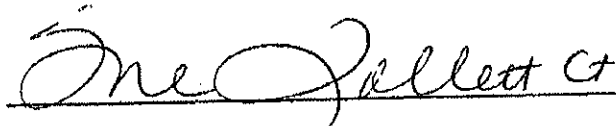
HONORABLE EVERETT SINOR

HONORABLE DONALD SCHOLLES

HONORABLE MELANIE DAVIS

HONORABLE ERIN MERRICK

HONORABLE ROGER YORK

A handwritten signature in cursive script, reading "Sue Tollett", is 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.

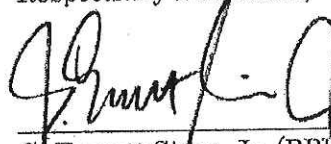
No. 2012-CH-560
Chancellor Thurman

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

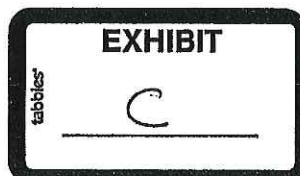
COMES NOW, Receivership Management, Inc. [hereinafter the Receiver], the court appointed Receiver of a water system previously controlled by Laurel Hills Condominiums Property Owners Association [hereinafter the LHWS], and MOVES this Honorable Court to approve and adopt its receivership plan. Said receivership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



to condemnation petition

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

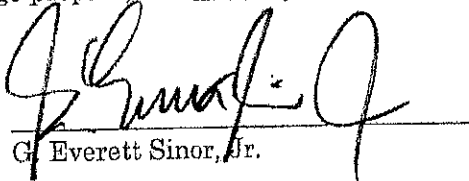
Donald Scholes, Esq.
Benjamin Gastel, Esq.
Branstetter, Stranch & Jennings
Counsel for Laurel Hills Condominiums
Property Owners Association
227 Second Avenue North, Fourth Floor
Nashville, Tennessee 37201

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 1st 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

RECEIVERSHIP PLAN

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

EXHIBIT

D

to condemnation petition

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.¹

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.² 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.

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

² 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.³ 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.

³ 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)

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

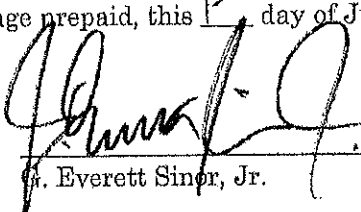
Donald Scholes, Esq.
Benjamin Gastel, Esq.
Branstetter, Stranch & Jennings
Counsel for Laurel Hills Condominiums
Property Owners Association
227 Second Avenue North, Fourth Floor
Nashville, Tennessee 37201

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 19 day of June, 2016.



G. Everett Siner, Jr.

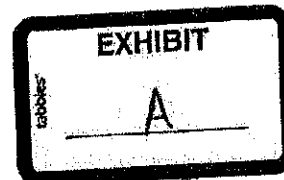
NOTES FOR RENEGADE MOUNTAIN COMMUNITY MEETING

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



to Receivership Plan

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

ORDER APPROVING AND ADOPTING RECEIVERSHIP PLAN

At argument conducted on or about the 9th 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 9th day of June, 2016.

Ronald Thurman

The Honorable Ronald Thurman, Chancellor

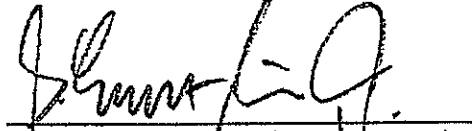
EXHIBIT

E

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

to redemption 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.
Branstetter, Stranch & Jennings
Counsel for Laurel Hills Condominiums
Property Owners Association
227 Second Avenue North, Fourth Floor
Nashville, Tennessee 37201

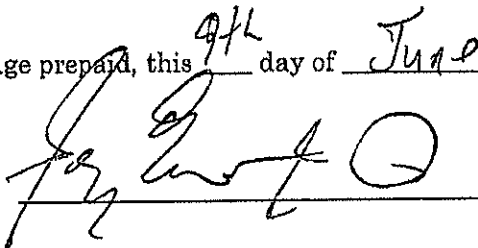
Melanie Davis, Esq.
Kizer & Black
329 Cates Street
Maryville, Tennessee 37801

Vance Broemel, Esq.
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

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

via the United States Mails, postage prepaid, this ^{9th} day of June, 2016.





AquaGreen Utility Inc.

August 17, 2016

Mr. Snor

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

*to condemnation
petition* →



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.

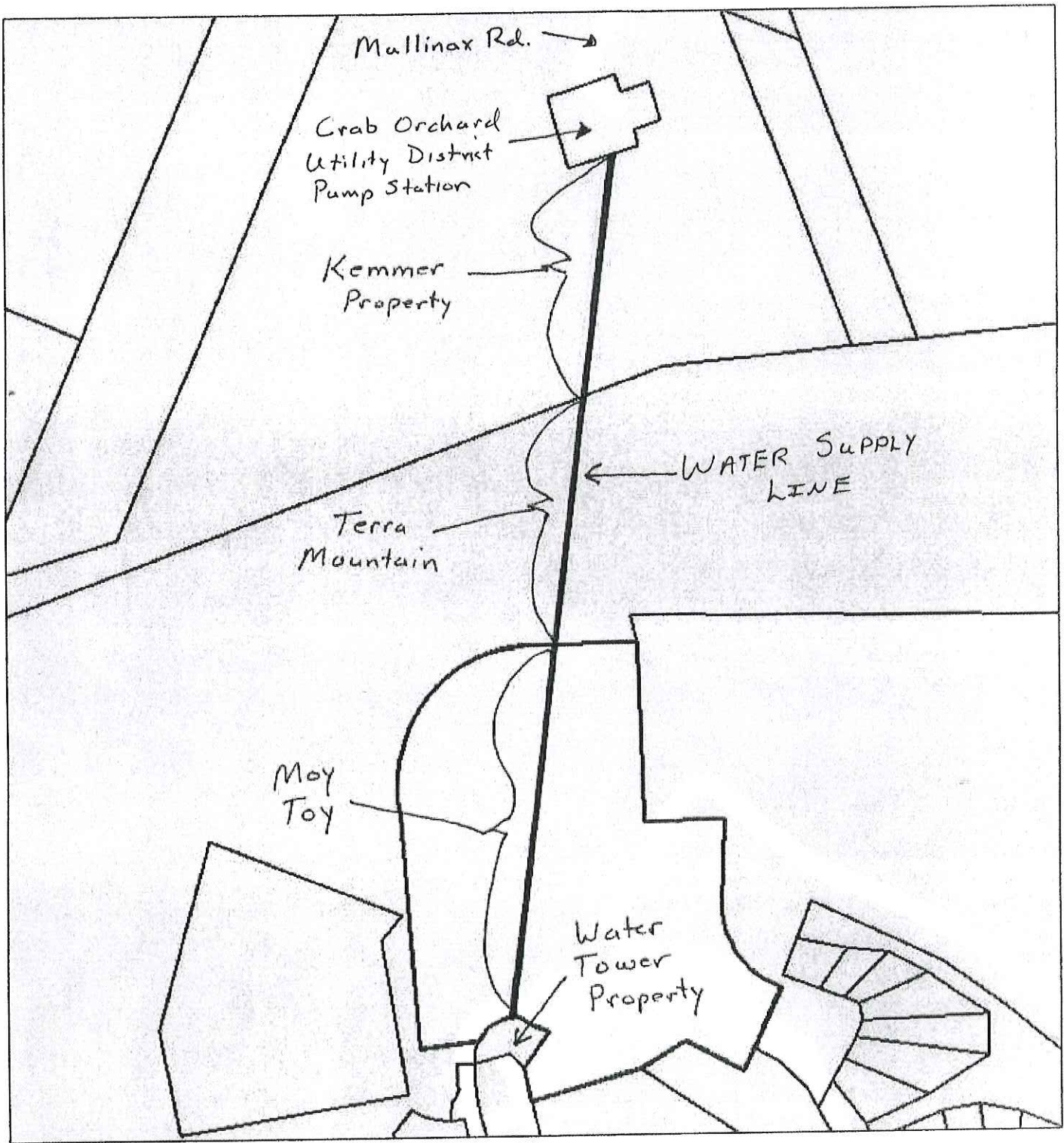
When I was in court last time I understood the TRA would pursue the agreement listed in their dockets is that going to happen? I look forward to your response and ideas on how to resolve these problems.

Dart Kendall

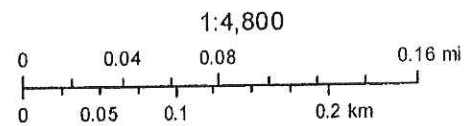


President Aqua Green Utility

Cell 404-557-3170



November 8, 2016



EXHIBIT

G

OIR-GIS Services

to condemnation petition

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	
ADRIA BATCH: 78784	
12/30/2013 - 08:57:37 AM	
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 27th 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

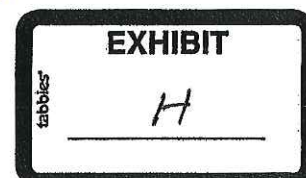
*insisted
on recording
as is!*

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

1

Book 1422 Page 1806



to condemnation petition

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

B
o
o
k
1
4
2
2

P
a
g
e
1
8
1
4

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 meters²). 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.

- 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

B
o
o
k
1
4
2
2
P
a
g
e
1
8
1
6

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

B
o
o
k
1
4
2
2

P
a
g
e
1
8
1
7

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.

