



P.O. Box 147
1551 Thompson's Station Road West AUG - L, AV 9: L, 3
Thompson's Station, TN 37179

Phone: (615) 261-8600 T.R.A. DOCKET ROOM Fax: (615) 261-8613 www.sheafferinternational.com

August 3, 2009

Ms. Darlene Standley, Chief Utilities Division Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

Docket No. 09-00056 Petition of Cartwright Creek, LLC to Change and Increase Rates and Charges Response to Consumer Advocate's First Discovery Request

Attention: Sharla Dillon

Dear. Ms. Standley,

Attached for filing are an original and five copies of Cartwright Creek's responses to the Consumer Advocate and Protection Division's First Discovery Request in this docket, including a CD (with this Response and Excel files of specific Exhibits requested by Consumer Advocate), and a separate envelope containing Confidential Exhibit 16.1.

This Response and cover letter are being filed electronically by electronic mail today. Three copies have been provided to Ms. Mary Leigh White at the Consumer Advocate.

Please contact me if you have any questions.

Sincerely,

Bruce E. Meyer

Vice President - Operations

Cartwright Creek, LLC

Cc: Mary Leigh White – Consumer Advocate (3 copies)

Petition of Cartwright Creek, LLC to

Change and Increase Rates and Charges

Docket No. 09-00056

Cartwright Creek, LLC Response to Consumer Advocate's First Discovery Request

1. Provide a copy of all contracts between Cartwright Creek and all affiliated companies or entities.

RESPONSE:

The Company has attached a copy (Exhibit1.1) of the Operating Agreement of Cartwright Creek, LLC dated September 15, 2004.

2. Provide a copy of all contracts between Cartwright Creek and all non-affiliated companies or entities.

RESPONSE:

The Company has a Sewer and Water Treatment System Service agreements dated August30, 2007 with Eagle Ridge Investments, LLC concerning the provision to provide wastewater services for the Stillwater Golf Conservation Development located in Williamson County. The Company has obtained a State Operating Permit for a Wastewater Treatment System to serve this development. See Exhibit 2.1 for a copy of this agreement.

No other agreements are in effect.

3. Provide copies of all tax returns, state and federal, for the past three years for Cartwright Creek, including but not limited to the following taxes: (a) Tennessee Gross Receipts Tax Returns; (b) Tennessee Franchise and Excise Tax Returns; (c) Property Tax Statement Tennessee Ad Valorem Tax Report; (d) Employer's Quarterly Federal Tax Returns (Form 941).

RESPONSE:

Exhibit 3a.1 for the 2008 Gross Receipts Tax Form

Exhibit 3a.2 for the 2007 Gross Receipts Tax Form,

Exhibit 3a.3 for the 2006 Gross Receipts Tax Form

Exhibit 3b.1 for the 2008 Franchise and Excise Tax Form

Exhibit 3b.2 for the 2007 Franchise and Excise Tax Form

Exhibit 3b.3 for the 2006 Franchise and Excise Tax Form

The Company did not file Ad Valorem Tax Reports in 2008 and 2007. See Exhibit 3c for the 2009 Report.

Cartwright Creek has no employees, accordingly there were no Employer Quarterly Federal Tax Returns were filed.

4. Provide copies of all audits of Cartwright Creek for the past three years.

RESPONSE:

The Books and records of Cartwright Creek were not audited.

5. Provide a copy of the detailed General Ledger in electronic format (Excel format) for Cartwright Creek for the period December 2007 - December 2008.

RESPONSE:

See Exhibit 5.1 and 5.2 for the detailed General Ledger for January 1, 2008 through December 31, 2008 and December 1, 2007 through December 31, 2007, respectively.

6. Provide a copy of the detailed General Ledger in electronic format (Excel format) for Cartwright Creek's parent company for the period December 2007 - December 2008.

RESPONSE:

Cartwright Creek is a limited liability company that does not have a parent company. It is managed by Sheaffer International, LLC which is a 90% member of the Cartwright Creek, LLC. The remaining 10% is owned by MRS LLC, a Tennessee Limited Liability Company. On January 1, 2005, Cartwright Creek, LLC purchased all the assets and liabilities of Cartwright Creek Utility Company, Inc. and assumed responsibilities for operations. The Cartwright Creek Utility Company, Inc. was dissolved effective December 31, 2004.

7. Provide a chart of accounts for Cartwright Creek as of December 31, 2008.

RESPONSE:

See Exhibit 7.1

8. Provide a chart of accounts for Cartwright Creek's parent company as of December 31, 2008.

RESPONSE:

Cartwright Creek, LLC has no parent company.

9. Provide a copy of all income statements for Cartwright Creek for the past three years.

RESPONSE:

See Exhibit 9.1.

10. Provide a copy of all income statements for Cartwright Creek's parent company for the past three years.

RESPONSE:

Cartwright Creek does not have a parent company.

11. Provide a consolidated balance sheet, or the information needed to prepare a consolidated balance sheet for Cartwright Creek.

RESPONSE:

Cartwright Creek does not have any subsidiaries or affliates that would require consolidation. The Cartwright Creek balance sheet (Exhibit 11.1) reflects all assets, liabilities, and member's equity of the Company as of December 31, 2008. Cartwright Creek's assets include only those related to the existing Grassland's treatment facility.

12. Provide a consolidated balance sheet, or the information needed to prepare a consolidated balance sheet for Cartwright Creek's parent company.

RESPONSE:

Cartwright Creek does not have a parent company.

13. Provide a summary of purchased water expenses, including gallons of water purchased and produced from 2004 to the current month.

RESPONSE:

The Company does not currently provide any potable water to any customers. Accordingly, it did not incur any purchased water expenses during the period requested. The Company does periodically consume fresh water, which it purchases from the City of Franklin as part of its wastewater treatment process. Exhibit 13.1 details gallons of water purchased from the City of Franklin and its related costs

14. Provide the trial balance in electronic format (Excel format) for the twelve months ended December 31, 2008 for Cartwright Creek.

RESPONSE:

See accompanying Exhibit 14.1

15. Are any expenses including, but not limited, to entertainment and lodging, related to legal expenses, lobbying expenses or consulting expenses (provide amounts) included by Cartwright Creek in their income statements?

RESPONSE:

The Company has not incurred any costs for entertainment or lodging, legal or lobbying expenses for the period in question. Cartwright Creek is a member of the Tennessee Association of Utility Districts. Sheaffer International paid a \$250 membership fee. It is not known whether any of these dues are used to support lobbying activities of this Trade Association.

In the past, Sheaffer International, as manager, engaged the services of WHN Consulting and its Principal, Hal Novak to provide assistance with regulatory matters. These costs were incurred by and charged to Sheaffer International, LLC and not Cartwright Creek, LLC as they related primarily related to securing CCN for the Company to provide wastewater services at the developer's request to the Burris Ridge, Waterbridge, and Stillwater Developments. Additionally, Mr. Novak provides consulting work on the related to the TRA's financial security requirements. Exhibit 15.1 details these costs.

Sheaffer International, LLC provided engineering and management consulting services to Cartwright Creek, LLC. In 2006, Sheaffer International provided these services without compensation. In 2007, Sheaffer International billed Sheaffer International, LLC's maintains a time reporting system for each of its engineering professional staff. This system serves as the basis for charging billing its customers. The amount allocated to Cartwright Creek reflects a direct charge at its established rates charged each customer whose contract reflects billing based on hourly rates. This amount therefore represents a market based amount, therefore the billing rates reflects an arms length charge to the Sheaffer's sole regulated affiliated entity. Sheaffer International's initial rate case documents included detailed invoices showing the specific activity for which Sheaffer International billed Cartwright Creek following amounts in 2008:

- 1. \$18,746.40 for allocated business insurance costs based on insured values and actual invoices.
- 2. \$7,667.64 in mileage charges and direct facility materials and supplies costs paid via a Sheaffer International corporate credit card assigned to Delmar Reed the operator or reimbursed to employees on an expense report prepared in accordance with IRS guidelines.
- 3. \$51,152.50 in charges associated in direct time spent by Bruce Meyer on activities related to Cartwright Creek operational issues and customer service related activities. This charge represents 276.5 hours or 14.5% of Bruce's net chargeable hours. In this role, Bruce Meyer also serves as the licensed collection system operator. Prior to the assignment of Mr. Meyer, Cartwright Creek had to hire the services of independent

Response to Consumer Advocate's First Discovery Request

third party to perform these duties. Tom Kinnie was paid in excess of \$1,800 per year to serve as the licensed collection system operator and Ragan-Smith Engineers was paid in excess of \$6,000 for the review of monthly operating reports. These charges were discontinued. The active management of Bruce Meyer has increased operational controlled of the aging facility.

- 4. \$435 in charges associated with Nathan Hinch as In-House Counsel at Sheaffer International. Nathan has extensive regulatory affairs experience. Duties performed by Mr. Hinch were previously outsourced to the law firm of Branstetter, Kilgore, Stanch, and Jenn. These charges were incurred in connection with collection related research.
- 5. \$2,097.50 for engineering services provided by Arijit Sarkar or James Gaspar in support of specific technical operational issues.
- 6. \$15,252.50 in rate case related expenses in analyzing the cost and operations of the utility in support of the rate case.
- 7. \$14,953.75 in engineering related services performed by James Gaspar and Bruce Meyer to analyzing the condition of the existing plant, evaluating alternative technologies and processes to develop a plan to comply with expected changes in the current discharge permit.
- 8. \$16,800 in professional services rendered by Bruce Meyer to coordinate the project planning activities related to Cartwright Creek's proposed transfer of Waterbridge and Stillwater Golf Development wastewater treatment facilities within PGA5 and the governmental relations activities with the developers and Williamson County officials concerning the acquisition of these facilities by Cartwright Creek. Charges for professional services related to facility engineering and TDEC permitting are paid under a separate contract with the developer.

