

G. EVERETT SINOR, JR.
Attorney at Law

August 12, 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*

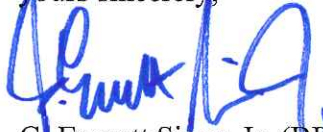
VIA UNITED STATES FIRST CLASS MAILS

Dear Ms. Tollett:

Please find enclosed herewith the Receiver's Progress Report on the Implementation of its Receivership Plan in the above-styled matter.

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

ec: Receivership Management, Inc.
James R. Layman, Esq.
James L. Gass, 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

RECEIVERSHIP PLAN IMPLEMENTATION PROGRESS REPORT

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, and provides this, its progress report on the implementation of its Receivership Plan.

Background

The Receivership Plan was filed with the Court on June 2, 2016. The Receivership Plan provided the following:

- 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.*

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.*¹

On June 9, 2016, this Honorable Court approved and adopted by order the Receivership Plan filed with the Court by the Receiver. In its decree, the Court ordered the Receiver to “forthwith carry out and implement its receivership plan.”

Implementation of Receivership Plan

On June 24, 2016, the Receiver transmitted a bid package to five (5) persons/entities that had expressed an interest in the ownership or operation of the LHWS prior to the adoption of the Receivership Plan. A copy of the bid request package is attached hereto as Exhibit A and is incorporated herein by reference.²

Included within the bid request package was a confidentiality agreement, the execution of which was required prior to further information being released to potential bidders. The Receiver set the following timetable/deadlines for the bidding process:

Confidentiality Agreement Execution & Submission:	July 1, 2016
Due Diligence Completion:	July 20, 2016
Submission of Bid:	August 1, 2016.

Two (2) potential bidders executed a confidentiality agreement and submitted the same to the Receiver so as to receive due diligence materials from the Receiver. Only one (1) of those bidders, Aqua Green Utility, Inc. [hereinafter “Aqua Green”], submitted a bid—the other declined to bid on the LHWS. The Receiver considers Aqua Green’s bid to be its

¹ Receivership Plan, filed on June 2, 2016, at pp. 5-6.

² The bid request package was also attached to the Receiver’s Sixth Report, filed with this Honorable Court on August 4, 2016.

preferred bid, and the Receiver has entered into negotiations and discussions to consummate the sale of LHWS to Aqua Green.³

Aqua Green's Bid

As represented by Aqua Green, material terms of its bid are as follows:

1. Payment of \$2501.00 from Agua Green to the Receiver.
2. The execution of Aqua Green's "standard easement agreement" by "the owner of the roads and right of ways for all roads on Renegade Mountain".
3. The establishment of a rate for the LHWS of \$73.00 per month, per customer for September 2016 through December 2019; and a rate of \$45.00 per month, per customer thereafter.
4. The bid is "contingent on [LHWS] having \$0.00 cash on hand having no debt or amount owed. Any difference can be negotiated on the day of title transfer."
5. Aqua Green already possesses a wastewater Certificate of Public Convenience and Necessity [hereinafter a "CCN"] and would "only need to add the water system to [its] territory."

A copy of Agua Green's standard grant of easement form, a five (5) year pro-forma cash flow statement, and background and biographical information on Agua Green and its owners, Dart and Becky Kendall, were all included in the bid. A partially redacted copy of Aqua Green's bid is attached hereto as Exhibit B and is incorporated herein by reference⁴, and the Receiver would refer the Court to said exhibit for a more complete and thorough description of Agua Green's bid for the LHWS.

³ Due to the confidentiality of the bid process, the Receiver is not disclosing the identification of the other persons to whom a bid package was sent. The Receiver stands ready to present, in chambers, whatever information the Court requests concerning the other potential bidder, as well as the other persons to whom a bid package was sent.

⁴ Aqua Green's bid contained information personal to its owners, and that information is being withheld from this public filing; however, the Receiver stands ready to present, in chambers, such information if such presentation pleases the Court.