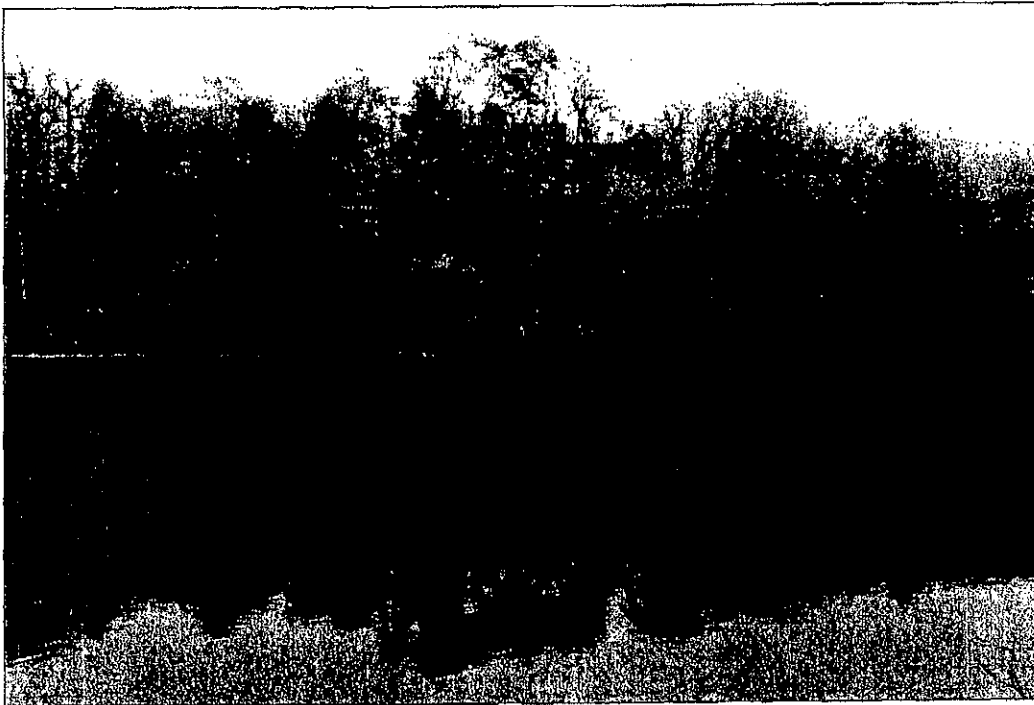
B
o
o
k
1
4
2
2
P
a
g
e
1
8
2
0

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)**

Table of Contents

I. Introduction.....	3
II. Conservation Values.....	3
III. Historical and Current Description of Property.....	7
IV. Summary of Grantor and Grantee Rights.....	16
V. Literature Cited.....	28
VI. Signature Pages.....	29
VII. Conserved Property Location.....	31
VIII. United States Geological Survey Topographic Map.....	33
IX. Historical and Current Orthophotographs.....	35
X. Soils Map.....	40
XI. Conservation Easement Map.....	42
XII. Point Locations Map.....	46
XIII. Photographic Documentation.....	47
XIV. Map Certificate, Disclaimers, and Credentials.....	108

B
o
o
k
1
4
2
2

P
a
g
e
1
9
0
2

Conservation Easement Map

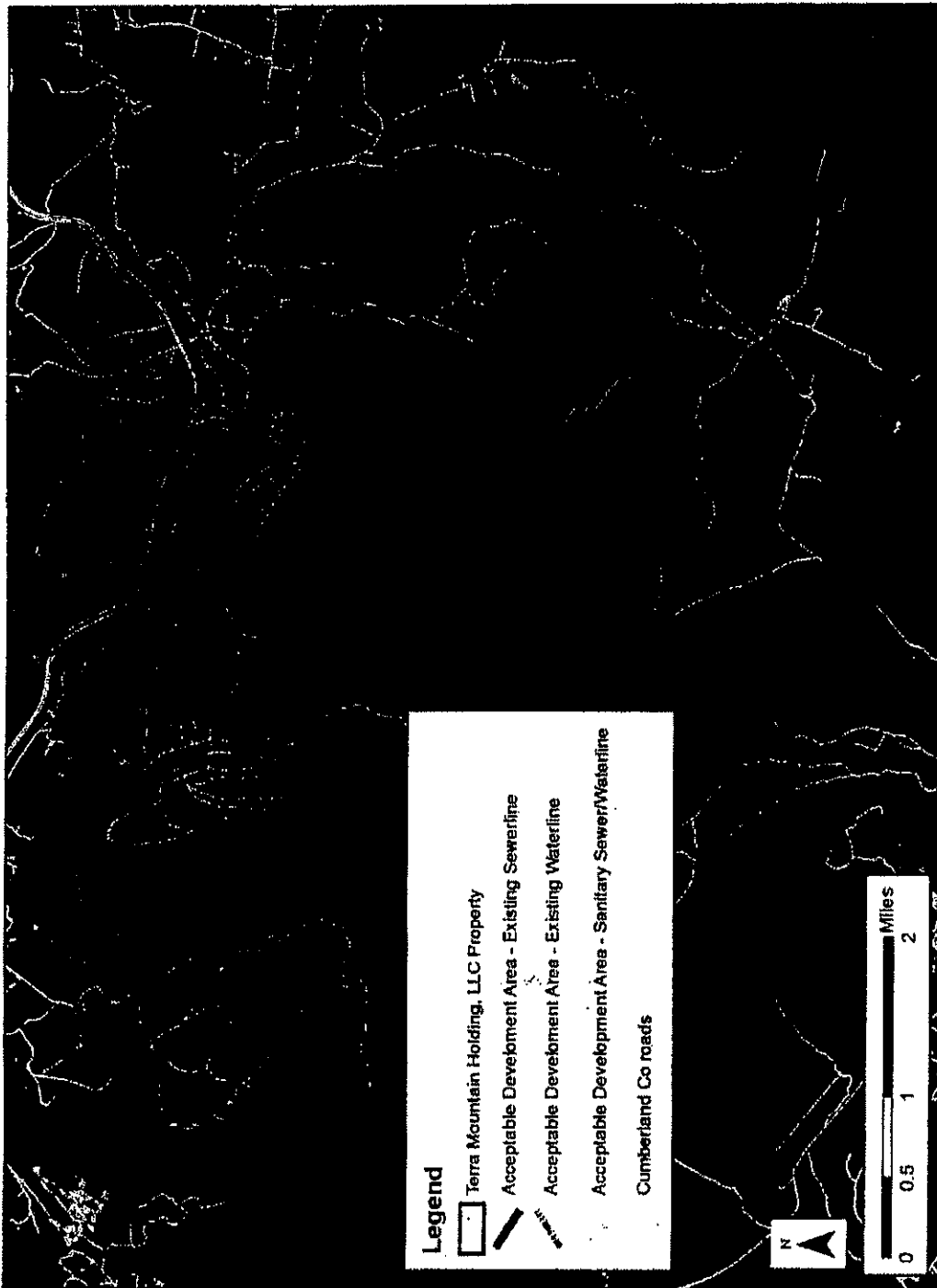


Figure 16. Conservation easement map depicting spatial location of the Acceptable Development Area – Existing Sewerline (in Sugallite sky), the Acceptable Development Area – Existing Waterline (in Lepidolite lilac), and the Acceptable Development Area – Sanitary Sewerline/Waterline (in Tzvorite green)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

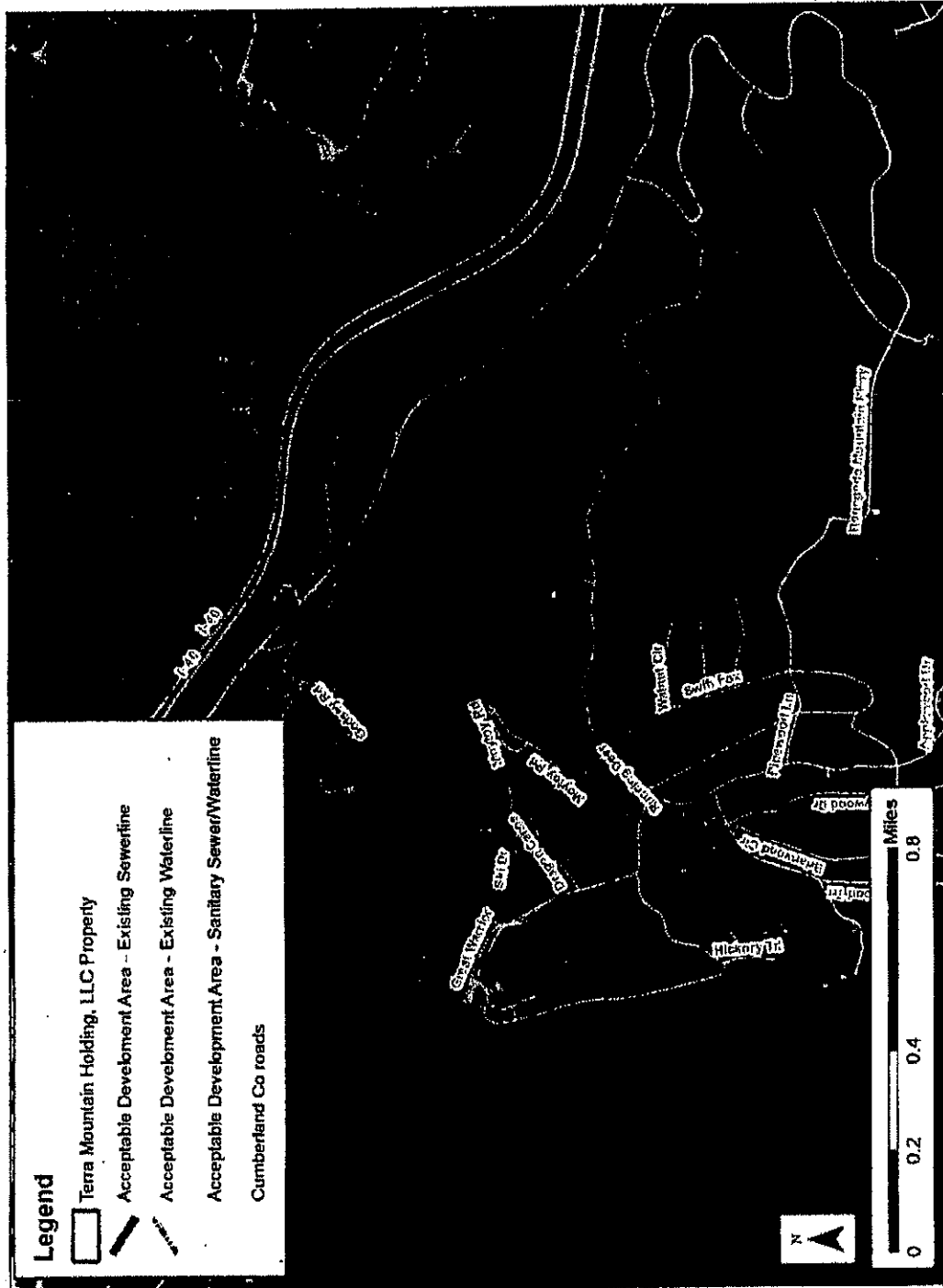


Figure 17. Conservation easement map depicting spatial location of the Acceptable Development Area – Existing Sewerline (in Sugalite sky), the Acceptable Development Area – Existing Waterline (in Lepidolite lilac), and the Acceptable Development Area – Sanitary Sewerline/Waterline (in Tzvorite green)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



198

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.