In 2009, the Company has engaged the services of Greg Cashion from Smith, Cashion, and Orr to serve as local counsel to assist Sheaffer International's Corporate Counsel if needed in this rate case.

The 2009 financial statements will include \$250 legal expenses as a retainer for services to retain Larry D. Craig, Attorney at Law. Mr. Craig has agreed to file suit on the Company's behalf in collection matters of past due charges associated with two seriously delinquent customers. Since the Company does not have the ability to shut off water service to a customer and discontinue service for non-payment due to public health concerns, the Company has begun litigation to secure a legal judgment and lien the service property.

16. Provide details of payroll expenses including names, job titles, pay rates, job status (full or part time) and a breakdown of regular and overtime hours by employee for the years 2007 and 2008 for Sheaffer International, LLC and Haury & Smith.

RESPONSE:

The details of Sheaffer International payroll expenses are attached as a confidential Exhibit 16.1. Haury and Smith is not affiliated with Cartwright Creek nor it is a member, thus the Company objects to this request as not being relevant to this rate case.

17. Identify any and all expert witnesses Cartwright Creek intends to call in support of the petition in this docket, and for each expert witness:

In addition to Robert Cochrane and Bruce Meyer, the Company has a regulatory services contract with William Novak of WHN Consulting and <u>may</u> call him as a witness if conditions warrant.

(a) Identify the field in which the witness is to be offered as an expert;

Response:

Robert Cochrane – Financial

Bruce Meyer – Operations

William Novak – Regulatory

(b) Provide complete background information, including the witness's current employer, as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify;

Response:

The background information for Mr. Cochrane and Mr. Meyer were included in the Company's petition. The background information for Mr. Novak will be provided if the Company decides to utilize him as a witness.

(c) Identify all publications written or presentations presented in whole or in part by the witness, including either a copy of all such publications and presentations or a reference to where such publications and presentations may be publicly obtained;

Response:

None.

(d) Provide the grounds (including, without limitation, any factual bases) for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;

Response:

At this time, the issues for this case have not been identified. As such, the opinions of the Company's witnesses have not yet been developed. This information will be provided at a later date when these issues have been identified.

(e) Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;

Response:

The only Company witness that has previously provided expert witness testimony is Mr. Novak. A detailed listing of his previous testimony will be provided at a later date if the Company decides to utilize Mr. Novak as an expert witness in this proceeding.

(f) Identify the terms of the retention or engagement of each expert including, but not limited to, the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;

Response:

Mr. Cochrane and Mr. Meyer are both employees of the Company, and no such retention or engagement letter exists. The Company's regulatory services contract with Mr. Novak will be provided at a later date if the Company decides to utilize Mr. Novak as an expert witness.

(g) Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert; and

Response:

Any exhibits, beyond what the Company has already provided in its Petition, are unknown at this time, and will remain unknown until specific issues have been identified. The Company will provide any further exhibits as these issues become known.

(h) Please produce copies of all documents, summaries, charts, trade articles, journals, treatises, publications, work papers, and file notes produced by any proposed expert witness in evaluating, reaching conclusions or formulating an opinion in this matter.

Response:

No such documents exist.

18. Identify any and all non-expert witnesses Cartwright Creek intends to call in support of the petition in this docket and any position(s) their testimony is intended to support.

RESPONSE:

The Company reserves the right to call Angie Baxter, the Controller of Haury and Smith Contractors. Ms. Baxter performs accounting related services and can provide historical background of the facility's operations, if necessary.

19. Please produce copies of all documents -- including, without limitation, workpapers, spreadsheets, summaries, charts, notes, exhibits, articles, journals, treatises, periodicals, publications, reports, records, statements, Internet web pages, or financial information -that Cartwright Creek contends support the factual assertions, conclusions, or opinions of any Cartwright Creek witness in this matter, as well as copies of all hearing exhibits that you will introduce, use, or reference during the hearing for this matter.

RESPONSE:

Any exhibits, beyond what the Company has already provided in its Petition, are unknown at this time, and will remain unknown until specific issues have been identified. The Company will provide any further exhibits, as these issues become known.

20. Please produce copies of all hearing exhibits that you will introduce, use, or reference during the hearing for this matter.

RESPONSE:

Any exhibits, beyond what the Company has already provided in its Petition, are unknown at this time, and will remain unknown until specific issues have been identified. The Company will provide any further exhibits, as these issues become known.

21. Provide the cost of long-term debt and short-term debt capital as of April 2009.

RESPONSE:

The Company's long-term and short-term debt is comprised of two notes. The first note is a Promissory Note payable to Reese and Steve Smith in original amount of \$415,000. This note bears interest at the prime rate adjusted annually at the rate in effect on the first of each year. As a result of recurring operating losses and the nature of the current credit markets, the Company has earlier requested in October 2008 that Reese and Steve Smith renew this note for a term five years. The Smith's have held off any decision on the renewal of this note until a decision on the rate case.

The second note in the amount of \$50,000 is a demand note payable to Sheaffer International, LLC. Sheaffer has advanced \$49,974.65. This note bears interest at the prime rate adjusted annually at the rate in effect on the first of each year. The Company called this note as of 1/1/2009 in order to place the note on parity with the above note.

The current prime rate on these notes are 3.25%, therefore the cost of borrowing is 8.25%.

22. Provide the current balances of each note and bond used in calculating long-term debt cost.

RESPONSE:

The current balances on the notes are \$409,572.23 and \$49,974.65 to Reese and Steve Smith and Sheaffer International respectively.

23. If any such notes or bonds are callable, identify the note or bond and provide the terms and conditions of the call.

RESPONSE:

The above notes discussed in question 21 can be paid at any time at par plus accrued unpaid interest and late fees.

24. Provide the daily balances for all forms of short-term debt and provide the fixed charges and carrying charges being applied to the short-term debt.

RESPONSE:

The Company does not have any fixed charges associated with this debt. The balances have remained unchanged during 2008 and 2009 to date at the amounts listed above in item 23. The Company has secured from Pinnacle Bank a Letter of Credit (LOC) in the amount of \$244,000 to comply with the Authority Financial Security requirements for Wastewater Utilities. The Letter of Credit has a note associated with it as well as a collateral agreement, which requires that the Company hold a Certificate of Deposit at the Pinnacle Bank in the amount of the LOC. The annual fixed charge of this agreement is 1% or \$2,440.00 to support this contingent liability.

25. Provide the current balance for common equity and preferred equity, if any.

RESPONSE:

M/S, LLC member's equity basis is \$100. The cost basis for Sheaffer International's membership interest is currently \$606,704.70. This basis is detailed in Exhibit 25.1.

26. Provide an electronic copy (Excel format) of Land Based Evaluations.

RESPONSE:

See Exhibit J in the original filings and diskette, which was submitted in connection with the 7/2/2009 response to the TRA initial data request.

27. Provide a detailed explanation of how Cartwright Creek arrived at their calculation of the revenue deficiency of \$220,405.00.

RESPONSE:

Please refer to Exhibit D in the original filing, entitled "Historical Income Statement Analysis". The revenues deficiency was calculated with the following line items and (unless noted) the attrition year figures:

Total Expenses	\$ 391,395
Depreciation	\$ 27,645
Amortization exp – other	\$ 8,333
Permits & Taxes other than Income	\$ 17,000
	\$ 444,373

Total Income (from Adjusted/Actual Ended 12/08 Other Sewer Revenues Interest & Dividend Income	\$ 245,136 \$ 8,000 \$ 7,200 \$ 260,336
\$444,373 - \$260,336 =	\$ 184,037
Return on Asset Base of approx. 8%	\$ 36,068
Revenue Deficiency	\$ 220,105

Note that the proposed rate increase of 75% seeks a lesser amount, \$182,833 in increased revenue because the Company is not seeking the "Return on Asset Base" at this time.

28. Provide an electronic copy (Excel format) of a list of all monthly revenues for the last three years, broken down by all significant revenue types, including usage fees, late fees and/or penalty fees, tap fees, connection fees and the like.

RESPONSE

Monthly revenues for the last three years have remained substantially consistent no tap fees or new connections have been added. Revenues may very slightly month-to-month due to billing changes related to residential moves or business openings and closures.

	12 Months	12 Months	12 Months
	Ended 12/08	Ended 12/07	Ended 12/06
	=======================================	=========	
<u>Income</u>			
Residential revenues	\$190,440.52	\$186,188.94	\$185,866.71
Commercial revenues	\$ 54,136.70	\$ 53,427.61	\$ 53,224.68
Other sewer revenues	\$ 1,358.62	\$ 1,068.33	\$ 909.94
TOTAL Income	\$245,935.84	\$240,684.88	\$240,001.33

See Exhibit 28.1 for the detailed monthly Excel Spreadsheet.

29. Provide an electronic copy (Excel format) of customer usage in gallons broken down by customer and also showing the number of bedrooms assigned to each residential customer for each month for the last three years.

RESPONSE:

The Company has continued the rate design based upon the historical method of the number of bedrooms for the residential class, given Cartwright Creek's modest customer rates and a desire to minimize the significant resources and additional costs required to establish and utilize a flow based billing system.

The Company does not have regular access to the monthly potable water bills provided to our customers by Harpeth Valley Utility District and the City of Franklin. Even if these bills would be made available by the respective water supplier on a regular basis, Cartwright Creek does not currently have a method to prepare a flow based bill for each customer other than monthly manual calculation and manual preparation of each bill. Additionally, as the proposed Stillwater and Waterbridge Developments' wastewater treatment systems become operational, two additional water utility districts will have to be contacted and their water usage data would have to be manually integrated into the Company's monthly billing process. Any water based billing method would also have to accommodate the approximately one-fourth of our existing customers who have established direct debits to their bank accounts as a recurring payment. These charges will vary and both the customers and the Company would potentially face additional bank charges.