The Receiver's Selection of Aqua Green's Bid

The Receiver has had discussions with officials from the Tennessee Regulatory Authority [hereinafter the "Authority"] concerning this bid and concerning Aqua Green. Authority officials have confirmed that Aqua Green currently possesses a wastewater CCN; however, an expansion or amendment to such CCN would need to be procured by Aqua Green. Aqua Green's representations concerning its escrow funds and its letter of credit posting will be verified with the Authority. Authority officials have a general familiarity with Aqua Green, having worked with Mr. Kendall before.

Mr. and Mrs. Kendall both attended the Renegade Mountain community meeting conducted by the Receiver on May 27, 2016, the Friday before the Memorial Day holiday weekend. It should be noted that no officials from other private utility companies attended that meeting.⁵ Mr. Kendall displayed a knowledge and understanding of the LHWS and of water system ownership and operation in general at that meeting, as well as a knowledge and understanding of the Authority's statutes and regulations, and the regulatory environment in which it operates. Mr. and Mrs. Kendall's attendance and participation at the community meeting were greatly appreciated by the Receiver.

As stated above, Aqua Green's bid is its preferred bid, and the Receiver has entered into negotiations and discussions to consummate the sale of LHWS to Aqua Green, subject to final approval of all closing documents by the Receiver and the payment of the purchase price by Aqua Green at closing.

Conclusion

This receivership plan implementation progress report is being provided to the Court so as to ensure that the Court is properly updated on the Receiver's activities in

⁵ Mr. Gerald Williams, the LHWS's contract engineer, who is also an employee of the Crab Orchard Utility District, did attend the community meeting and his attendance and contribution in the meeting were greatly appreciated by the Receiver.

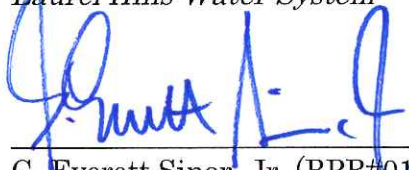
relation to the plan, including the contents of the bid package, responses from potential suitors, and the Receiver's preferred bid. Prior to the sale of the LHWS, the Receiver intends to file a motion with this Court, ratifying the terms and conditions of the purchase agreement and approving the transaction. Aqua Green has been informed that final approval of the transaction by this Honorable Court is a prerequisite to closing.

DATED: August 12, 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)
615-373-4336 (Facsimile)
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 progress report has been served upon the parties hereto and the other persons listed below, at:

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

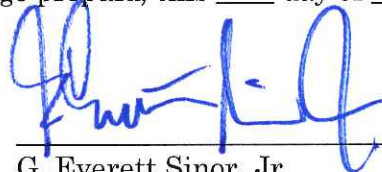
James L. Gass, Esq.
Ogle, Gass & Richardson
Counsel for Laurel Hills Condominiums
Property Owners Association
103 Bruce Street
Sevierville, Tennessee 37862

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

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

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

via the United States Mails, postage prepaid, this 12th day of August, 2016.



G. Everett Sinor, Jr.

Receivership Management, Inc.

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

June 24, 2016

[REDACTED]

RE: Laurel Hills Water System of Renegade Mountain
Near Crab Orchard, Tennessee

[REDACTED]

Receivership Management, Inc. ("RMI") is the court-appointed receiver of Laurel Hills Water System ("LHWS") located on Renegade Mountain, near Crab Orchard, Tennessee. RMI is seeking bid proposals for the purchase of LHWS through an asset purchase in order to evaluate the market for this water system.

You have indicated to RMI an interest in acquiring LHWS. You are invited to review the enclosed information and determine whether you have an interest in obtaining additional information concerning these assets, conducting further due diligence, investigation and ultimately bidding to acquire its assets.