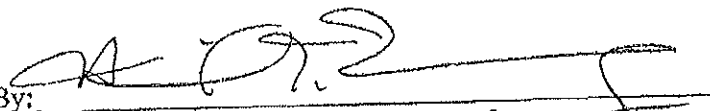
IN WITNESS WHEREOF, the parties hereto have executed this Non-Exclusive Revocable License Agreement as of the day and year first above written.

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

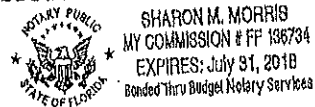
By: 
MICHAEL MCCLUNG, President of
LAUREL HILLS CONDOMINIUM PROPERTY OWNERS
ASSOCIATION, a Tennessee, non-profit corporation.

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:

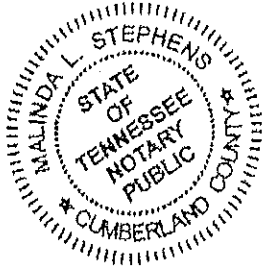


STATE OF TENNESSEE
COUNTY OF Cumberland

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 5th day of February, 2016.



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

AR

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, S 75°38'12" W, 274.24 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 79°45'01" 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°45'39" 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 made.

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 5th 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

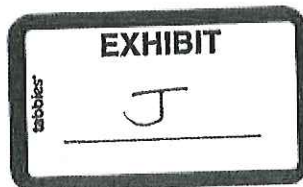
Print Name: Judith A. Sullivan BY:

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

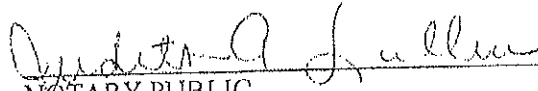


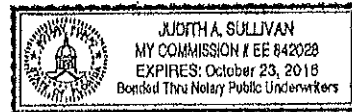
to condemnation petition

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:
RECEIVERSHIP 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



JK

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

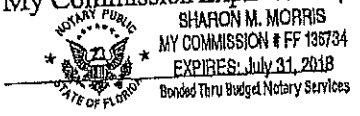
STATE OF FLORIDA

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



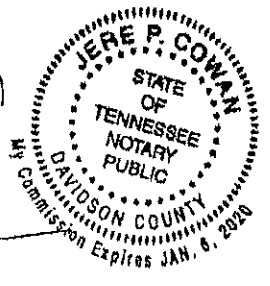
[Signature]
Notary Public

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 29th day of February, 2016.

My Commission Expires: 1/6/2020



[Signature]
Notary Public

AC

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;

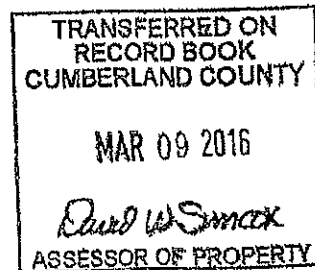
Thence South 74 deg. 10 min. 36 sec. West, 103.96 feet to the point of Beginning of the herein described Water Tank Site Tract (Containing 0.43 acres, more or less).

BK/PG: 1470/2178-2182

16002660

5 PGS:AL-GUITCLAIM 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



cont. 1 page!

Exhibit "A"

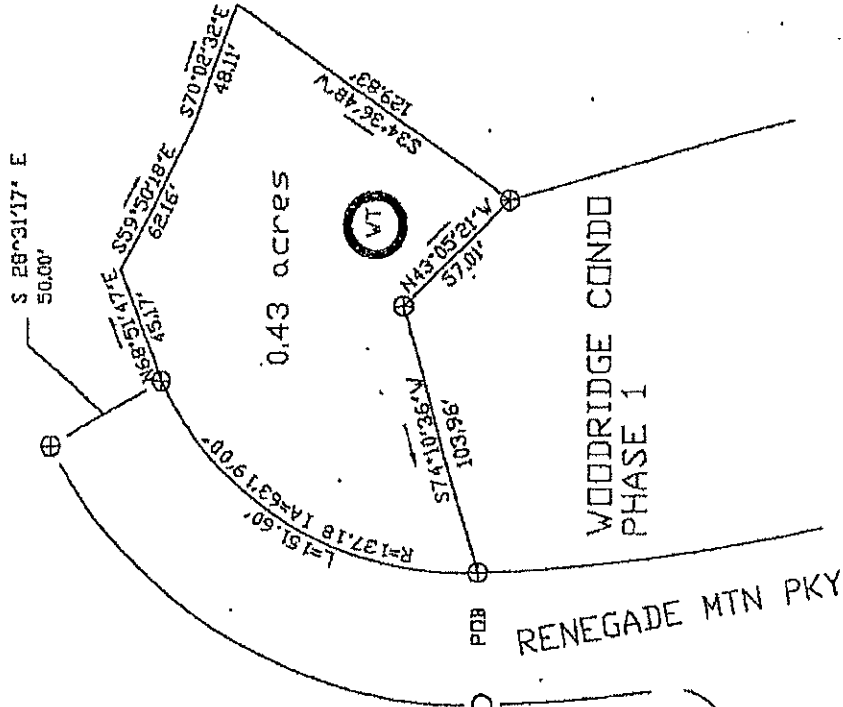
RENEGADE MOUNTAIN
 Sketch of Deed
 for
 Water Tank Site

TENNESSEE GRID COORDINATE



SCALE IN FEET

SUBSCRIPTION
 CUMBERLAND GARDENS ACQ. CORP.
 D.B. 311, PG. 384



BK/PG: 1427/58-62
 14003077



5 PGS:AL:DEED	
BATCH: 79048	
03/24/2014 - 12:58:47 PM	
VALUE	200000.00
MORTGAGE TAX	0.00
TRANSFER TAX	740.00
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
Aeworth, 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.

EXHIBIT

tabbies

L

to condemnation petition

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

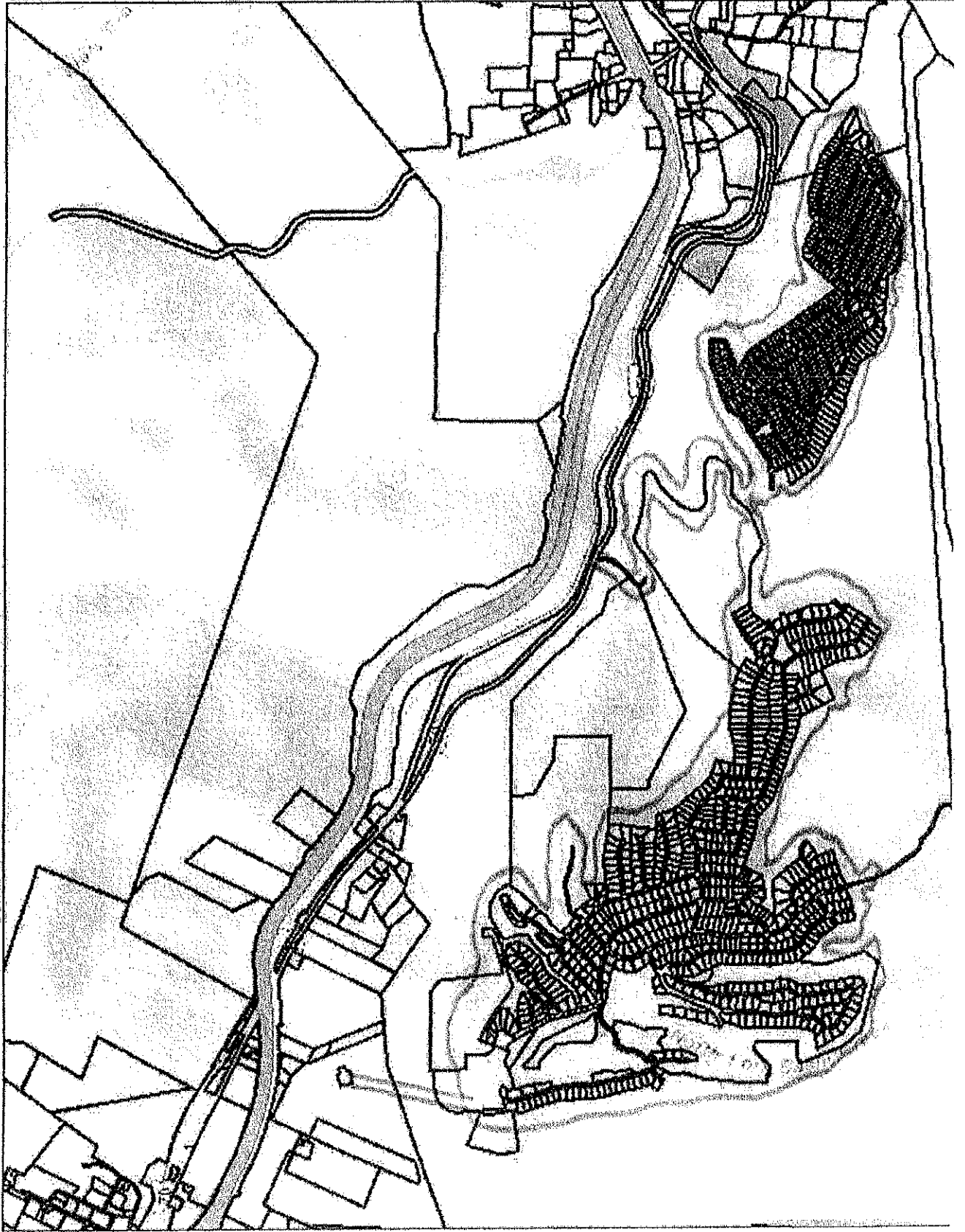
NOTARY PUBLIC

(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

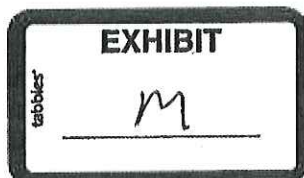
WHEREAS, the transfer of **MOY TOY'S** interest in the water system and its assets evidenced by this bill of sale is subject to all of the terms and conditions set forth in the Conveyance Agreement.