See Exhibit 29.1 for the detailed monthly Excel Spreadsheet of showing the number of bedrooms per customer for the last three years.

30. Provide the number of billed customers for each month for the last three years.

RESPONSE:

The Company does not record monthly totals of each type of customer by class as requested because the number of each type of customer is essentially the same month to month. For the residential customers, there have been few if any new homes added to the system since December 2006. The existing homes obviously do not vary the number of bedrooms.

The commercial customers are relatively stable as no new commercial development has occurred since December 2006. There may be a change of one or two customers from month to month as businesses close and reopen.

For example, at the end of July 2007, there were zero one bedroom, 38 two bedroom, 281 three bedroom, 170 four bedroom, and 5 five bedroom residential customers for a total of 494 residential customers. There were 32 commercial customers.

As of June 26, 2009, there are zero one bedroom, 37 two bedroom, 281 three bedroom, 170 four bedroom, and 6 five bedroom customers for a total of 495 residential customers. There are 37 commercial customers.

The company prepared Exhibit 29.1, which provides an estimated number of billed customers by each month for the last three years.

Petition of Cartwright Creek, LLC to Change and Increase Rates and Charges Docket No. 09-00056

Cartwright Creek, LLC Response to Consumer Advocate's First Discovery Request

List of Exhibits

Exhibit	Description		
No.			
1.1	Operating Agreement of Cartwright Creek, LLC	PDF	
2.1	Sewer and Water Treatment System Service	PDF	
	Agreement		
3a.1,2,3	2008, 2007, 2006 Gross Receipts Tax Form	PDF	
3b.1	2008 Franchise and Excise Tax Form	PDF	
3b.2	2007 Franchise and Excise Tax Form	PDF	
3b.3	2006 Franchise and Excise Tax Form	PDF	
5.1	2008 Detailed General Ledger	Excel	
5.2	2007 Detailed General Ledger	Excel	
7.1	Cartwright Creek Chart of Accounts	PDF	
9.1	Income Statements for 2008, 2007, 2006	PDF	
11.1	Balance Sheet as of 12/31/08	PDF	
13.1	Summary of Purchased Water	PDF	
14.1	Trial Balance ending 12/31/08	Excel	
16.1	Sheaffer Int. Payroll Expenses	PDF	Confidential
25.1	Analysis of Members Equity	PDF	
28.1	Customer Revenue by Category and Type	Excel	
29.1	Number of Customers by Category and Bedrooms	Excel	

Petition of Cartwright Creek, LLC to
Change and Increase Rates and Charges
Docket No. 09-00056
Cartwright Creek, LLC Response to Consumer Advocate's First Discovery Request

Exhibit 1.1

AHachment 1.1.

OPERATING AGREEMENT OF CARTWRIGHT CREEK, LLC

THIS OPERATING AGREEMENT (the "Agreement") is made and entered into effective as of the 15 day of September, 2004 by and among the undersigned parties on the attached Exhibit A (the "Members").

RECITALS:

WHEREAS, Cartwright Creek, LLC (the "Company" or the "LLC") was duly organized pursuant to Articles of Organization filed with the Tennessee Secretary of State, and recorded in the Register's Office for Davidson County. The Members own all of the Interests in the Company.

WHEREAS, the Members have agreed to enter into this Agreement to regulate the affairs of the Company, the conduct of its business, and the relations of its Members.

WHEREAS, the Members have agreed that this Agreement shall serve as an "operating agreement" within the meaning of Section 48-206-101 of the Tennessee Limited Liability Company Act.

AGREEMENT:

NOW, THEREFORE, it is mutually agreed as follows:

- 1.1 Formation and Taxation. The Company shall constitute a member managed limited liability company formed pursuant to the Tennessee Limited Liability Company Act (the "Act"), as codified in the Tennessee Code Annotated §48-201-101 et seq. All references herein to the Articles shall mean such document as it is in effect on the relevant date, including any amendments thereto, made from time to time. It is the intention of the Members that the Company be treated as a partnership for federal and Tennessee income tax purposes. The Company shall fund taxable income pass through on K-1's at the maximum applicable marginal tax rate.
- 1.2 Name. The name of the Company is "CARTWRIGHT CREEK, LLC" (hereinafter referred to in this Agreement as the "Company").
- 1.3 Business. The Company will enter into a management agreement with Sheaffer International, LLC, a Delaware limited liability corporation to manage the Cartwright Creek Utility Company facility located in Franklin, Tennessee, (the "Property") as its principal business. The Company is authorized to engage in and conduct all and every kind of lawful business, including, but not limited to, the acquisition, ownership, financing, development, construction, marketing, leasing, management, operation and sale of real property, by acquiring interests in real property directly or indirectly through option contracts, the ownership of

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interests in general or limited partnerships, limited liability companies and other entities, and the financing of new and existing business ventures through the making of secured and unsecured loans and equity investments. The Company also shall have all the powers described in the Act except as otherwise provided herein.

- 1.4. Principal Office, Registered Office and Registered Agent. The location of the principal office of the Company shall be ______, Tennessee _____ or such other location as the Members may, from time to time, designate. T. Chad White, who is a resident of Tennessee, is the registered agent for the Company. The registered agent's address is 315 Deaderick Street, Suite 2100, Nashville, Davidson County, Tennessee 37238.
 - 1.5 **Duration.** The duration of the Company shall be perpetual, unless earlier terminated in accordance with the provisions of this Agreement.

ARTICLE II: DEFINITIONS

- 2.1. "Act" means the Tennessee Limited Liability Company Act as codified in the Tennessee Code Annotated §48-201-101 et seq.
- 2.2. "Articles" mean the Articles of Organization of Cartwright Creek, LLC as it is in effect on the relevant date, including any amendments thereto, made from time to time, and filed with the office of the Secretary of State of the State of Tennessee.
 - 2.3. "Agreement" means this Operating Agreement, as may be hereafter amended.
- 2.4 "Chief Manager" means the person elected from time to time by the Members to manage the affairs of the Company pursuant to the provisions of this Agreement and perform the duties of "Chief Manager" as set forth in the Act. The Members hereby elect Sheaffer International, LLC to be Chief Manager to serve until his/her successor is elected in accordance with this Agreement.
 - 2.5. "Code" means the Internal Revenue Code of 1986, as amended.
- 2.6. "Company" means Cartwright Creek, LLC, the limited liability company to which the undersigned parties are Members.
- 2.7. "Contributed Capital" means with respect to any Member as of any particular time, the cumulative amount of capital contributions made by such Member to the Company less the cumulative amount of distributions made by the Company to such Member.
- 2.8. "Members" means collectively the persons shown on the signature page executing this Agreement together with any additional Members admitted pursuant to the provisions of this Agreement.

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- 2.9. "Net Losses" means the excess of all expenses of the Company over all income of the Company during a calendar year, all as determined in accordance with the method of accounting utilized by the Company for federal income tax purposes.
- 2.10. "Net Profits" means the excess of all income of the Company over all expenses of the Company during a calendar year, all as determined in accordance with the method of accounting utilized by the Company for federal income tax purposes.
- 2.11. "Percentage Interest" means the interest of each Member, as defined in Article 5 herein below.
- 2.12. "Secretary" means the person elected from time to time by the Members to maintain the records of the Company, perform the duties of "Secretary" as set forth in the Act, and perform such other duties prescribed by the Members and as set forth in this Agreement. to be Secretary to serve until his/her successor is The Members hereby elect elected in accordance with this Agreement.

ARTICLE III: PURPOSE & POWERS

- 3.1 Purpose. The purpose and business of the company shall be:
 - To Purchase the common stock of Cartwright Creek Utility Company, Inc. and operate and manage the utility company in accordance with this Agreement;
 - b. To own and operate a wastewater treatment facilities;
 - c. To provide wastewater treatment services;
 - d. To conduct all and every kind of lawful business except as otherwise provided by this Agreement.
- 3.2. Powers. In furtherance of the foregoing purposes, the Company shall have the power and authority to do all things necessary or convenient to carry out its business and affairs to the maximum extent permitted under the Act.

Company is authorized to engage in and, including, but not limited to, the acquisition, ownership, financing, development, construction, marketing, leasing, management, operation and sale of real property, by acquiring interests in real property directly or indirectly through option contracts, the ownership of interests in general or limited partnerships, limited liability companies and other entities, and the financing of new and existing business ventures through the making of secured and unsecured loans and equity investments. The Company also shall have all the powers described in the Act except as otherwise provided herein. DIST

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- 4. Members and Membership Interests.
- 4.1 Original Members. The Members of the Company as of the date first identified herein above are as follows:
- b. Sheaffer International, L.L.C. Sheaffer International, L.L.C. is a Delaware limited liability company with its principal place of business located at 800 Roosevelt Road, Building B, Suite 200, Glen Ellyn, Illinois 60137. The registered agent for Sheaffer International, L.L.C.
- c. M.R.S., LLC. M.R.S., LLC is a Tennessee limited liability company with its principal place of business located at 2033 Richard Jones Road, Nashville, TN 37215. The registered agent for M.R.S., LLC is Reese L. Smith, III located at same address.

ARTICLE V: PERCENTAGE INTERESTS

- 5.1. The Members' Percentage Interest in the Company as of the date first identified herein above is as follows:
 - a. Sheaffer International, L.L.C. holds a ninety percent (90.00%) ownership interest in the Company.
 - b. M.R.S., LLC holds a ten percent (10.00%) ownership interest in the Company.
- 6. Separate Capital Accounts. The Company shall maintain a separate Capital Account for each Member in accordance with the regulations promulgated under Section 704(b) of the Internal Revenue Code of 1986 (the "Code").