Time is of the essence in this matter. In order for you to be considered as a potential buyer of LHWS assets, and in order for you to be provided and have access to further information regarding LHWS, you must provide written notification and return the enclosed signed Confidentiality Agreement to this office no later than July 1, 2016. Also, in your notification, you should describe what further information you want to review and when you can schedule your due diligence visit and efforts. All information reasonably available to the Receiver regarding LHWS operations and accounts will be made available for review at 1101 Kermit Drive, Suite 735, Nashville, Tennessee 37217 commencing July 1, 2016 during normal business hours of 8 A.M. to 4:30 P.M., central time. Upon request, the Receiver will copy any information requested and in the Receiver's possession at a charge of \$.10 per page, plus a labor charge of \$35.00 per hour.

All due diligence must be completed by Wednesday, July 20, 2016. A bid or written proposal to purchase LHWS assets must be received in this office no later than 4:00 p.m. central time on Wednesday, August 1, 2016. The bid or written proposal to purchase LHWS assets should be accompanied by the following information:

- Background information on the bidder/proposer
- Background and biographical information on the officers/directors/members of the bidder/proposer

EXHIBIT

A

tabbles

- Financial Information concerning the bidder/proposer to include a financial statement, balance sheet, cash flow/profit loss statement

Enclosed with this letter are a historical financial information package on the water system and a Confidentiality Agreement. After receipt of an executed Confidentiality Agreement, the following information will be available:

1. Copy of supplier contract with Crab Orchard Utility District.
2. Copy of any Tennessee Department of Environment and Conservation Reports regarding the system.
3. The most recent water quality testing report from LHWS testing contractor, Microban
4. Current effective and approved rate filings with the Tennessee Regulatory Authority
5. Irrevocable license agreement from Renegade Mountain developer Moy Toy, LLC.
6. Title documents to the system.

Brief Discussion and Background of Laurel Hills Water System

LHWS is the exclusive supplier of drinking water to residents and businesses located on Renegade Mountain, near Crab Orchard, Tennessee. Development of Renegade Mountain as a resort community began in the late 1960s. Renegade Mountain is located in Cumberland County, Tennessee, east of Crossville, Tennessee and is adjacent to the community of Crab Orchard, Tennessee, Interstate Highway 40 and U.S. Highway 70. The resort is not fully developed but development has continued since the 1970s. Amenities installed but currently not operating include an 18 hole golf course and sports park. Since it enjoys an elevation as high as Ober Gatlinburg, Renegade Mountain was initially developed as both a ski and golf resort, however, snow skiing operations ceased sometime in the 1990s. Development efforts now are focused more on providing secluded retreats/vacation homes with spectacular views. Renegade Mountain consists of both single family and multifamily homes/condominiums.

Cumberland County and Crossville, Tennessee are known as the golf course capital of Tennessee. It is a golfer's dream with at least 10 courses nearby. Crossville itself is a retirement destination with excellent medical facilities. It is convenient to Chattanooga, Nashville, and Knoxville. Residents of Renegade Mountain include employees of firms located in these cities, including the large Volkswagen Plant in Chattanooga.

Crossville is home to Picoosa North America, an automotive equipment manufacturer and supplier, Conlix, LLC, a shared network of warehouses and transportation services for suppliers to automotive manufacturers, and Flowers Bakery's regional bread bakery. These companies along with Cumberland Regional Medical Center account for over 2,000 employees. In addition, Crossville has developed as a manufacturing site for porcelain and stone building materials. These industries comprise Crossville's manufacturing base.

LHWS began operations in 1973. The system installation consists of a two pump pumping station, 6 inch supply pipe, 6,4 and 2 inch distribution piping, and 250,000 gallon water tank. The system contains 13 miles of supply and distribution piping, all but 700 feet are underground.