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 1st day of May, 2011.




to Condoaction petition

DATED: May 1, 2011.

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

BY:



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

10:35 AM

11/04/16

Laurel Hills Water System In Receivership A/R Aging Summary As of November 1, 2016

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
ADKINS, ROBERT	114.24	0.00	0.00	0.00	0.00	114.24
BAUER, TOMMY	114.24	0.00	0.00	0.00	0.00	114.24
BENSON, CYNTHIA L	114.24	0.00	0.00	0.00	0.00	114.24
BOWLES, MELVIN & MARY ANNE	114.24	114.24	114.24	89.24	89.24	521.20
BRASSELL, CRYSTAL	114.24	81.14	0.00	0.00	0.00	195.38
BREG, DAVID & AUDREY	114.24	0.00	0.00	0.00	0.00	114.24
CECCHETT, DON & DIANNE	32.59	0.00	0.00	0.00	0.00	32.59
CHAMBERS, BARRY	114.24	0.00	0.00	0.00	0.00	114.24
CPCA (84)	9,596.16	2,741.76	2,513.28	2,513.28	2,513.28	19,877.76
CRAWFORD, MARY	114.24	0.00	0.00	0.00	0.00	114.24
DEPEW, MICHAEL (Great Warrior)	14.94	0.00	0.00	0.00	0.00	14.94
DEPEW, MICHAEL (Running Deer)	114.24	0.00	0.00	0.00	0.00	114.24
DOUGLAS, JIMMY & JACKIE	114.24	0.00	0.00	0.00	0.00	114.24
ELLIS, ALVIN	114.24	0.00	0.00	0.00	0.00	114.24
GAMBLE, ISAAC & WENDY	114.24	0.00	0.00	0.00	0.00	114.24
GRIGSBY, GLEN E.	114.24	0.00	0.00	0.00	0.00	114.24
HAISER, GARY & JEANNIE	114.24	0.00	0.00	0.00	0.00	114.24
HALE, DANYON	114.24	0.00	0.00	0.00	0.00	114.24
HEIRS, LUKE & ANNA DUNN	114.24	114.24	114.24	114.24	180.44	637.40
HENMAN, MIKE	114.24	0.04	0.00	0.00	0.00	114.28
HOGARTH, ARDIS	114.24	0.00	0.00	0.00	0.00	114.24
JUDD, JONATHAN	114.24	114.24	0.01	0.00	0.00	228.49
KNAPP, RICHARD	114.24	0.00	0.00	0.00	0.00	114.24
KRABOUSANOS, MIKE	114.24	0.00	0.00	0.00	0.00	114.24
LATHAM, KENT	114.24	114.24	114.24	0.00	0.00	342.72
Laurel Hills Condo Assoc (#5101)	114.24	0.00	0.00	0.00	0.00	114.24
Laurel Hills Condo Assoc (#5102)	114.24	0.00	0.00	0.00	0.00	114.24
Laurel Hills Condo Assoc (#5103)	114.24	0.00	0.00	0.00	0.00	114.24
LOUD, PAUL F.	114.24	0.00	0.00	0.00	0.00	114.24
MANERS, EMMETT	114.24	0.00	0.00	0.00	0.00	114.24
MATERDOMINI, DINA	114.24	0.00	0.00	0.00	0.00	114.24
MCMEANS, LARRY	114.24	114.24	0.00	0.00	0.00	228.48
MCQUEEN, DARRELL E	114.24	114.24	0.00	0.00	0.00	228.48
MILLER, DAVID	114.24	114.24	114.24	114.24	875.54	1,332.50
MOORE, JOHN	114.24	0.00	0.00	0.00	0.00	114.24
MURPHY, JEFF	114.24	0.00	0.00	0.00	0.00	114.24
NEALE, MIKE	30.55	0.00	0.00	0.00	0.00	30.55
PETERS, JOHN (1)	114.24	0.00	0.00	0.00	0.00	114.24
PETERS, JOHN (2)	114.24	0.00	0.00	0.00	0.00	114.24
PETERS, JOHN (3)	114.24	0.00	0.00	0.00	0.00	114.24
PETERS, JOHN (4)	114.24	0.00	0.00	0.00	0.00	114.24
ROBINSON, CARL	114.24	0.00	0.00	0.00	0.00	114.24
SANDLIN, DONALD & BRENDA	114.24	0.00	0.00	0.00	0.00	114.24
SCHLABACH, DAVID & CHRISTY	114.24	0.00	0.00	0.00	0.00	114.24
SCHWARTZ, ROBERT	0.00	0.00	0.00	0.00	298.30	298.30
TARLETON, CLAY	114.24	0.00	0.00	0.00	0.00	114.24
WALL, TRACY	114.24	0.00	0.00	0.00	0.00	114.24
WILLIAMS, TINA	114.24	0.00	0.00	0.00	0.00	114.24
TOTAL	14,586.56	3,622.62	2,970.25	2,831.00	3,956.80	27,967.23



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

	FOR THE PERIOD		
	10/26/2015 8/31/2016	9/1/2016 9/30/2016	10/26/2015 9/30/2016
RECEIPTS			
1000-INTEREST INCOME	-	-	-
1010-REGIONS 8611	-	-	-
4910-WATER BILL RECEIPTS	61,801.05	10,878.20	72,679.25
TOTAL REVENUE	61,801.05	10,878.20	72,679.25
DISBURSEMENTS			
FEEES			
5695-ACCOUNTING FEES	1,200.00	-	1,200.00
5400-LEGAL FEES	49.00	-	49.00
5610-CONTRACT LABOR	2,345.56	-	2,345.56
TOTAL FEES	3,594.56	-	3,594.56
OTHER EXPENSES:			
5697-OTHER FEES	100.00	-	100.00
5930-TAXES	-	1,624.00	1,624.00
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	30,936.57	1,056.58	31,993.15
6299-MISC EXPENSE	607.28	-	607.28
6325-BANK CHARGES	12.00	-	12.00
6330-COURT COSTS	-	-	-
6340-INSURANCE	7,585.52	2,560.18	10,145.70
6350-TRAVEL	-	-	-
TOTAL OTHER EXPENSES	39,766.73	5,240.76	45,007.49
TOTAL EXPENSES	43,361.29	5,240.76	48,602.05
NET RECEIPTS LESS DISBURSEMENTS	18,439.76	5,637.44	24,077.20
SCHEDULE OF CHANGE IN NET ASSETS			
FUND BALANCE RECEIVED	100.00	-	100.00
NET RECEIPTS LESS DISBURSEMENTS	18,439.76	5,637.44	24,077.20
DISTRIBUTIONS PAID	-	-	-
CLAIMS PAYABLE	-	-	-
NET ASSETS	18,539.76		24,177.20
10/17/2016 14:16			
TOTAL ASSETS	15,259.76		20,197.20
TOTAL LIABILITIES	3,280.00		3,980.00
NET ASSETS	18,539.76		24,177.20

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

9/30/2016

OPERATING BANK ACCOUNT

	<u>BALANCE PER BANK STMT</u>	<u>BALANCE PER GENERAL LEDGER</u>
END OF MONTH AC 232618611	20,914.60	20,398.20
END OF MONTH AC 232618638	(12.00)	
OUTSTANDING CHECKS	(504.40)	

<u>20,398.20</u>	<u>20,398.20</u>
------------------	------------------

17-Oct-16
11:45 AM

-

OUTSTANDING CHECKS

1051	504.40
------	--------

<u>504.40</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
 September 1, 2016 through September 30, 2016

SUMMARY

Beginning Balance	\$17,795.31		Minimum Balance	\$14,971
Deposits & Credits	\$10,878.20	+	Average Balance	\$18,236
Withdrawals	\$0.00	-		
Fees	\$0.00	-		
Automatic Transfers	\$0.00	+		
Checks	\$7,758.91	-		
Ending Balance	\$20,914.60			

DEPOSITS & CREDITS

09/13	Deposit - Thank You	2,399.44
09/23	Deposit - Thank You	8,478.76
Total Deposits & Credits		\$10,878.20

CHECKS

Date	Check No.	Amount	Date	Check No.	Amount
09/02	1044	523.55	09/22	1048	400.00
09/07	1045	2,000.00	09/29	1049	351.18
09/12	1046	300.00	09/29	1050	2,560.18
09/19	1047	1,624.00			
Total Checks					\$7,758.91

* Break In Check Number Sequence.

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
09/02	17,271.76	09/13	17,371.20	09/23	23,825.96
09/07	15,271.76	09/19	15,747.20	09/29	20,914.60
09/12	14,971.76	09/22	15,347.20		

You may request account disclosures containing terms, fees, and rate information (if applicable) for your account by contacting any Regions office.