7. Capital Contributions.

- (a) <u>Initial Contributions</u>. The Managing Member and Investor Members shall contribute, as their initial Capital Contributions to the Company, the amounts of cash listed opposite their respective names on Exhibit A attached hereto.
 - (b) Additional Capital Contributions. After one (1) year from the date hereof, in the event that the cash receipts or other resources of the Company are insufficient to meet its cash needs for operating expenses, debt service, any other current expense or obligation, or any required capital

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expenditure, each of the Members shall contribute the funds required therefore according to the Percentage Interest of such Member. The total amount and timing of such additional capital contributions shall be determined by the Managing Member. The Managing Member shall specify the payment date for additional capital contributions upon ten (10) days prior written notice to the Members. In the event that (a) the Managing Member determines that additional contributions of capital are required and (b) any Member fails to make the contribution required of said Member on or before the thirtieth (30th) calendar day following the due date specified by the Managing Member, the Percentage Interests of the Investor Members shall be recomputed effective as of the due date of such additional capital contributions. In such event, the Percentage Interest of each Member shall be the amount of such Investor Member's total contributed capital divided by the aggregate amount of contributed capital for all Members. In the event of a default by a Member in the payment of an additional capital call, the non-defaulting Members shall contribute a prorata amount of said defaulting Members share of the additional capital call based upon their Percentage Interests as set fort on Exhibit A. M.R.S. LLC will not be required to make any additional capital contributions until the note payable by Cartwright Creek Utility Company to Reese and Steve Smith is paid in full.

- (c) <u>No Third Party Rights.</u> The provisions of this Section 8 are not for the benefit of any creditor or other person other than a Member to whom any debts, liabilities, or obligations are owed by, or who otherwise has any claim against the Company or any Member, and no creditor or other person shall obtain any rights under this section or by reason of this section, or shall be able to make any claim in respect of any debts, liabilities, or obligations against the Company or any Member.
- Members Not Liable for Company Losses. Except as expressly provided under the Act, no Member shall have personal liability for the losses, debts, claims, expenses or encumbrances of or against the Company or its property. Nor shall any Member be obligated to restore a deficit balance, if any, in the Member's Capital Account.

9. Profits and Losses.

- (a) Allocation of Profits and Losses. Except as provided in paragraphs 9(b) through (d) of this section, profits and losses shall be allocated as follows:
 - (1) <u>Profits</u>. Profits shall be allocated in the following order of priority:
- (I) First, to the Members and among them in proportion to and to the extent of prior allocations of loss made in accordance with paragraph 9(a)(2) of this section, as

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reduced by all prior allocations of profits under this paragraph 9(a)(1)(I).

- (ii) Next, to the Members in proportion to and to the extent of the amount of cash distributions to them for the current and all prior fiscal years reduced by all prior allocations of profit under this paragraph 9(a(1)(ii).
- (iii) Thereafter, to each Member in proportion to his/her Profit Sharing Percentage Interest set forth on Exhibit A.
- (2) <u>Losses</u>. Losses shall be allocated to the Members in the same manner as profits..
- Revaluations. In accordance with Section 704(c) of the Code and the Regulations thereunder, taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for Federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of such property for Federal income tax purposes and its fair market value, as recorded on the books of the Company. As provided in Section 1.704-1(b)(2)(iv)(f) of the Regulations, in the event that the Capital Accounts of the Members are adjusted to reflect the revaluation of Company property on the Company's books, then subsequent allocations of taxable income, gain, loss and deduction with respect to such property shall take into account any variation between the adjusted basis of such property for Federal income tax purposes and its adjusted fair market value, as recorded on the Company's books. Allocations under this paragraph shall be made in accordance with Section 1.704-1(b)(4)(I) of the Regulations and, consequently, shall not be reflected in the Members' Capital Accounts.
- change in any Member's Interest in the Company during a fiscal year (e.g., as a result of a valid transfer of all or part of a Member's interest pursuant to Section 17 below), net profits and net losses shall be appropriately allocated among the Members to take into account the varying interests of the Members so as to comply with Section 706(d) of the Code.
- (d) <u>Regulatory Allocations</u>. Notwithstanding any other provision in this Section 10 to the contrary, in order to comply with the rules set forth in the Regulations for (I) allocations of income, gain, loss and deductions attributable to nonrecourse liabilities, and (ii) partnership allocations where partners are not liable to restore deficit capital accounts, the following rules shall apply:
- (1) "Partner nonrecourse deductions" as described and defined in Section 1.704-2(I)(1) and (2) of the Regulations attributable to a particular "partner nonrecourse liability" (as defined in Section 1.704-2(b)(4); e.g., a Company liability which one or more Members have guaranteed) shall be allocated among the Members in the ratio in which the Members bear the economic risk of loss with respect to such liability;

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- (2) Items of Company gross income and gain shall be allocated among the Members to the extent necessary to comply with the minimum gain charge back rules for nonrecourse liabilities set forth in Sections 1.704-2(f) and 1.704-2(I)(4) of the Regulations; and
- (3) Items of Company gross income and gain shall be allocated among the Members to the extent necessary to comply with the qualified income offset provisions set forth in Section 1.704-l(b)(2)(ii)(d) of the Regulations, relating to unexpected deficit capital account balances after taking into account (I) all capital account adjustments prescribed in Section 1.704-l(b)(2)(ii)(d) of the Regulations and (ii) each Member's share, if any, of the Company's partnership minimum gain and partner nonrecourse minimum gain as provided in Sections 1.704-2(g)(1) and 1.704-2(I)(5) of the Regulations.

Since the allocations set forth in this Section 10(d) (the "Regulatory Allocations") may effect results not consistent with the manner in which the Members intend to divide Company distributions, the Managing Member is authorized to divide other allocations of net profits, net losses, and other items among the Members so as to prevent the Regulatory Allocations from distorting the manner in which distributions would be divided among the Members under Section 12 but for application of the Regulatory Allocations. The Managing Member shall have discretion to accomplish this result in any reasonable manner that is consistent with Section 704 of the Code and the related Regulations. The Managing Member may make any election permitted by the Regulations under Section 704 of the Code that may reduce or eliminate any Regulatory Allocation that would otherwise be required.

- (e) <u>Tax Conformity</u>; <u>Reliance on Attorneys or Accountants</u>. The determination of each Member's share of each item of income, gain, loss, deduction or credit of the Company for any period or fiscal year shall, for purposes of Sections 702 and 704 of the Code, be made in accordance with the allocations set forth in this Section 10. The Managing Member shall have no liability to the Members or the Company if the Managing Member relies upon the written opinion of tax counsel or accountants retained by the Company with respect to all matters (including disputes) relating to computations and determinations required to be made under this Section or other provisions of this Agreement.
- 10. Company Property. Title to the property and assets of the Company may be taken and held only in the name of the Company. The Chief Manager and/or the Secretary shall have the authority to sign and deliver in the name of the Company any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Company and all third parties dealing with the Company shall be entitled to rely upon such execution as evidence of such authority without the obligations to determine approval by the Members.
 - 11. Distributions To Members.
- (a) <u>Preferred Return</u>. No Member shall receive a preferred return of cash each year. All distributions shall be prorata to the Members, based upon the amount their

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individual Percentage Interest bears to the total Percentage Interest of all the Members, the timing and amount of which shall be determined in the sole discretion of the Managing Member.

- (b) <u>Final Distributions</u>. Distributions in termination of the Company shall be made as provided for in paragraph 20 of this Agreement, and in accordance with Regulation §1.704-1(b)(2)(ii)(b)(2).
- (c) <u>Restrictions</u>. Except as otherwise provided herein, all distributions by the Company to its Members shall be subject to the terms and conditions of Section 48-236-105 of the Act, regarding the solvency of the Company.

12. Management.

- (a) <u>Managing Member</u>. The Managing Member shall be as shown on Exhibit A. The Members hereby appoint Sheaffer International, LLC as Chief Manager. The Managing Member shall have exclusive authority to manage the operations and affairs of the Company and to make all decisions regarding the business of the Company, subject only to those matters which are reserved for the vote or approval of the Investor Members by the terms of this Agreement (by the vote herein specified) or by the terms of the Act. Subject to the foregoing, it is understood and agreed that the Managing Member shall have all of the rights and powers of members as provided in the Act and as otherwise provided by law, and any action taken by the Managing Member in accordance with this Section 13 shall constitute the act of, and serve to bind the Company and its Members.
- (b) Specific Authority of Managing Member. In furtherance of Section 13(a) above, the Managing Member shall have all right, power and authority necessary, appropriate, desirable or incidental to carry out the conduct of the Company's business, including, but not limited to, the right, power and authority:
- (I) to incur and pay all costs, expenses and expenditures, including payments and reimbursements to affiliates of the Members in accordance with this Agreement, incurred in good faith in the course of the conduct of the Company business;
- (ii) to finance the operation of the Company's business by causing it to borrow funds upon such terms and conditions as the Managing Member deem proper, which financing may be secured by one or more security interests on the property or assets of the Company, to take any and all actions and to execute, acknowledge and deliver all documents in connection therewith; provided, however, that the Managing Member shall have no right or power to create or impose personal liability on any Member for any of the Company's obligations without the express written consent of such Member;
- (iii) to employ and dismiss from employment any and all employees, agents, independent contractors, consultants, appraisers, attorneys and accountants, and to pay such fees, expenses, salaries, wages or other compensation to such persons, as the Managing

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Member determines to be reasonable;