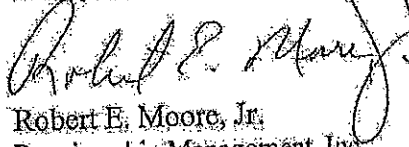
LHWS receives its supply of water from Crab Orchard Utility District from a connection to its system at the foot of Renegade Mountain. The system currently has just over 130 customers, all mostly residential. The system has no employees. An individual is contracted as a water engineer who is certified and qualified. Approximately 475,000 gallons of water is distributed through the system on a monthly basis.

The Receiver reserves the right to accept or reject any and all bids or proposals. All bids/proposals will be reviewed by the Receiver; and the Receiver has exclusive discretion to review and recommend to the Court a particular proposal as the Receiver deems in the interests of the estate. Any recommended bid/proposal is subject to court approval and any purchase agreement executed by the parties is subject to court approval. All applicable statutes and rules of the Tennessee Regulatory Authority must be complied with in connection with any purchase agreement, including if applicable, the procurement of a Certificate of Convenience and Need.

If you have questions, please direct those to Jeanne Bryant or Rob Moore at 615-370-0051. The address/fax number to send your Confidentiality Agreement (to be received by 4 p.m. central time deadline on July 1, 2016 is:

Laurel Hills Water System in Receivership
1101 Kermit Drive, Suite 735
Nashville, TN 37217
FAX 615-373-4336

Truly yours,



Robert E. Moore, Jr.
Receivership Management, Inc.
Receiver of Laurel Hills Water System.

CONFIDENTIALITY AGREEMENT

The Receiver of Laurel Hills Water System (respectively, the "Receiver" and "LHWS") has furnished the undersigned ("we" or "us") with certain information in connection with the proposed sale of LHWS and the assets related thereto. This information concerning LHWS (referred to herein as the "Evaluation Material") is being provided exclusively in connection with our investigation thereof, and the Receiver may furnish additional Evaluation Material in the future, all of which is strictly confidential.

This is to further confirm our interest in receiving additional Evaluation Material and our continued interest in evaluating the business of LHWS with a view towards making a written proposal or bid to purchase LHWS or its assets. This is not a commitment by the undersigned to make such a written proposal or bid, but only to be bound by the confidentiality obligations set forth herein.

The undersigned agrees that any Evaluation Material (whether documentary or oral) furnished by agents or representatives of the Receiver or LHWS will be kept strictly confidential. In no event shall we use such Evaluation Material for any purpose except in connection with our investigation of LHWS; provided, however, that the Evaluation Material may be disclosed to the officers, directors, employees, legal counsel, accountants or financial advisors (collectively the "Representatives") who need to know such information for the purpose of assisting the undersigned in reviewing the business of LHWS, all of whom shall be informed of the terms and conditions of this Confidentiality Agreement and shall agree to be bound by the terms hereof.

The undersigned agrees not to make such Evaluation Material available to any other person or group for any other purpose whatsoever. The undersigned further agrees that without the prior written consent of the Receiver, we will not disclose to any third party the fact that we have received confidential Evaluation Material on the business of LHWS, or that discussions or negotiations are taking place or have taken place, or the status thereof and that the Evaluation Material will not be used in any way detrimental to the Receiver or LHWS.

The foregoing restrictions with respect to Evaluation Material furnished shall not apply to any Evaluation Material which the undersigned can demonstrate (i) is or becomes generally available to the public other than as a result of disclosure by us or our Representatives, (ii) is or becomes available to us on a non-confidential basis prior to disclosure to us by the Receiver or its representatives, (iii) is or becomes available to us on a non-confidential basis from a source other than the Receiver or LHWS or their representatives, which source was itself not prohibited from disclosing such information by a contractual or other obligation or (iv) is required to be disclosed by law or by subpoena issued by any court (in which case we shall advise and consult with the Receiver and its counsel prior to any proposed disclosure).

The undersigned acknowledges that neither the Receiver, LHWS nor any of their representatives makes any express or implied representation or warranty as to the accuracy or completeness of any Evaluation Material, and the undersigned agrees that no such person will have any liability to you on any basis resulting from our use of the Evaluation Material.