Easy Steps to Balance Your Account

Checking
Account

1.	Write here the amount shown on statement for ENDING BALANCE	\$
2.	Enter any deposits which have not been credited on this statement.	\$ +
3.	Total lines 1 & 2	\$ =
4.	Enter total from 4a (column on right side of page)	\$ -
5.	Subtract line 4 from line 3. This should be your checkbook balance.	\$ =

4a List any checks, payments, transfers or other withdrawals from your account that are not on this statement.

Check No.	Amount	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
Total Enter in Line 4 at Left	\$	

The law requires you to use "reasonable care and promptness" in examining your bank statement and any checks sent with it and to report to the Bank an unauthorized signature (i.e., a forgery), any alteration of a check, or any unauthorized endorsement. You must report any forged signatures, alterations or forged endorsements to the Bank within the time periods specified under the Deposit Agreement. If you do not do this, the Bank will not be liable to you for the losses or claims arising from the forged signatures, forged endorsements or alterations. Please see the Deposit Agreement for further explanation of your responsibilities with regard to your statement and checks. A copy of our current Deposit Agreement may be requested at any of our branch locations.

Summary of Our Error Resolution Procedures
 In Case of Errors or Questions About Your Electronic Transfers
 Telephone us toll-free at 1-800-734-4667
 or write us at
 Regions Electronic Funds Transfer Services
 Post Office Box 413
 Birmingham, Alabama 35201

Please contact Regions as soon as you can, if you think your statement is wrong or if you need more information about a transfer listed on your statement. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number.
 - (2) Describe the error or the transfer you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
 - (3) Tell us the dollar amount of the suspected error.
- If you tell us verbally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question (ninety (90) days for POS transactions or for transfers initiated outside of the United States). If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error. If, after the investigation, we determine that no bank error occurred, we will debit your account to the extent previously credited. If we ask you to put your complaint in writing and we do not receive it within ten (10) business days, we may not credit your account.

New Accounts- If an alleged error occurred within thirty (30) days after your first deposit to your account was made, we may have up to ninety (90) days to investigate your complaint, provided we credit your account within twenty (20) business days for the amount you think is in error. If we decide there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

FOR QUESTIONS CONCERNING THIS STATEMENT OR FOR VERIFICATION OF A PRAUTHORIZED DEPOSIT, PLEASE CALL THE PHONE NUMBER ON THE REVERSE SIDE OF THIS STATEMENT OR VISIT YOUR NEAREST REGIONS LOCATION.

ADJ - Adjustment	RI - Return Item	CR - Credit	SC - Service Charge	OD - Overdrawn
EB - Electronic Banking	NSF - Nonsufficient Funds	APY - Annual Percentage Yield	FWT - Federal Withholding Tax	*Break in Number Sequence



Everett Sinor <everett.sinor@gmail.com>

Laurel Hills Water System - Cash Flow Projections

1 message

Everett Sinor <everett.sinor@gmail.com>

Tue, Oct 25, 2016 at 11:29 AM

To: Kelly Grams <Kelly.Grams@tn.gov>

Cc: Robert E Moore <rmoore@receivermgmt.com>, Cody Smith <csmith@receivermgmt.com>

Ms. Cashman-Grams,

As we just discussed on the phone, attached you will find the Laurel Hills Water System in Receivership's cash flow projections as calculated by the Receiver. Also attached are the historical monthly RMI costs (which include my fees but no other counsel's fees) for April through September of 2016.


RMI's future fees are projected at \$7500.00 for purposes of this analysis. If you'll recall, we used \$8000.00 as the RMI fee projection in our TRA rate filing from January of 2016. Just doing a back of the table napkin analysis of this spreadsheet, it would appear that RMI fees at \$5500.00 in a given month is about the breakeven point right now. At current projection, we predict the receivership estate will run out of money in December of 2016.

It appears that the cause of the shortfall is that there are less customers paying their bill since the increase in the rate. We projected approximately 130 customers to pay a water bill at the \$114.24 rate--the true number of paying customers each month is now closer to 100.

I wanted to go ahead and get this to you as a heads-up, as at current projection it appears we have only about a month or 2 left where the receivership estate itself can cover its own expenses. If you have any questions or want/need to discuss further, please do not hesitate to contact me.

Everett

G. Everett Sinor, Jr.
Attorney at Law
3504 Robin Road
Nashville, Tennessee 37204
615.969.9027

 **Cash Flow - LHWS.pdf**
172K

RMI EXP RECOVERABLE LHWD
7/1/16 Through 9/30/16

Category Description	7/1/16- 7/31/16	8/1/16- 8/31/16	9/1/16- 9/30/16	OVERALL TOTAL
5100 FEES RMI				
5300-RECEIVERS FEES	-268.20	-417.20	-223.50	-908.90
5610-CONTRACT LABOR RMI	-938.55	-1,627.10	-2,817.61	-5,383.26
5690-RMI OH EXPENSE	-185.50	-261.80	-1,185.00	-1,632.30
TOTAL 5100 FEES RMI	-1,392.25	-2,306.10	-4,226.11	-7,924.46
5150 FEES LEGAL				
5400-LEGAL FEES	-1,568.00	-3,103.07	-3,458.62	-8,129.69
TOTAL 5150 FEES LEGAL	-1,568.00	-3,103.07	-3,458.62	-8,129.69
5300 EXPENSES				
6060-RENT	-35.46	-35.46	-35.46	-106.38
6205-COPIES	-30.40	-53.10	-12.50	-96.00
6210-POSTAGE	-8.29	-29.85	-5.37	-43.51
6215-COURIER & OVERNIGHT	-24.46	0.00	0.00	-24.46
6222-TELEPHONE LONG DISTANCE	-4.40	0.00	-1.00	-5.40
6350-TRAVEL EXPENSE	0.00	0.00	-109.98	-109.98
TOTAL 5300 EXPENSES	-103.01	-118.41	-164.31	-385.73
OVERALL TOTAL	-3,063.26	-5,527.58	-7,849.04	-16,439.88

RMI EXP RECOVERABLE LHWD
4/1/16 Through 6/30/16

Category Description	4/1/16- 4/30/16	5/1/16- 5/31/16	6/1/16- 6/30/16	OVERALL TOTAL
5100 FEES RMI				
5300-RECEIVERS FEES	-186.25	-491.70	-476.80	-1,154.75
5610-CONTRACT LABOR RMI	-1,050.05	-7,343.65	-4,089.10	-12,482.80
5690-RMI OH EXPENSE	-207.20	-899.50	-553.00	-1,659.70
TOTAL 5100 FEES RMI	-1,443.50	-8,734.85	-5,118.90	-15,297.25
5150 FEES LEGAL				
5400-LEGAL FEES	0.00	-8,949.74	-3,898.11	-12,847.85
TOTAL 5150 FEES LEGAL	0.00	-8,949.74	-3,898.11	-12,847.85
5150 FEES OTHER				
5697-OTHER CONTRACT LABOR	-5,445.02	-2,986.59	0.00	-8,431.61
TOTAL 5150 FEES OTHER	-5,445.02	-2,986.59	0.00	-8,431.61
5300 EXPENSES				
6060-RENT	-35.46	-35.46	-35.46	-106.38
6205-COPIES	-12.00	-44.30	-73.80	-130.10
6210-POSTAGE	-8.87	-14.75	-40.06	-63.68
6215-COURIER & OVERNIGHT	0.00	-73.99	0.00	-73.99
6222-TELEPHONE LONG DISTANCE	0.00	0.00	-44.00	-44.00
6350-TRAVEL EXPENSE	0.00	-404.70	0.00	-404.70
TOTAL 5300 EXPENSES	-56.33	-573.20	-193.32	-822.85
OVERALL TOTAL	-6,944.85	-21,244.38	-9,210.33	-37,399.56

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

Jeanne Barnes Bryant

September 2016 Fees	\$223.50
September 2016 Overhead Expense	\$21.00

Receivership Management, Inc.

September 2016 Fees	\$2,869.70
September 2016 Overhead Expense	\$361.20
September 2016 Expenses	\$164.31

Everett Sinor

September 2016 Fees & Expenses	<u>\$3,458.62</u>
--------------------------------	-------------------

Proposed Payment out of Receivership Estate	\$7,098.33
--	-------------------

Graham Matherne

September 2016 Fees & Expenses	<u>\$7,263.00</u>
--------------------------------	-------------------

Proposed Interim Taxation of Costs	\$7,263.00
---	-------------------



RMI EXP RECOVERABLE LHWD

9/1/16 Through 9/30/16

Category Description	LHWD-289 LAU...	OVERALL TOTAL
5100 FEES RMI		
5300-RECEIVERS FEES	-223.50	-223.50
5610-CONTRACT LABOR RMI	-2,869.70	-2,869.70
5690-RMI OH EXPENSE	-382.20	-382.20
TOTAL 5100 FEES RMI	-3,475.40	-3,475.40
5150 FEES LEGAL		
5400-LEGAL FEES	-3,458.62	-3,458.62
TOTAL 5150 FEES LEGAL	-3,458.62	-3,458.62
5300 EXPENSES		
6060-RENT	-35.46	-35.46
6205-COPIES	-12.50	-12.50
6210-POSTAGE	-5.37	-5.37
6222-TELEPHONE LONG DISTANCE	-1.00	-1.00
6350-TRAVEL EXPENSE	-109.98	-109.98
TOTAL 5300 EXPENSES	-164.31	-164.31
OVERALL TOTAL	-7,098.33	-7,098.33