- Paragraph 13(c), to acquire, purchase or contract to purchase, or sell or contract to sell, or to lease or hire any property, real or personal, including interests in general and limited partnerships, limited liability companies, and other entities, and to pay the purchase price or make the capital contribution required therefor, for any purposes connected with the Company's business;
- (v) subject to the voting rights of the Investor Members pursuant to Paragraph 13(c), to sell all or any portion of the Company's property, or any other assets of the Company, or any interest therein, at any time upon such terms as the Managing Member determines to be in the best interest of the Company;
- (vi) to pay, extend, renew, modify, submit to arbitration, prosecute, defend or compromise, upon such terms as the Managing Member deems proper and upon any evidence as they may deem sufficient, any obligation, suit, liability, cause of action or claim, either in favor of or against the Company;
- (vii) to pay or cause to be paid any and all taxes, charges or assessments that may be levied, assessed or imposed on any of the property or assets of the Company;
- (viii) to invest funds which, in the judgment of the Managing Member, is not immediately required for the conduct of the Company's business, in such investments as may be selected by the Managing Member; which investments may include loans to individuals, corporations, partnerships, or other entities affiliated with the Company or the Members;
- (ix) to execute, acknowledge, and deliver any and all instruments to effectuate any and all of the foregoing.
- (c) <u>Vote by Members</u>. The following actions shall require the approval of a majority in percentage interest of all Members:
- (I) Subject to the exemptions set forth in Section 16, Transfers of Membership Interests shall require the consent specified in Section 16 below;
- (ii) The sale, exchange, or other disposition of substantially all of the property and other assets of the Company,
- (iii) The Members shall have the right to remove a Managing Member, but only with cause and only with the written consent of Members holding 75% of the Percentage Interests in the Company (excluding for this purpose the Interest held by the Managing Member sought to be removed). Cause for removal shall be deemed to exist where a Managing Member is grossly negligent in the performance of his management duties or willfully

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or recklessly neglects to carry out such duties. Notwithstanding the foregoing however, in the event a Managing Member is a guaranter of any loan or debt of the LLC, then such Managing Member shall not be removed as Manager unless and until such Managing Member is fully released and held harmless from any such loan or debt guarantee. Upon the removal of a Managing Member or upon the death, incompetence or resignation of a Managing Member, the remaining Managing Member, if one, shall become the sole Managing Member unless the Members elect, by the written consent of Members holding 75% of the Membership Interests, a successor Managing Member;

- (iv) The merger of the LLC into another entity or another entity into the LLC;
 - (v) The termination and dissolution of the LLC;
- (vi) An amendment to the Articles of Organization or Operating Agreement, but only if the amendment materially affects the rights of the Investor members.
- (vii) Approval of the annual operating Budget for the Property which Budget shall be prepared by the Managing Member.
- (d) <u>Authority to Engage in Other Activities</u>. No Member shall be required to manage the Company as his or its sole and exclusive function, and a Member may have other business interests and may engage in other activities in addition to those relating to the Company. The Members acknowledge that certain of the Members' other activities and business interests may consist of the ownership, development, marketing, sale, operation or management of real properties or entities that compete with the business of the Company. Neither the Company nor any Member shall have any right in or to such other ventures by virtue of this Agreement or the relationship among the Members created hereby, and agree to waive any potential conflict of interest.
- (e) Fees to Members and Affiliates. The Managing Member may cause the Company to contract with any Member or any firm or corporation in which a Member may have an interest or any affiliated corporation or entity of a Member, at reasonable and competitive rates of compensation, commission or remuneration, for the performance of any and all services which may at any time be necessary, proper or convenient to carry on the business of Company. The validity of any transaction, agreement or payment involving the Company and a Member or any affiliate thereof otherwise permitted by the terms of this Agreement shall not be affected by reason of the relationship between the Company and the Member or such affiliate. The members hereby agree to waive any and all appearance of, potential or actual conflict of interest these affiliated interests may create.
- (f) <u>Exculpation</u>. Except as otherwise expressly provided by the Act or herein, the Managing Member shall not be liable, responsible or accountable in damages or otherwise to

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the Company, or to any Member for any acts or omissions performed or omitted in good faith and in a manner reasonably believed by the Member to be within the scope of the authority conferred upon him or it by this Agreement and in the best interests of the Company. Specifically, and without limiting the scope of the foregoing, the Managing Member shall not be liable, responsible or accountable in damages or otherwise to the Company or any other Member for any action taken by the Managing Member, in good faith, including, but not limited to, any actions taken by the Managing Member as "tax matters partner" in connection with the examination by the Internal Revenue Service of the Company's Federal partnership tax return or the determination, protest, adjustment or adjudication of any Federal or state income tax liability of any Member resulting from the Company.

- Member from and against any loss, expense, damage or injury suffered or sustained by him or it by reason of any acts or omissions or alleged acts or omissions arising out of his or its activities on behalf of the Company or in furtherance of the interests of the Company, including, but not limited to, any judgment, award, settlement, reasonable attorney's fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, provided that the act or omissions, or alleged acts or omissions, upon which such actual or threatened action, proceeding or claim is based were performed or omitted in good faith and in a manner reasonably believed by the Member to be within the scope of the authority conferred upon the Member by this Agreement and in the best interests of the Company. Such indemnification shall be made only to the extent of assets of the Company.
- 13. Bank Accounts. All funds of the Company shall be deposited in such bank or savings and loan account or accounts as shall be designated by the Managing Member. Withdrawals from any such bank account shall be made upon such signature or signatures as the Managing Member may designate, and shall be made only for the purposes of the Company.
- Books and Records. The Company shall keep true, exact, and complete books of account in which shall be entered fully and accurately each and every transaction of the Company. The fiscal year and the taxable year of the Company shall be the calendar year. All books of account shall be kept by the Secretary at the principal office of the Company and all Members shall have the right to inspect and copy such books at all reasonable times. An accounting shall be made at the end of each fiscal year and a copy of the accounting report shall be transmitted to each Member.

15. Tax Elections.

- (a) <u>Elections Made by Members</u>. All elections by the Company for Federal income tax or other tax purposes shall be made by the Managing Member.
- (b) <u>Tax Matters Partner</u>. The Chief Manager shall be the "tax matters partner," as that term is defined in Section 6231(a)(7) of the Code.

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16. Transferability and Disposition of Membership Interests.

- 16.01 General. Except as otherwise specifically provided herein, no Interest Holder shall have the right, as to all or any part of its Membership Interest or Economic Interest to:
- (a) seil, assign, pledge, hypothecate, transfer, exchange or otherwise transfer for consideration, (collectively, "sell"); or
 - (b) gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy).
- (c) Each Member shall have the right to transfer to immediate family members or a related entity without the Right of First Refusal.

16.02 Right of First Refusal.

- (a) If a selling Member desires to sell all or any portion of its Membership Interest or Economic Interest in the Company to a third party purchaser, the selling Member shall obtain from such third party purchaser a bona fide written offer to purchase such interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered. The selling Member shall give written notification to the remaining Members, by certified mail or personal delivery, of its intention to so transfer such interest, furnishing to the remaining Members and Manager(s) a copy of the written offer to purchase such interest, and the name and business and personal addresses of the proposed transferee.
- (b) Primary Option to Purchase. Within 35 days of the receipt of the notice of intention to transfer a Percentage Interest by the last of the Members to receive such notice, each remaining Member may exercise an option to purchase that proportion of the Percentage Interest proposed to be transferred which equals the proportion which the Percentage Interest owned by such remaining Member at the time of his receipt of the notice is of the total of the Percentage Interests then owned by all the remaining Members. The purchase option granted in this paragraph is herein referred to as the "Primary Option."
 - Primary Option granted to him to purchase the Percentage Interest proposed to be transferred, each remaining Member who is granted and who exercises a Primary Option, and the Company, may, within ten days after the expiration of the 35-day option period provided for above, exercise an option to purchase the Percentage Interest with respect to which such Member has failed to exercise his Primary Option (hereinafter "the Option Interest"). In the case of a single remaining Member, his option shall be to purchase all of the Option Interest. In the case of two or more remaining Members, each such remaining Member's option shall be to purchase the portion of Option Interest which bears the same proportion to the total Option Interest as the Percentage Interest owned by

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each such remaining Member at the time of receipt of the notice provided for above bears to the total Percentage Interest then owned by all such remaining Members; provided that all such remaining Members may, by agreement among themselves, determine the proportions in which some or all of their number may exercise the option granted in this paragraph. Any portion of the Option Interest not acquired by Members under the Primary Option or Secondary Option may be (but need not be) acquired by the Company. The purchase option granted by this paragraph is referred to as the "Secondary Option."

- (d) In the event the remaining Members (or any one or more of the remaining Members) or the Company give written notice to the selling Member of their desire to exercise this right of first refusal and to purchase all of the selling Member's interest in the Company which the selling Member desires to sell upon the same terms and conditions as are stated in the aforesaid written offer to purchase, the remaining Members shall have the right to designate the time, date and place of closing, provided that the date of closing shall be within sixty days after written notification to the Selling Member of the remaining Member or Members' election to exercise their right of the first refusal.
- (e) As a condition to the Company recognizing the effectiveness of either the purchase of the Selling Member's interest in the Company by a third party purchaser or the gift of an interest in the Company (including an Economic Interest), (subject to Section 16.03) substitution of a new Member, the remaining Members may require the Selling Member, Gifting Member or the proposed purchaser, donee or successor-in-interest, as the case may be, to execute, acknowledge and deliver to the remaining Members such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the remaining Members may deem necessary or desirable to:
- (1) verify the purchase, gift or transfer, as the case may be;
- (2) confirm that the person desiring to acquire an interest in the Company, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of the Operating Agreement, (whether such Person is to be admitted as a new Member or an Economic Interest Owner);
- (3) maintain the status of the Company as a partnership for federal tax purposes; and
- (4) assure compliance with any applicable state and federal laws including securities laws and regulations.
- (a) Any sale or gift of a Membership Interest or Economic Interest or admission of a Member in compliance with this Article 16. shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given, or, if no such consent was required pursuant to Section 16.02(e), then on such date that the donee or successor

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interest complies with the conditions set forth in Section 16.02(c). The Selling Member agrees, upon request of the remaining Members, to execute such certificates or other documents and to perform such other acts as may be reasonably requested by the remaining Members from time to time in connection with such sale, transfer, assignment, or substitution. The selling Member hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article 16.