The undersigned agrees not to initiate or maintain contact with any agent or representative of the Receiver or LHWS with respect to the business of LHWS, except with the express permission of the Receiver.

This agreement will be governed by and construed in accordance with the laws of the State of Tennessee, without regard to the principles of conflict of laws thereof. Jurisdiction of this agreement is only in the State of Tennessee and venue is only proper in the Cumberland County, Tennessee Chancery Court.

The undersigned agrees upon the request of the Receiver to return to the Receiver or destroy all Evaluation Material furnished without retaining any copies thereof or extracts, and, if destroyed, to provide a written certification of such destruction. The terms of Confidentiality Agreement will survive the return of such Evaluation Material.

The undersigned acknowledges that a breach of any of the provisions of this agreement would cause irreparable harm to the Receiver or LHWS for which it could not be adequately compensated with money damages. Accordingly, in the event of any such breach, the undersigned agrees that the Receiver shall be entitled to temporary and permanent injunctive relief and specific performance of the provisions hereof without the necessity of proving actual damage or posting a bond or other security, which shall be in addition to any and all other legal and equitable remedies available.

The undersigned and the Receiver acknowledge and agree that unless and until a written definitive agreement concerning a transaction relating to LHWS has been executed, neither the Receiver nor the undersigned will have any liability to the other with respect to the transaction, whether by virtue of this agreement, any other written or oral expression with respect to a transaction or otherwise, and each of the Receiver and the undersigned will have the right at any time to discontinue the undersigned's evaluation of LHWS.

Accepted and agreed to as of the date written below:

Name: _____

Title: _____

Company: _____

Date: _____

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

	FOR THE PERIOD		
	10/26/2015 4/30/2016	5/1/2016 5/31/2016	10/26/2015 5/31/2016
RECEIPTS			
1000-INTEREST INCOME			
1010-REGIONS 8611			
4910-WATER BILL RECEIPTS	26,910.16	6,950.90	33,861.06
TOTAL REVENUE	26,910.16	6,950.90	33,861.06
DISBURSEMENTS			
FEEs			
5695-ACCOUNTING FEES	900.00	-	900.00
5400-LEGAL FEES	49.00	-	49.00
5610-CONTRACT LABOR (NOTE B & D)	2,345.56	-	2,345.56
TOTAL FEES	3,294.56	-	3,294.56
OTHER EXPENSES:			
5697-OTHER FEES	100.00	-	100.00
6060-RENT	-	-	-
6190-EQUIPMENT MAINTENANCE	349.78	553.10	902.88
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 (NOTE C)	17,597.92	-	17,597.92
6299-MISC EXPENSE	493.80	-	493.80
6325-BANK CHARGES	12.00	-	12.00
6330-COURT COSTS	-	-	-
6340-INSURANCE (NOTE A)	-	-	-
6350-TRAVEL	-	-	-
TOTAL OTHER EXPENSES	18,729.08	553.10	19,282.18
TOTAL EXPENSES	22,023.64	553.10	22,576.74
NET RECEIPTS LESS DISBURSEMENTS	4,886.52	6,397.80	11,284.32
SCHEDULE OF CHANGE IN NET ASSETS			
FUND BALANCE RECEIVED	100.00	-	100.00
NET RECEIPTS LESS DISBURSEMENTS	4,886.52	6,397.80	11,284.32
DISTRIBUTIONS PAID	-	-	-
CLAIMS PAYABLE	-	-	-
NET ASSETS	4,986.52	-	11,384.32

6/24/2016 15:53

TOTAL ASSETS	4,986.52	11,384.32
TOTAL LIABILITIES	-	-
NET ASSETS	4,986.52	11,384.32

NOTE A: FIGURE DOES NOT INCLUDE PAYABLE FOR GENERAL LIABILITY INSURANCE PREMIUM OF \$3,789.25.