shows

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

Invoice for Professional Services

LAUREL HILLS WATER DISTRICT				September 2016	
9/1/2016	Robert E. Moore, Jr.	EMAIL FROM K.CASHMAN GRAM RE: CONFERENCE TO DISCUSS LITIGATION QUESTIONS; EMAIL FROM E.SINOR RE: SAME. 10	0.1	\$153.00	\$15.30
9/2/2016	Cody C. Smith	POST FEE AND EXPENSE ACCRUALS TO GL. PREPARE MONTH END CLOSING ENTRIES AND UPDATE TRIAL BALANCE THRU 08-31-16. INSPECT ASSET AND LIABILITY ACCOUNTS FOR PROPER BACKUP DOCUMENTATION. PREPARE SCHEDULE OF RECEIPTS AND DISBURSEMENTS THRU 08-31-16.	0.5	\$123.00	\$61.50
9/5/2016	Cody C. Smith	EMAIL WITH EVERETT SINOR AND ROB MOORE TO DISCUSS CASH BASIS TAX FILINGS.	0.5	\$123.00	\$61.50
9/6/2016	Cody C. Smith	POST DEPOSIT AND FEE ACCRUAL FOR TERRY STEPHENS OFFICE INVOICE.	0.4	\$123.00	\$49.20
9/7/2016	Cody C. Smith	UPDATE AND RECONCILE BANK ACCOUNT. CALL TERRY STEPHENS OFFICE TO DISCUSS TAX PYMT FOR TY2015. DISCUSS RETURN WITH R. MOORE.	0.8	\$123.00	\$98.40
9/7/2016	Jere P. Cowan	RECEIPT/PROCESS PAYMENT FOR UTILITY PAYMENT; FORWARD SAME	0.2	\$50.00	\$10.00
9/7/2016	Robert E. Moore, Jr.	CALL WITH K.CASHMAN GRAM AND E.SINOR RE: LITIGATION ISSUES 4; CALL WITH G.MATHERNE RE: LITIGATION PROPOSAL, QUESTIONS, DISCUSSION OF PRESENTED ISSUES 4; CALL WITH E.SINOR RE: RECEIVERSHIP PLANNING, OPTIONS TO LITIGATION, TIMING OF FILING UPDATES 4	1.2	\$153.00	\$183.60
9/8/2016	Anna M. Hunter	POSTING FEE AND EXPENSE ACCRUAL	0.2	\$50.00	\$10.00
9/8/2016	Anna M. Hunter	COURT REPORTING PROJECT	0.1	\$50.00	\$5.00

LAUREL HILLS WATER DISTRICT

September 2016

Date	Name	Description	Hours	Rate	Total
9/8/2016	Cody C. Smith	PREPARE FORM 56 FOR IRS DOCUMENTATION. REVIEW TAX RETURN WITH R. MOORE AND SCAN FORM 8879-F TO TERRY STEPHENS OFFICE. PRINT TAX PYMT VOUCHER AND APPROVE PYMT FOR TY2015 TAX.	1.5	\$123.00	\$184.50
9/9/2016	Anna M. Hunter	UPDATED ONLINE BANKING ISSUES	0.1	\$50.00	\$5.00
9/9/2016	Cody C. Smith	EMAIL WITH TERRY STEPHENS CPA TO DISCUSS TY 2015 TAX VOUCHER AND TY 2016 QTR PYMTS.	0.5	\$123.00	\$61.50
9/9/2016	Robert E. Moore, Jr.	TRAVEL FROM KNOXVILLE TO CROSSVILLE NO CHARGE; VISIT AND INSPECT PROPERTIES 1.5; RETURN TRAVEL TO NASHVILLE FROM CROSSVILLE 2.0	3.5	\$153.00	\$535.50
9/12/2016	Robert E. Moore, Jr.	CALL WITH TRA OFFICIALS RE: MOTIONS, SHOW CAUSE PROCEEDING, OPERATIONS ISSUES; .5; UPDATE CALL WITH E. SINOR AND J. BRYANT RE: TRA DISCUSSION .4; CALL WITH G. MATHERNE AND E. SINOR RE: TRA DISCUSSION, OPERATIONS ISSUES, RECEIVERSHIP STATUS, SHOW CAUSE MOTION 1.25	2.15	\$153.00	\$328.95
9/13/2016	Cody C. Smith	EMAIL E. SINOR TO DISCUSS TAX RETURN FILING AND FINANCIALS FOR AUGUST FILINGS.	0.2	\$123.00	\$24.60
9/13/2016	Robert E. Moore, Jr.	DRAFT LETTER TO M. BOWLES RE: ACCOUNT .3; EMAILS TO AND FROM K. CASHMAN-GRAM RE: CONFERENCE .10; EMAILS TO AND FROM E. SINOR RE: M. BOWLES LETTER .10	0.5	\$153.00	\$76.50
9/14/2016	Jere P. Cowan	RECEIPT AND PAYMENT OF EXPENSES; UPDATE FINANCIAL ACCOUNT; FORWARD PAYMENT OF SAME	0.3	\$50.00	\$15.00
9/14/2016	Robert E. Moore, Jr.	CALL AND EMAIL FROM E. SINOR RE: PRESSURE ISSUES AT RENEGADE MOUNTAIN .2	0.2	\$153.00	\$30.60
9/15/2016	Anna M. Hunter	CONFERENCE WITH C. SMITH REGARDING COMPANY STATUS	0.2	\$50.00	\$10.00
9/16/2016	Anna M. Hunter	UPDATE MONTHLY NET ASSETS. RESPOND TO EVERETT'S DOCUMENTATION REQUEST.	1	\$50.00	\$50.00
9/16/2016	Robert E. Moore, Jr.	REVIEW EMAILS FROM E. SINOR RE: DRAFT NOTICE, REVISIONS TO BOLEN LETTER RE: NONPAYMENT OF WATER BILL, PROCESS AND APPROVE .2; CALL WITH D. KENDALL RE: STATUS OF BID, HIS CONVERSATIONS WITH MOY TOY REPRESENTATIVES 1.0	1.2	\$153.00	\$183.60

LAUREL HILLS WATER DISTRICT

September 2016

Date	Name	Description	Hours	Rate	Total
9/18/2016	Robert E. Moore, Jr.	CALL WITH E.SINOR RE: PLANNING FOR MEETING, REQUEST HE REVIEW D.KENDALL'S EASEMENT DOCUMENT FOR DISCUSSION AT MEETING .3	0.3	\$153.00	\$45.90
9/19/2016	Robert E. Moore, Jr.	CALL WITH E.SINOR RE: PLANNING FOR MEETING, UPDATE ON HIS REVIEW OF D.KENDALL EASEMENT DOCUMENT, DISCUSSION OF PARCEL OWNERSHIPS .75; MEETING WITH TRA REPRESENTATIVES, E. SINOR AND G.MATHERNE RE: PROPERTY ISSUES PRESENTED IN AQUA GREEN BID 3.0	3.75	\$153.00	\$573.75
9/20/2016	Jere P. Cowan	EMAIL FROM E. SINOR RE: COST EXHIBITS NEEDED; PREPARE FINANCIAL EXHIBITS RE: SAME AND FORWARD TO C. SMITH	0.4	\$50.00	\$20.00
9/20/2016	Robert E. Moore, Jr.	UPDATE J.BRYANT RE: PROPERTY ISSUES MEETING, RESPOND TO VOICE MAIL FROM E.SINOR RE: PROPERTY ISSUES MEETING .10	0.1	\$153.00	\$15.30
9/21/2016	Anna M. Hunter	PROVIDED UPDATE ON MONTHLY DEPOSITS/EXPENSES, CONFERENCE WITH C. SMITH AND R. MOORE REGARDING DEPOSITS AND MONTHLY EXPENSES	1.7	\$50.00	\$85.00
9/22/2016	Cody C. Smith	MEETING WITH R. MOORE AND A. HUNTER TO DISCUSS MONTHLY EXPENSES AND DEPOSITS.	0.6	\$123.00	\$73.80
9/22/2016	Jere P. Cowan	CONFERENCE WITH J. BRYANT RE: STATUS REPORT FILING AND AFFIDAVIT; PREPARE SAME FOR J. BRYANT; EMAIL FROM J. BRYANT RE: SAME	0.3	\$50.00	\$15.00
9/22/2016	Robert E. Moore, Jr.	REVIEW AND APPROVE REVISIONS TO EIGHTH REPORT .10; RESPOND TO EMAILS FROM G.MATHERNE AND E.SINOR RE: CALL WITH DART KENDALL .10	0.2	\$153.00	\$30.60
9/26/2016	Jere P. Cowan	RECEIPT AND PROCESS GEN LIABILITY INSURANCE INVOICE; CONFERENCE WITH C SMITH RE: SAME	0.3	\$50.00	\$15.00
9/26/2016	Robert E. Moore, Jr.	INSURANCE ISSUES; EMAIL RE: SAME, UPDATE FROM C.SMITH .10; EMAILS RE: EAGLES NEST, TRA INFORMATION .10	0.2	\$153.00	\$30.60
9/27/2016	Anna M. Hunter	DOCUMENT PREPARATION FOR ACCOUNTING USE	0.3	\$50.00	\$15.00
9/28/2016	Robert E. Moore, Jr.	CALL WITH G.MATHERNE RE: PLATTING QUESTIONS .5	0.5	\$153.00	\$76.50
9/29/2016	Jere P. Cowan	RECEIPT INVOICES; PROCESS PAYMENTS FOR SAME AND FORWARD	0.4	\$50.00	\$20.00

LAUREL HILLS WATER DISTRICT

September 2016

9/29/2016	Robert E. Moore, Jr.	CONFERENCE CALL WITH G.MATHERNE, E.SINOR, AND D.KENDALL RE: PLATTING AND EASEMENTS 1.2; REVIEW AND APPROVE MICROBAC REPORT AND INVOICE .10	1.3	\$153.00	\$198.90
9/30/2016	Robert E. Moore, Jr.	REVIEW AND RESPOND TO E.SINOR RE: REPLACEMENT ENGINEER, REVIEW EMAILS ON RESCHEDULED STATUS CONFERENCE .10	0.1	\$153.00	\$15.30