16.03 Transferee Not Member in Absence of Unanimous Consent.

- (a) Notwithstanding anything contained herein to the contrary (including, without limitation, Section 16.02 hereof), if all of the remaining Members do not approve by unanimous written consent of the proposed sale or gift of the Transferring Member's Membership Interest or Economic Interest to a transferee or donee which is not a Member immediately prior to the sale or gift, then the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee or donee shall be merely an Economic Interest Owner. No transfer of a Member's interest in the Company (including any transfer of the Economic Interest or any other transfer which has not been approved by unanimous written consent of the Members) shall be effective unless and until written notice (including the name and address of the proposed transferee or donee and the date of such transfer) has been provided to the Company and the non-transferring Member(s).
- (b) Upon and contemporaneously with any sale or gift of a Transferring Member's Economic Interest in the Company which does not at the same time transfer the balance of the rights associated with the Economic Interest transferred by the Transferring Member (including, without limitation, the rights of the Transferring Member to participate in the management of the business and affairs of the Company), all remaining rights and interest which were owned by the Transferring Member immediately prior to such sale or gift or which were associated with the transferred Economic Interest shall immediately lapse until either (1) the remaining Members, by unanimous consent, reinstate such rights to the Economic Interest Owner who did not previously obtain the unanimous written consent of the Members or (2) upon the remaining Members, by unanimous written consent, reinstating such rights to a successor or transferee of such Economic Interest Owner.
- 17. Dissolution. (a) The Company shall dissolve upon a vote of the Members subject to the voting rights of the Members set forth in Paragraph 13(c).
 - 18. Continuation of Company Business Following Dissolution.
- (a) <u>Dissolution Event</u>. The Company shall not dissolve upon the occurrence of any of the events described in T.C.A. §48-245-101(a)(5)(A)-(K) of the Act, which events

include (but are not limited to) the dissolution, resignation, termination, expulsion, bankruptcy, death, withdrawal, retirement, removal, insanity or incompetency of any Member unless the occurrence of the event reduces the number of Members to less than two (2).

(b) Death of a Member.

- (1) <u>Successor of Deceased Member</u>. The following rules shall apply following a Member's death, and the interest of the deceased Member ("deceased Member") passes to any one or more of the following persons ("Qualified Successors") (I) the deceased Member's estate (but only if the estate will be required to distribute the deceased Member's interest to persons described in Section 16(b)), and (ii) persons described in Section 16(b):
- (A) Each Qualified Successor may continue to hold the financial rights to the Membership Interest to which the qualified successor succeeds. However, a Qualified Successor shall not be admitted as a substituted member unless (I) the unanimous written consent of remaining Managing Member (excluding for this purpose the entire Membership Interest which was held by the deceased Member) is obtained and the other conditions set forth in paragraph 16(d) are met, or (ii) the Qualified Successor was a Member at the time of the deceased Member's death.
- 19. Winding Up. Upon dissolution of the Company by reason of the events described in Section 18(a) above or if any event described in 19(a) reduces the number of Members to less than two (2), the Company shall liquidate its assets and wind up its affairs in the following manner:
- (a) <u>Liquidation of Assets and Discharge of Liabilities</u>. A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of its liabilities in order to minimize the normal losses attendant upon such a liquidation. The Managing Member shall liquidate the Company and shall have the authority to perform any and all acts and to take any and all actions which may be necessary, appropriate, or incidental to continue the land development, construction, marketing, rehabilitation and renovation of real estate and to operate and manage real estate in the process of winding up, including, but not limited to, entering into, amending, or changing any and all plans, specifications, or contracts, arranging necessary financing (whether on an interim or permanent basis), and mortgaging or otherwise encumbering real estate therefor.
- (b) <u>Survival of Company Contracts</u>. Any act or event (including the passage of time) causing dissolution of the Company shall in no way affect the validity of, or shorten the term of, any lease, deed or trust, mortgage, contract or other obligation entered into by or on behalf of the Company, or acquired by the Company as assignee.
- (c) <u>Proceeds of Liquidation.</u> Net Liquidation Proceeds shall be applied and distributed in the following order of priority:

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- (1) First, to the payment of or provision for the debts and liabilities of the Company (including loans from Members) and the expenses of liquidation in order of priority as provided by law, and to the creation of any reserves which may be reasonably necessary for any contingent or unforeseen liabilities or obligations;
- (2) Second, to all of the Members in proportion to their respective Profit Sharing Percentage Interests in the Company as set forth on Exhibit A.
- Written Consents in lieu of Meetings. Insofar as practicable, any consent of the Members, required or appropriate under this Agreement, shall be accomplished by written instrument without the necessity of meetings of the Members.

21. Definitions. As used herein, the term:

- (a) Act shall mean the Tennessee Limited Liability Company Act, as codified in the Tennessee Code Annotated §48-201-101 et seq. and as amended from time to time.
- (b) <u>Bankruptcy</u> and variants thereof mean an adjudication of bankruptcy under the Bankruptcy Act of the United States, as now in force or hereafter amended, or an adjudication of insolvency under the laws of a state or the District of Columbia, an assignment for the benefit of creditors, or the filing of a voluntary or involuntary petition in bankruptcy which is not dismissed within sixty (60) days of the filing thereof.
- (c) <u>Capital Account</u> means, with respect to any Member, the initial Capital Contribution made by such Member:
- (1) decreased by the amount of (I) any losses or deductions allocated to such Member, (ii) any distributions of Net Distributable Cash, Net Liquidation Proceeds or other property made to such Member and (iii) any liabilities of such Member assumed by the Company; and
- (2) increased by the amount of (I) any profits allocated to such Member, (ii) any subsequent Capital Contributions made by such Member and (iii) any liabilities of the Company that are assumed by such Member.

Capital Accounts shall be maintained in accordance with the provisions of Section 1.704-l(b)(2)(iv) of the Regulations and, to the extent not inconsistent therewith, generally accepted accounting principles. Capital Account balances shall be determined as of the last day of the fiscal year in which a sale, refinancing or liquidation occurs, but prior to distribution of the proceeds of the sale or other disposition resulting in the gain being allocated therein.

(d) <u>Capital Contribution</u> means, with respect to each Member, the aggregate amount of cash or the fair market value of any property that such Member has agreed to contribute or contributes to the Company in accordance with Section 8 above.

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- (e) <u>Immediate Family</u> means the spouse of a Member and any ancestor or lineal descendant (including a legally adopted descendant) of a Member.
- (f) <u>Incompetency</u> or variants thereof mean a judicial determination that a person is not competent to handle his own affairs, whether by reason of physical or mental incapacity or otherwise.
- (g) <u>Interest or Membership Interest or Percentage Interest</u> has the meaning set forth in Section 6(a) above.
- (h) <u>Managing Member</u> is the person identified in Section 13(a) having the powers and duties set forth in Section 13 and the other provisions of this Agreement.
- (i) <u>Majority in Interest</u> means a 51% or greater interest of the total percentage interests held by all Managing Member, unless a greater percentage vote is otherwise provided for herein.
- (other than funds received as Capital Contributions or as Net Liquidation Proceeds by the Company) less the sum of the following to the extent made from such cash and funds received by the Company (but not to the extent made from other sources, including without limitation from Capital Contributions, Net Liquidation Proceeds or cash reserves maintained by the Company): (1) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (2) all cash expenditures (including capital expenditures) incurred incident to the operation of the Company's business; and (3) such cash reserves and additions thereto as the Managing Member shall determine is advisable and in the best interests of the Company and as may be required by the terms of the Company's lenders.
- (k) <u>Net Liquidation Proceeds</u> means the amount of money, the principal amount of any indebtedness due to the Company and the fair market value (as of the date of distribution) of any and all other property, distributed to the Members in liquidation of the Company pursuant to Section 20, reduced by any liabilities of the Company that are assumed by such Members or which are secured by any property that is distributed by the Company to such Members.
 - (1) Qualified Successor has the meaning set forth in Section 19(b)(1) above.
- (m) <u>Regulations</u> means the Income Tax Regulations, including Temporary Regulations, promulgated by the United States Treasury Department under the Code, as the same may be amended from time to time.
- (n) Exhibit A means the Exhibit attached to this Agreement and captioned "Exhibit A," as in effect at the relevant time, including any amendments, modifications or supplements made from time to time.

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- 22. Separability. The invalidity or unenforceability of any provision in this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.
- 23. Interpretation. This Agreement shall be interpreted and construed in accordance with the laws of the State of Tennessee. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons referred to may require. The captions of sections of this Agreement have been inserted as a matter of convenience only and shall not control or affect the meaning or construction of any of the terms or provisions hereof.
- 24. Entire Agreement. The parties hereto agree that all understandings and agreements heretofore made between them are merged in this Agreement, which alone fully and completely expresses their agreement with respect to the subject matter hereof. There are no promises, agreements, conditions, understandings, warranties, or representations, oral or written, express or implied, among the parties hereto, other than as set forth in this Agreement and the Articles. All prior agreements among the parties are superseded by this Agreement, which integrates all promises, agreements, conditions, and understandings among the parties with respect to the Company and its property. No termination, revocation, waiver, modification or amendment of this Agreement shall be binding unless agreed to in writing and executed by all the Members.
- 25. Counterparts; Effective Date. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement. The signature of any party to a counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart. This Agreement is dated and shall be effective among the parties as of the date first above written.
 - Binding Effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors, assigns, heirs, executors, administrators, and legal representatives.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

Sheaffer International, LLC

Michael A. Stahelin, President

MRSLLC

Reese L. Smith, III, President

EXHIBIT A

MEMBERS

NAME	Description of Contribution	Agreed value of capital contribution	Membership Interest
M. R. S., LLC	Construction Management and Development Services	\$100.00	10.00%
Sheaffer International, LLC	Construction Management and Development Services	\$900.00	90,00%

Petition of Cartwright Creek, LLC to
Change and Increase Rates and Charges
Docket No. 09-00056
Cartwright Creek, LLC Response to Consumer Advocate's First Discovery Request

Exhibit 2.1

Attachment 2.1

SEWER AND WASTEWATER TREATMENT SYSTEM SERVICE AGREEMENT

This Sewer and Wastewater Treatment System Service Agreement (this "Agreement") is made and shall become effective this day of August (month) 2007 (the "Effective Date"), by and between Cartwright Creek, L.L.C., a Tennessee limited liability company ("Cartwright Creek") and Eagle Ridge Investments, L.L.C, a Tennessee limited liability company ("Owner") (singularly, "Party," and collectively, the "Parties") pursuant to which Cartwright Creek will provide to Owner the services described herein.