NOTE B: FIGURE DOES NOT INCLUDE \$1,480.00 TO LANSFORD & STEPHENS FOR INVOICES JANUARY 2016 - APRIL 2016, AND \$2,500.00 IN FEES TO GERALD WILLIAMS FOR INVOICES DECEMBER 2015 - APRIL 2016 TOTALING \$3,980.00.

NOTE C: FIGURE DOES NOT INCLUDE \$7,360.85 OWED TO CRAB ORCHARD UTILITY DISTRICT FOR PRIOR UTILITY CHARGES.

NOTE D: FIGURE DOES NOT INCLUDE ACCOUNT PAYABLE OWED/DUE TO TRA FOR RECEIVERSHIP FEE, OTHER CONTRACT LABOR, AND LEGAL FEES TOTALING \$37,858.4



AquaGreen Utility Inc.

July 22, 2016

Renegade Mountain Water System Bid:

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

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

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

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

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

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

Thank you for your consideration of this bid offer.

Dart Kendall
President
Aqua Green Utility Inc.



State of Tennessee  Comptroller of the Treasury
Real Estate Assessment Data

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

County Number: 018

County Name: CUMBERLAND

Tax Year: 2016

Property Owner and Mailing Address

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

Current Owner:
RECEIVERSHIP MANAGEMENT INC
 783 OLD HICKORY BLVD STE 255
 BRENTWOOD, TN 37027

Property Location

Address: **RENEGADE MOUNTAIN PKWY**

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

Value Information

Reappraisal Year: 2012

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

General Information

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

Subdivision Data

Subdivision: **RENEGADE RESORT**

Plat Bk: Plat Pg: Block: Lot:

Additional Description

Building Information

Extra Features

Sale Information

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

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

(For Recording Purposes)

GRANT OF EASEMENT

State of Tennessee
County of Cumberland

PROJECT NAME: Renegade Mountain

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

WITNESSETH

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

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

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

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

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

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

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

Additional Stipulations:

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

Witness my hand and seal, this ____ day of _____, 20 ____.

Witness (Signature)

GRANTOR(S):

Witness (Printed Name)