Total **\$3,230.90**

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

Invoice for Professional Services

LAUREL HILLS WATER DISTRICT		September 2016
9/6/2016	Jeanne Barnes Bryant	UPDATE FROM ROB MOORE, EMAIL FROM COUNSEL RE REPORT 0.2 \$163.00 \$32.60
9/7/2016	Jeanne Barnes Bryant	EMAIL RE REPORT 0.1 \$163.00 \$16.30
9/12/2016	Jeanne Barnes Bryant	UPDATE FROM ROB MOORE 0.1 \$163.00 \$16.30
9/13/2016	Jeanne Barnes Bryant	EMAIL RE ORDER 0.1 \$163.00 \$16.30
9/15/2016	Jeanne Barnes Bryant	EMAIL RE ORDER 0.1 \$163.00 \$16.30
9/16/2016	Jeanne Barnes Bryant	EMAIL RE ORDER 0.1 \$163.00 \$16.30
9/19/2016	Jeanne Barnes Bryant	DISCUSSION WITH ROB MOORE RE MEETING 0.1 \$163.00 \$16.30
9/20/2016	Jeanne Barnes Bryant	UPDATE RE MEETING 0.1 \$163.00 \$16.30
9/22/2016	Jeanne Barnes Bryant	EMAIL RE REPORT, QUESTION RE AFFIDAVIT 0.1 \$163.00 \$16.30
9/23/2016	Jeanne Barnes Bryant	REVIEW AND SIGN AFFIDAVIT, CALL AND EMAIL TO SINOR RE SAME 0.2 \$163.00 \$32.60
9/26/2016	Jeanne Barnes Bryant	EMAIL RE AFFIDAVIT, ISSUE WITH INSURANCE PAYMENT AND CANCELLATION, DISCUSSION WITH CODY SMITH RE SAME, EMAIL FROM ROB MOORE 0.3 \$163.00 \$48.90

Total **\$244.50**

G. Everett Sinor, Jr.
Attorney at Law

October 3, 2016

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

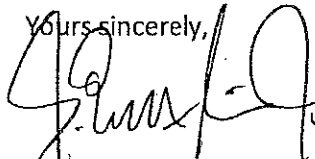
RE: September 2016 Billings – RMI/Laurel Hills Water System in Receivership

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

*mailed & e-mailed on
10/3 2016*

G. Everett Sinor, Jr., Attorney at Law

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Fee</u>
9/2/2016	Review deposit information	0.1		
9/6/2016	Review of G Matherne letter; conf. call w TRA	0.8		
9/7/2016	Work on 8th report; email to G Williams re leak on pipe; T.C. w Cumberland Co C&M office; VM from R Moore re comptroller's report on LHWS value; T.C. w R Moore re same; email to T Stephens re tax filing; T.C. w C Smith re tax filing;	1.7		
9/8/2016	Review of G Williams email on leak and Mr. Williams' services	0.1		
9/9/2016	Review J Layman email & respond; review of Laurel Hills/TRA court of appeals opinion; review email from D Carter requesting update on implementation of plan of receivership; response to D Carter; response to G Williams email on leak and engineering services	0.6		
9/12/2016	G. Williams email follow up to discussion on leak; conference call w TRA officials, T.C. w R Moore; conf. call w R Moore & G Matherne about moving forward; review of docs in Moy Toy show cause matter	2.2		
9/13/2016	Email to G Matherne with additional docs re: LHWS; email to C Smith re next report to court; T.C. w K Cashman-Grams re email for request for tax form filed in CCN hearing; REM letter to Bowles review w suggested revisions; email to K Cashman Grams requesting tax form; T.C. w T Stephens re taxes and report; email to C Smith re same; T.C. w R Moore re Bowles check; revisions to Bowles letter; email to R Moore re same	0.5		
9/14/2016	emails (2) to R Moore re lack of water pressure & new engineer; review of G Williams email re water pressure; call to E Bolin re engineer; email to T Stephens re Bowles a/r balance	0.4		
9/15/2016	review of REM email on leak; Bowles letter revisions; send same to R Moore; Preparation of water use notice; T.C. w J Layman re 15-000018	0.4		
9/16/2016	review R. Moore emails; email from E Bolin re: new operator/engineer; send out emails re water use; email from Anna Hunter re bank deposit and other report items	0.4		
9/18/2016	T.C. w R Moore re titling issues	0.3		

	review of G Williams email re notice of water use; preparation for meeting with TRA & Consumer Advocate & G Matherne; review of docs; meeting with TRA, Consumer Advocate, R Moore & G Matherne; discussion with R Moore & G Matherne re checklist of items on LHWS	6.6		
9/19/2016				
9/20/2016	T.C. w C Smith re: 8th report	0.1		
9/21/2016	T.C. w C Smith re: 8th report	0.1		
	email from D Carter re status and response; work on 8th report; email to D Carter re past due balance on Cumberland Pointe A/R; review of A/R email from T Stephens; review of tax form; email to R Moore & J Bryant with 8th report draft; email from D Carter re past due balance; provide Eagle's Nest Easement to G Matherne; email from J Bryant re 8th report and her signature on affidavit; email to J Bryant re same; emails from J Bryant and R Moore re 8th report; modification to JBB affidavit and 8th report; email to K Cashman-Grams with affidavit and proposed order on 8th report and August fees and expenses; review G Matherne email re eagles nest easement; T.C. w G Matherne re same	3.1		
9/22/2016				
	T.C. w G Matherne & D Kendall re easement form; Preparation of memorandum on show cause proceeding; T.C. w G Matherne; email to R Moore & G Matherne with memorandum; email from J Bryant re affidavit	2.7		
9/23/2016				
	T.C. (2) w G Matherne re: legal matters; T.C. w Connie w Cumberland County C&M re show cause motion; email to G Matherne & R Moore re show cause motion; review of D Kendall email; email J Layman	0.5		
9/26/2016				
	Type correction to 8th report; J Layman email & R Moore email; email from Lansford & Stephens re deposit and check from Shirleys; mtg w G Matherne	1.3		
9/27/2016				
	Emails from J Moore and Lansford & Stephens re deposit, Conway check, and water pressure; responses to all re same; conf. call w G Matherne, R Moore & D Kendall re proposal;	1.2		
9/28/2016				
	G. Williams email re leak on mountain and cause of lack of water pressure; email to Lansford & Stephens re Conway check; email to R Moore re same; completion and filing of 8th report; T.C. w J Layman re legal matters; email from Heather @ L&S forwarded to G Williams re Conway check	1.3		
9/30/2016				
	Hourly Billing Total	24.4	\$140.00	\$3,416.00
		<u>Miles</u>	<u>Rate</u>	
	Mileage Total	0.0	\$0.47	\$0.00

9/30/2016	Postage for 8th report	\$42.62	
	Other Expenses Reimburseable Total		<u>\$42.62</u>
	Balance Owed this month		\$3,458.62
	Previous Balance Owed	\$8,569.18	
	Total Amount Due and Payable		\$12,027.80

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

Print Report Postage

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

09/30/16 12:26 PM

We are the one stop for all your
shipping, postal and business needs.

'LIKE US' on FACEBOOK: THE UPS STORE 3355
COUPONS, SPECIALS, FACEBOOK FRIDAY!!



001	001040 (001)	TO \$	12.20
	Ground Commercial		
	Tracking# 1Z66321F0312712446		
002	500051 (022)	TO \$	30.42
	First Class Mail	QTY 6	
	Reg Unit Price	\$	5.07

SubTotal \$ 42.62

Total \$ 42.62

Master Card \$ 42.62

ACCOUNT NUMBER * *****3631

Appr Code: (S) Sale

A handwritten signature in black ink, appearing to read 'Joeey'.

Receipt ID 82997712401325888092 007 Items
CSH: JOEY Tran: 6129 Reg: 002

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

Whatever your business and personal
needs, we are here to serve you.

US Postal Rates Are Subject to Surcharge

We're here to help.
Join our FREE email program to receive
great offers and resources.

www.theupsstore.com/signup

WYATT, TARRANT & COMBS, LLP
2525 WEST END AVENUE
SUITE 1500
NASHVILLE, TENNESSEE 37203
F.E.I. # 61-0468003
(615) 244-0020

OCTOBER 6, 2016
008264.000036
J. GRAHAM MATHERNE

INVOICE # 1021220

JEANNE BRYANT/RECEIVERSHIP MANAGEMENT, INC.
C/O RECEIVERSHIP MANAGEMENT, INC.
P.O. BOX 2307
BRENTWOOD, TN 37024

RE: LAUREL HILLS WATER UTILITY RECEIVERSHIP

FOR PROFESSIONAL SERVICES RENDERED THROUGH SEPTEMBER 30, 2016

REMITTANCE ADVICE PAGE

TOTAL SERVICES	\$7,263.00

TOTAL AMOUNT DUE	\$7,263.00
	=====

DUE UPON RECEIPT
TO INSURE PROPER CREDIT TO YOUR ACCOUNT PLEASE RETURN THIS
REMITTANCE ADVICE WITH YOUR PAYMENT

WYATT, TARRANT & COMBS, LLP
2525 WEST END AVENUE
SUITE 1500
NASHVILLE, TENNESSEE 37203
F.E.I. # 61-0468003
(615) 244-0020