RECITALS

- A. Whereas, Owner owns a certain property in Williamson County, Tennessee, shown and legally described on Exhibit A herein (the "Property"), on which it plans to build a residential and commercial development and golf course (the "Stillwater Project" or the "Development");
- B. Whereas, Owner and its consultants are designing and applying to the Tennessee Department of Environment and Conservation ("TDEC") and Williamson County for permit approvals to build and operate a wastewater treatment facility to be designed for Owner by Sheaffer International, L.L.C, as defined in Paragraph 8.b. of this Agreement (the "WWTP"), a sewage collection system as defined in Paragraph 8.a. of this Agreement (the "Collection System"), and a treated wastewater irrigation system as defined by Paragraph 8.c. of this Agreement (the "Irrigation System") on the property and/or on a nearby property (together, the "Project");
- C. Whereas, Owner has requested Cartwright Creek, as a privately owned, wastewater treatment utility, holding a license from the Tennessee Regulatory Authority ("TRA"), to operate the Project and to own the WWTP, the Collection System, and the primary and secondary irrigation components of the Irrigation System (the golf course auxiliary irrigation will be retained by the Owner);
- D. Whereas, Cartwright Creek desires to provide the requested services to Owner and also desires to ensure that the Project is designed and constructed in accordance with State and local laws, regulations, and ordinances, and that the project is capable of being operated according to State and Williamson County requirements and in accordance with approvals granted Cartwright Creek by the Tennessee Regulatory Authority ("TRA");

Now therefore, upon the following consideration and mutual promises, the Parties hereby agree as follows:

- 1. <u>INCORPORATION OF RECITALS AND EXHIBITS</u>. The foregoing Recitals and all attached Exhibits are hereby incorporated into this Agreement by reference.
- 2. <u>CONDITIONS OF SERVICES</u>. Cartwright Creek's performance obligations under the Agreement are expressly conditioned on the assumed "Basis for Scope of Services" provided in Exhibit C of this Agreement being followed. Owner agrees not to change the Project such that it becomes inconsistent with the Basis for Scope of Services without the prior written approval of Cartwright Creek and corresponding adjustment in compensation identified in Paragraph 5.a.ii. of this Agreement.

3. COMMENCEMENT AND PERFORMANCE OF SERVICES.

- a. <u>General:</u> Cartwright Creek's work and responsibilities under this agreement will be conducted during three phases of the project: Preconstruction; Construction; and Operation. The goal of the work during Preconstruction and Construction Phases is to ensure that the Collection System, WWTP, and Irrigation System are constructed in conformance with approved plans and specifications, tested and certified. The result will be full acceptance by Cartwright Creek, and successful Operation in accordance with its approved State and County permits.
- b. <u>Preconstruction:</u> The Cartwright Creek scope of work for this phase consists of document and drawing review; permit application review and signature, and application to provide service to the Tennessee Regulatory Authority (TRA). The work is described in Exhibit B to this agreement

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- c. <u>Construction</u>: The Cartwright Creek scope of work for this phase consists of inspection and acceptance of construction. The work is described in Exhibit B to this agreement.
- d. Operation: Upon completion of services defined in above Paragraphs 2.b. and 2.c, and upon receipt of all necessary State and county permit approvals necessary to operate the WWTP, Collection System, and Irrigation System, Owner shall transfer ownership of the Collection System, WWTP, and Irrigation System to Cartwright Creek in fee simple, free and clear of any and all liens and encumbrances.
 - Cartwright Creek shall not unreasonably withhold acceptance of this transfer and subsequently shall supply the manpower, tools, vehicles, and other resources required to operate and maintain the facility in conformance with requirements indicated in the operating permit approvals required to be obtained from the TDEC, Williamson County, and the TRA.
- e. <u>Date of Commencement of Services</u>. The services to be performed by Cartwright Creek under this Agreement shall commence on the Effective Date of this Agreement.

4. RESPONSIBILITIES OF THE PARTIES.

- a. <u>Cooperation</u>. Owner and Cartwright Creek agree to provide such information, execute and deliver any documents and to take such other actions as may be reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, in order to carry out the intent of this Agreement. Each Party agrees to comply with all laws, rules and regulations applicable to the performance of its obligations hereunder. Owner and Cartwright Creek shall provide one another with all accurate and complete information concerning the Project that will assist efforts to assure that the operation and maintenance of the facility will be cost effective and environmentally sound.
- b. Rights of Access. Owner warrants that it has, or will use, reasonable efforts to obtain the authority to, and hereby does, grant to Cartwright Creek all rights of access to all facilities to the extent reasonably necessary for Cartwright Creek to perform its duties and obligations required by this Agreement, including maintenance of the Collection System and operational monitoring of the Irrigation System, and emergency repairs, if necessary.
- c. <u>Material Changes</u>. Owner shall construct the Project in accordance with the plans and specifications to be approved by TDEC and Williamson County and reviewed and accepted by Cartwright Creek in accordance with Paragraph 2.b. above. Owner shall not make substantial changes in the design, construction, or operation of the Collection System, the WWTP, or the Irrigation System without Cartwright Creek's review and written acceptance.
- d. Homeowner Covenants. Owner shall draft homeowners' association covenants and bylaws and provide the documents to Cartwright Creek for review and approval, which shall not be unreasonably withheld. The covenants shall contain requirements for payment of monthly service fees as provided in Paragraph 4.c. of this Agreement, prohibited substances as provided in Paragraph 6. of this Agreement, and provide Cartwright Creek with the right to file a lien against the property of any property owner in the Development for nonpayment of fees.
- e. Williamson County Bonding. Williamson County's "Regulations for Wastewater Treatment and Land Disposal Systems, Williamson County, Tennessee, November 3, 2004" (the "Regulations") set forth bonding requirements for wastewater treatment facilities that land apply effluent. Paragraph 1.10 of the Regulations defines two types of bonds that are required for this Project, the "Performance Bond" and the "Back-Up Bond." Owner shall be solely responsible for satisfying Williamson County requirements for the Performance Bond for constructing the Project. Cartwright Creek shall incorporate into its operations fees and the annual cost of the Back-Up Bond. The Owner shall be responsible for providing financial surety, if required, for the Back-Up Bond, consisting of a Letter of Credit or other surety acceptable to Williamson County and the bonding company.

5. COMPENSATION.

a. <u>Preconstruction:</u> The fees for Cartwright Creek work during the preconstruction phase are based upon the estimated hours for Cartwright Creek and/or a subconsultant's staffs. The Owner will reimburse Cartwright Creek for this work, which is budgeted to amount to \$36,000. Actual time and materials and reimbursable expenses required for Cartwright



SEWER AND WASTEWATER TREATMENT SYSTEM SERVICE AGREEMENT

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RECITALS

- A. Whereas, Owner owns a certain property in Williamson County, Tennessee, shown and legally described on Exhibit A herein (the "Property"), on which it plans to build a residential and commercial development and golf course (the "Stillwater Project" or the "Development");
- B. Whereas, Owner and its consultants are designing and applying to the Tennessee Department of Environment and Conservation ("TDEC") and Williamson County for permit approvals to build and operate a wastewater treatment facility to be designed for Owner by Sheaffer International, L.L.C, as defined in Paragraph 8.b. of this Agreement (the "WWTP"), a sewage collection system as defined in Paragraph 8.a. of this Agreement (the "Collection System"), and a treated wastewater irrigation system as defined by Paragraph 8.c. of this Agreement (the "Irrigation System") on the property and/or on a nearby property (together, the "Project");
- C. Whereas, Owner has requested Cartwright Creek, as a privately owned, wastewater treatment utility, holding a license from the Tennessee Regulatory Authority ("TRA"), to operate the Project and to own the WWTP, the Collection System, and the primary and secondary irrigation components of the Irrigation System (the golf course auxiliary irrigation will be retained by the Owner);
- D. Whereas, Cartwright Creek desires to provide the requested services to Owner and also desires to ensure that the Project is designed and constructed in accordance with State and local laws, regulations, and ordinances, and that the project is capable of being operated according to State and Williamson County requirements and in accordance with approvals granted Cartwright Creek by the Tennessee Regulatory Authority ("TRA");

Now therefore, upon the following consideration and mutual promises, the Parties hereby agree as follows:

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- b. <u>Preconstruction:</u> The Cartwright Creek scope of work for this phase consists of document and drawing review; permit application review and signature, and application to provide service to the Tennessee Regulatory Authority (TRA). The work is described in Exhibit B to this agreement



- c. <u>Construction:</u> The Cartwright Creek scope of work for this phase consists of inspection and acceptance of construction. The work is described in Exhibit B to this agreement.
- d. Operation: Upon completion of services defined in above Paragraphs 2.b. and 2.c, and upon receipt of all necessary State and county permit approvals necessary to operate the WWTP, Collection System, and Irrigation System, Owner shall transfer ownership of the Collection System, WWTP, and Irrigation System to Cartwright Creek in fee simple, free and clear of any and all liens and encumbrances.
 - Cartwright Creek shall not unreasonably withhold acceptance of this transfer and subsequently shall supply the manpower, tools, vehicles, and other resources required to operate and maintain the facility in conformance with requirements indicated in the operating permit approvals required to be obtained from the TDEC, Williamson County, and the TRA.
- e. <u>Date of Commencement of Services</u>. The services to be performed by Cartwright Creek under this Agreement shall commence on the Effective Date of this Agreement.