Insert Property Owner's Name

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

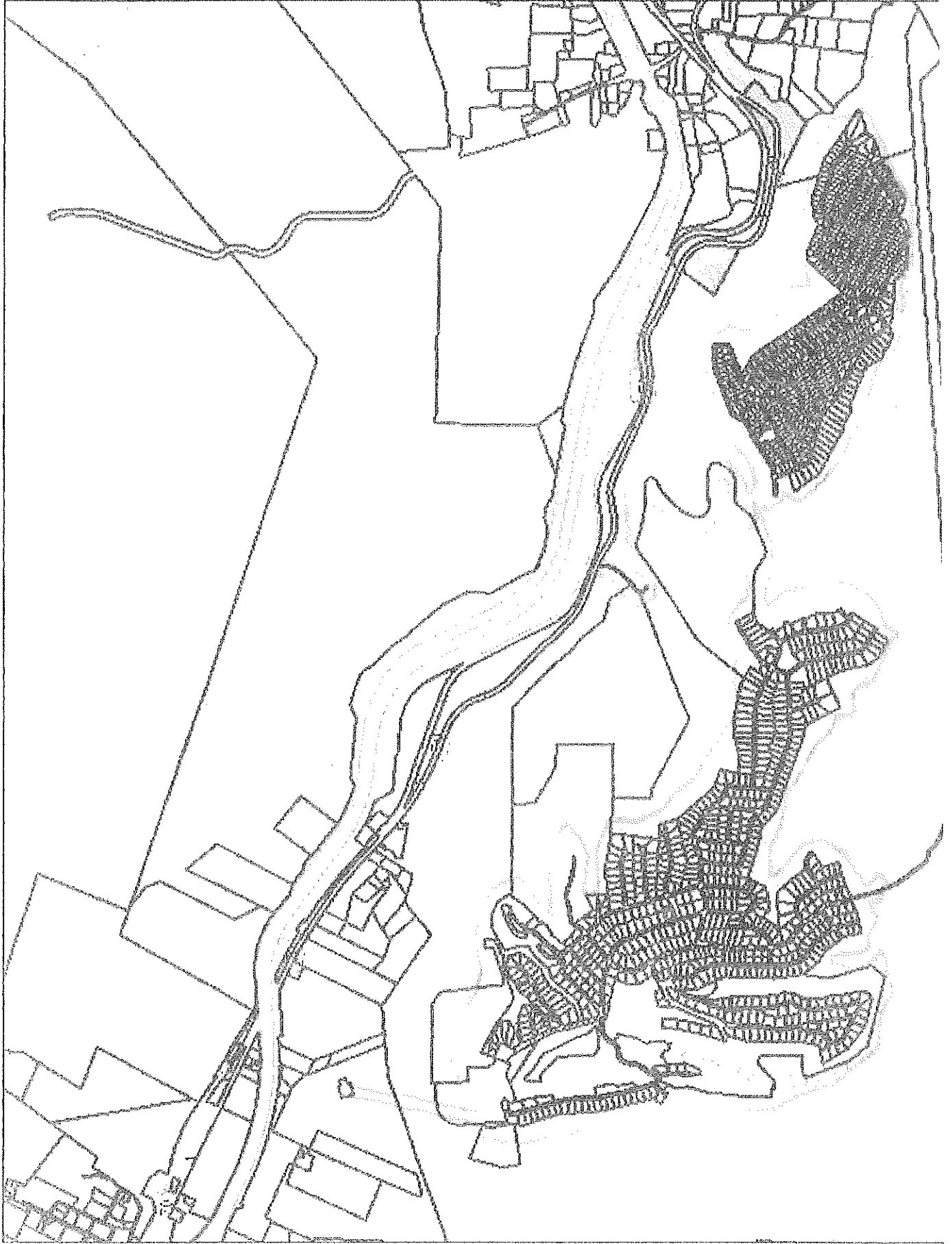
Insert Property Owner's Name

NOTARY PUBLIC

(SEAL)

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

Cumberland County - Parcel: 142P D 023.00



Renegade Mountain Projected Cash Flow Profit Loss

Budget Items	September	October	November	December	2016
Water Testing	\$67.00	\$67.00	\$67.00	\$67.00	
Property Tax	\$10.00	\$10.00	\$10.00	\$10.00	
Telephone	\$0.00	\$0.00	\$0.00	\$0.00	
Insurance	\$500.00	\$500.00	\$500.00	\$500.00	
Billing	\$200.00	\$200.00	\$200.00	\$200.00	
Utilities Electric	\$450.00	\$450.00	\$450.00	\$450.00	
Accounting	\$190.00	\$190.00	\$190.00	\$190.00	
TDEC Permits	\$25.00	\$25.00	\$25.00	\$25.00	
System Maintenance	\$500.00	\$500.00	\$500.00	\$500.00	
Operator/Engineer	\$500.00	\$500.00	\$500.00	\$500.00	
Water Purchased	\$2,159.00	\$2,159.00	\$2,159.00	\$2,159.00	
Major system rehab		Freeze proof for winter	\$10,000.00		
Profit 5%					
Purchase price	\$2,501.00				
Total Cost Projection	\$7,102.00	\$4,601.00	\$14,601.00	\$4,601.00	
Projected Income	\$9,563.00	\$9,563.00	\$9,563.00	\$9,563.00	
Difference	\$2,461.00	\$4,962.00	(\$5,038.00)	\$4,962.00	
Cash Flow Balance	(\$40.00)	\$4,922.00	(\$116.00)	\$4,846.00	
		131 rate payers at \$73.00			

Renegade Mountain Projected Cash Flow Profit Loss

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



AquaGreen Utility Inc.

Background/Biographical Information:

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

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

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

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

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

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

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