OCTOBER 6, 2016
008264.000036
J. GRAHAM MATHERNE

INVOICE # 1021220

JEANNE BRYANT/RECEIVERSHIP MANAGEMENT, INC.
C/O RECEIVERSHIP MANAGEMENT, INC.
P.O. BOX 2307
BRENTWOOD, TN 37024

RE: LAUREL HILLS WATER UTILITY RECEIVERSHIP

FOR PROFESSIONAL SERVICES RENDERED THROUGH SEPTEMBER 30, 2016

09/01/16	EMAILS WITH R. MOORE RE LAUREL HILL RECEIVERSHIP (NO CHARGE). J. GRAHAM MATHERNE .40 hours at .00 per hour.	NO CHARGE
09/12/16	LENGTHY CALL WITH R. MOORE AND E. SINER REGARDING NEW REPRESENTATION AND RE: BACKGROUND OF CASE. J. GRAHAM MATHERNE 1.00 hours at 270.00 per hour.	270.00
09/16/16	REVIEW OF CASE DOCUMENTS (.80); LENGTHY TELEPHONE CONFERENCE WITH ROB MOORE RE: RECEIVERSHIP PROPERTY AT ISSUE IN WATER SYSTEM, UNDERLYING FACT (.90). J. GRAHAM MATHERNE 1.70 hours at 270.00 per hour.	459.00
09/19/16	REVIEW FILE MATERIALS REGARDING CASE (E.G. VARIOUS DEEDS, EASEMENTS, MAPS, COURT FILINGS AND REPORTS) (1.0); PREPARE FOR MEETING WITH SINOR, MOORE, LAYMAN, CUSHMAN-GRAM, AND TAYLOR (.50); MEETING WITH RMI / TRA GROUP RE STATUS ISSUES (LENGTHY) (2.40). J. GRAHAM MATHERNE 3.90 hours at 270.00 per hour.	1053.00

CONTINUE NEXT PAGE

JEANNE BRYANT/RECEIVERSHIP MANAGEMENT, INC.
MATTER NUMBER: 008264.000036
INVOICE NO.: 1021220

09/23/16 REVIEW OF EAGLE NEST WATER LINE ISSUES (.20);
CALL WITH E. SINOR AND CONFERENCE WITH E. SINOR
AND D. KENDALL REGARDING EASEMENT ISSUES AND
RELATED MATTERS (.50).
J. GRAHAM MATHERNE .70 hours at 270.00 per hour. 189.00

09/25/16 INITIAL OUTLINING AND INITIAL DRAFTING AS TO
POTENTIAL ACTION (1.30); FURTHER REVIEW OF
FILE REGARDING PROPERTY INTERESTS AND FURTHER
NEED FOR DOCUMENTATION (1.0).
J. GRAHAM MATHERNE 2.30 hours at 270.00 per hour. 621.00

09/26/16 CONTINUED DRAFTING OF PORTIONS OF POTENTIAL
ACTION (1.7);; REVIEW TAX/PLAT MAPS AS TO
OWNERS OF PARCELS (1.0); E-MAILS WITH KENDALL
RE: EASEMENT ISSUES (.20); TELEPHONE CONFERENCE
WITH E. SINOR AND E-MAILS WITH R. MOORE RE:
SAME AND RELATED ISSUES OF PROPERTY SUBJECT TO
POTENTIAL ACTION / ACTION/MASTER PLAT, ETC.
(.50).
J. GRAHAM MATHERNE 3.40 hours at 270.00 per hour. 918.00

09/27/16 DRAFTING OF SECTIONS OF POTENTIAL ACTION
(.80); REVISIONS TO SAME (.40); EXTENSIVE
VIEWING OF INTERNET INFO AS TO MAPS OF AREA AND
PARCEL OF PROPERTY POTENTIALLY AT ISSUE (2.00);
NOTES RE: SAME (.50); OUTLINING ISSUES AND
QUESTIONS FOR SINOR AND MOORE(.30); LENGTHY
MEETING WITH SINOR RE: EXISTING PIPES AND
INFRASTRUCTURE AND RELATED AND ADDITIONAL
QUESTIONS AND CONCERNS(1.0)..
J. GRAHAM MATHERNE 6.20 hours at 270.00 per hour. 1674.00

09/28/16 TELEPHONE CONFERENCES WITH R. MOORE RE: ISSUES
FROM MEETING WITH SINOR AND RELATED
MATTERS(.20); REVIEW ISSUES POTENTIALLY
IMPACTING UPON CRAB ORCHARD UTILITY DISTRICT
(.60); E-MAILS WITH SINOR AND MOORE RE: SAME
(.30); FURTHER REVIEW OF MATERIAL AND DRAFTING
AS TO WATER TOWER/WATER TOWER PARCEL PORTION OF
POTENTIAL ACTION (1.20); FURTHER FACT
INVESTIGATION REGARDING MATTERS RE: TITLE TO
WATER SUPPLY EASEMENT AND SERVICE EASEMENTS AND
RELATED TOPICS (1.0); E-MAILS OF D. KENDALL AND
MOORE AND SINOR RE: NEED FOR CONFERENCE
CALL(.10); TELEPHONE CONFERENCE WITH CUMBERLAND
COUNTY REGISTER OF DEEDS RE: PLATS AND OTHER
RECORDED MATERIALS RE: RENEGADE MOUNTAIN
PROJECT (.30).
J. GRAHAM MATHERNE 4.70 hours at 270.00 per hour. 1269.00

CONTINUE NEXT PAGE

JEANNE BRYANT/RECEIVERSHIP MANAGEMENT, INC.
MATTER NUMBER: 008264.000036
INVOICE NO.: 1021220

09/29/16 PREPARATION FOR CONFERENCE CALL WITH D.
KENDALL, SINOR AND MOORE AND NOTES RE
SAME(.60); LENGTHY TELEPHONE CONFERENCE WITH
SAME RE: OPEN ISSUES (1.20), FURTHER DRAFTING
OF SECTIONS OF POTENTIAL ACTION RE: PROPERTY
RIGHTS OF RMI, AS RECEIVER OF LHWS (.70),
CONTINUED REVIEW OF FILE MATERIALS RE: SAME
(.50).
J. GRAHAM MATHERNE 3.00 hours at 270.00 per hour. 810.00

TOTAL SERVICES 26.90 \$7,263.00

TOTAL AMOUNT DUE \$7,263.00

-----TIME AND FEE SUMMARY-----			
-----TIMEKEEPER-----	RATE	HOURS	FEEES
J MATHERNE PARTNER	270.00	26.90	7263.00

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 September 1, 2016 through September 30, 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 (a) authorize payment to the Receiver out of receivership estate assets in the amount of all such fees and expenses save Mr. Matherne's fees and expenses; and (b) order payment of Mr. Matherne's fees and expenses as an interim taxation of costs in this matter.

FURTHER THE AFFIANT SAITH NOT.


KELLY CASHMAN-GRAMS

Sworn to and subscribed before me this

9th day of November, 2016.


NOTARY PUBLIC

My commission expires: 1/9/2018



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 ROBERT E. MOORE, JR.

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

COMES NOW, Robert E. Moore, Jr., 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 Chief Operations Officer 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 September 1, 2016 and September 30, 2016 that are contained in the Receiver's motion.

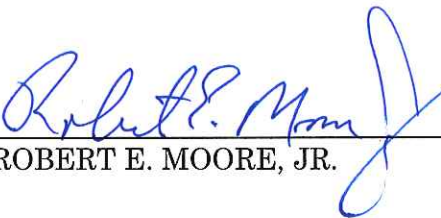
4. I have reviewed all of the fee and expense items for the staff of Receivership Management, Inc. who have performed services to this Receivership, as well as the overhead and operating charges of Receivership Management, Inc. and persons who have contracted with Receivership Management, Inc. to provide 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]

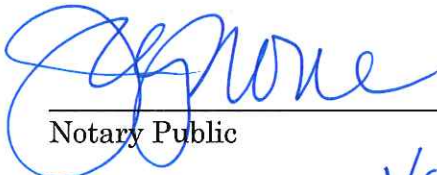
6. Based upon an initial review of financial documentation for LHWS, it appears that there are sufficient assets available to address the payment of the fees and expenses presented for approval in the Receiver's Motion over and above the assets needed for operational expenses, with the exception of the fees and expense for J. Graham Matherne, Esq. 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 \$7,098.33 (i.e., the amount of all fees and expenses set forth in the Receiver's Motion, save fees and expense attributable to Mr. Matherne), and that the Court order an interim taxation of costs to the Tennessee Regulatory Authority in the amount of \$7,263.00 (i.e., the amount of fees and expenses attributable to Mr. Matherne set forth in the Receiver's Motion) .

FURTHER THE AFFIANT SAITH NOT.


ROBERT E. MOORE, JR.

Sworn to and subscribed before me on this

8th day of November, 2016.


Notary Public
Commission Expires: 1/9/2020



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

TENNESSEE REGULATORY AUTHORITY

v.

LAUREL HILLS CONDOMINIUMS
PROPERTY OWNERS ASSOCIATION

} Docket No. 2012-CH-560
} Chancellor Thurman

ORDER GRANTING RECEIVER'S MOTION

On motion of Receivership Management, Inc. [hereinafter the Receiver], filed with this Honorable Court on or about the 11th day of November, 2016, the Receiver petitioned this Honorable Court to approve the Receiver's fees and expenses for September of 2016, and approve payment to the Receiver out of receivership estate assets in the amount of such fees and expenses.

The Receiver's motion being well taken, and no opposition being filed with this Honorable Court within ten (10) calendar days of the filing date of the Receiver's motion, it is **ORDERED, ADJUDGED, and DECREED** that the Receiver's fees and expenses are hereby **APPROVED** in the amount of \$14,361.33.

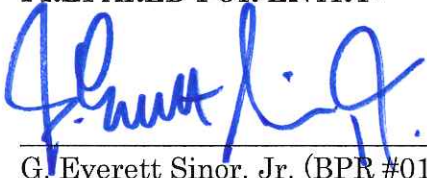
It is further **ORDERED, ADJUDGED, and DECREED** as follows:

- (1) payment to the Receiver in the amount of \$7098.33 from the assets of the Laurel Hills Water System in Receivership is hereby **AUTHORIZED**; and,
- (2) costs are taxed on an interim basis to the Plaintiff, the Tennessee Regulatory Authority, in the amount of \$7293.00.

ENTERED this ___ day of _____, 2016.

The Honorable Ronald Thurman, Chancellor

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:

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

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

via the United States Mails, postage prepaid, this ____ day of _____, 2016.