4. <u>RESPONSIBILITIES OF THE PARTIES.</u>

- a. <u>Cooperation</u>. Owner and Cartwright Creek agree to provide such information, execute and deliver any documents and to take such other actions as may be reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, in order to carry out the intent of this Agreement. Each Party agrees to comply with all laws, rules and regulations applicable to the performance of its obligations hereunder. Owner and Cartwright Creek shall provide one another with all accurate and complete information concerning the Project that will assist efforts to assure that the operation and maintenance of the facility will be cost effective and environmentally sound.
- b. <u>Rights of Access</u>. Owner warrants that it has, or will use, reasonable efforts to obtain the authority to, and hereby does, grant to Cartwright Creek all rights of access to all facilities to the extent reasonably necessary for Cartwright Creek to perform its duties and obligations required by this Agreement, including maintenance of the Collection System and operational monitoring of the Irrigation System, and emergency repairs, if necessary.
- c. <u>Material Changes</u>. Owner shall construct the Project in accordance with the plans and specifications to be approved by TDEC and Williamson County and reviewed and accepted by Cartwright Creek in accordance with Paragraph 2.b. above. Owner shall not make substantial changes in the design, construction, or operation of the Collection System, the WWTP, or the Irrigation System without Cartwright Creek's review and written acceptance.
- d. <u>Homeowner Covenants</u>. Owner shall draft homeowners' association covenants and bylaws and provide the documents to Cartwright Creek for review and approval, which shall not be unreasonably withheld. The covenants shall contain requirements for payment of monthly service fees as provided in Paragraph 4.c. of this Agreement, prohibited substances as provided in Paragraph 6. of this Agreement, and provide Cartwright Creek with the right to file a lien against the property of any property owner in the Development for nonpayment of fees.
- e. Williamson County Bonding. Williamson County's "Regulations for Wastewater Treatment and Land Disposal Systems, Williamson County, Tennessee, November 3, 2004" (the "Regulations") set forth bonding requirements for wastewater treatment facilities that land apply effluent. Paragraph 1.10 of the Regulations defines two types of bonds that are required for this Project, the "Performance Bond" and the "Back-Up Bond." Owner shall be solely responsible for satisfying Williamson County requirements for the Performance Bond for constructing the Project. Cartwright Creek shall incorporate into its operations fees and the annual cost of the Back-Up Bond. The Owner shall be responsible for providing financial surety, if required, for the Back-Up Bond, consisting of a Letter of Credit or other surety acceptable to Williamson County and the bonding company.

5. <u>COMPENSATION</u>.

a. <u>Preconstruction:</u> The fees for Cartwright Creek work during the preconstruction phase are based upon the estimated hours for Cartwright Creek and/or a subconsultant's staffs. The Owner will reimburse Cartwright Creek for this work, which is budgeted to amount to \$36,000. Actual time and materials and reimbursable expenses required for Cartwright



Creek to complete the work will be billed against this budget. In the event the budget is exceeded, Cartwright Creek shall notify Owner and complete the work on a time and materials billing basis plus expense reimbursement, per the terms of Exhibit E of this Agreement. The \$36,000 budget is allocated as follows:

- Engineering Review (Preconstruction Phase Tasks 1 and 2 from Exhibit B) \$22,000
- Administrative Work (TRA CCN filing, per Preconstruction Phase Task 3 from Exhibit B)\$14,000
- i. Payment Schedule. Owner shall pay Cartwright Creek these fees based on Cartwright Creek's monthly invoicing for the work as it is completed. Payment shall be due on a Net 30 days invoicing basis.
- ii. <u>Limitation of Scope</u>. The Scope of Work provided by Cartwright Creek is expressly limited to the terms of this Agreement, found in Paragraph 2 and Exhibit B, including the limiting assumptions provided in Exhibit B. Should additional work be necessary or requested by Owner, Cartwright Creek shall perform the work on a time and materials basis at its or its consultants' customary hourly rates, and be compensated for any reimbursable expenses incurred in the course of completing the work, per the rates provided in Exhibit E of this Agreement.
- b. Construction: The fees for Cartwright Creek's work during the construction phase are based upon the estimated hours for Cartwright Creek and/or a subconsultant's staffs, assuming a 16-week construction schedule and two construction inspection site visits per week. Based on these assumptions, the Owner shall pay Cartwright Creek \$39,000 for this work. Should additional site visits be necessary or should the \$39,000 budget be otherwise exceeded, Cartwright Creek will bill Owner on time and materials, including reimbursable expenses, based on its standard billing rates provided in Exhibit E of this Agreement, or the rates of its consultants.

c. Operations:

- i. <u>Connection Fees:</u> The Collection System, WWTP, and Irrigation System are being constructed at the sole cost of the Owner. There will be no connection fees due Cartwright Creek for the residential and commercial units within the Stillwater Development, with property described in Exhibit A, up to a maximum of 500 equivalent dwelling units (EDUs).
- ii. Monthly service fee: Each property owner in the Stillwater Development shall pay Cartwright Creek a monthly service fee as established in Cartwright Creek's tariff as approved by the TRA (the "Service Fee"), based on a proportionate share of the cost to operate, maintain, and manage the Project, per Paragraph 8.d. of this Agreement. This Service Fee is the responsibility of each property owner (or the property owner's lessee) to pay, not Stillwater Development. The amount of the Service Fee will be established during the Project design, permitting, and application to the TRA for Cartwright Creek to own and operate the Project.
- iii. Operating Reserve Fund. During the build-out of the Development, the Parties recognize that there will be a shortfall between the Operations Costs and the revenue provided by the Service Fees paid by homeowners (the "Shortfall"). The Owner shall cover the Shortfall, by funding an Operating Reserve Fund in escrow. Prior to Cartwright Creek taking ownership of the facility and annually thereafter, Owner or any assignee per Paragraph 7.m. of this Agreement shall place an amount in the Operating Reserve Fund equivalent to Cartwright Creek's estimated Shortfall for the coming year. Cartwright Creek shall estimate the Shortfall based on its operating expenses approved by the TRA for the previous year and the projected Service Fees to be paid in the coming year, and invoice Owner for this amount, payable to the Operating Reserve Fund escrow account.
- iv. Residential Grinder Pump Service and Replacement. Each homeowner is responsible for repairing and replacing his/her Residential Grinder Pump as necessary to operate the pump in compliance with the design documents approved by Cartwright Creek and the manufacturer's operating manual. Cartwright Creek has the right to access the property to inspect the pump at any time to ensure that the pump is operating as required. If, in Cartwright Creek's sole discretion, the pump needs to be repaired or replaced, the homeowner must repair or replace the pump per Cartwright Creek's requirements. If requested by the homeowner, Cartwright Creek will help the homeowner perform the required work on the pump on a time and materials basis, per the terms provided in Exhibit D of this Agreement.



- d. No Withholding of Payments. In the event any dispute arises between Cartwright Creek and Owner with respect to this Agreement, the Parties will promptly undertake to resolve such dispute. The Owner will not withhold or delay scheduled payment any fees due to Cartwright Creek under this Agreement pending resolution of such dispute.
- e. <u>Late Charges</u>. Invoices shall be due on a Net 30 days basis. Cartwright Creek may assess interest charges for any past due invoices, at a rate of prime plus 2 percent.
- f. Lien Rights and Right to Shut Off Water. In the event that payment of any fees due Cartwright Creek under this Agreement become delinquent by more than six months, Cartwright Creek may file a lien against the property of the Owner or individual property owner (if the past due fee is the monthly service fee) to secure its claim to the past due fees, and/or shut off potable water from the delinquent home until all past due amounts, including any accrued interest charges, are paid in full. Cartwright Creek shall notify the Owner or the individual property owner in writing at least 30 days prior to filing the lien or shutting off the water, that Cartwright Creek intends to file the lien and/or shut off the water unless the past due amount is received by the close of the 30 day notification period.

6. TERMINATION.

Termination for Owner's Material Default. Cartwright Creek may terminate this Agreement by written notice to Owner if Owner materially fails to comply with the terms or conditions of this Agreement and, after receiving written notice describing such failure from Cartwright Creek, Owner fails to take corrective actions within 30 days of notification. In the event of Owner's material default, Cartwright Creek will retain title to the Collection System and WRS and shall have no obligation to provide any sewer and wastewater service connections to Owner, its heirs or assigns.

<u>Termination for Failure to Secure State, County, or TRA Approval</u>. Owner may terminate this Agreement by written notice to Cartwright Creek if Cartwright Creek fails to secure the required TRA CCN approval within 365 days of the date of this Agreement. Cartwright Creek may terminate this Agreement if Owner fails to secure the State Operating Permit from TDEC or Williamson County preliminary and final plat approvals within 365 days of the date of this Agreement.

7. **PROHIBITED AND RESTRICTED DISCHARGES**. As provided in Paragraph 3.d. above, the Homeowner Covenants shall restrict potentially harmful substances from being flushed or discharged to the sewer and wastewater system. Owner, Owner's project engineer and Cartwright Creek shall jointly identify such substances and restricted discharges.

8. OTHER TERMS AND CONDITIONS.

- a. <u>Attorneys' Fees and Court Costs.</u> The Parties in any dispute between the Parties arising from this Agreement shall be responsible for their own attorneys' fees and costs incurred in pursuing or defending such dispute.
- b. <u>Notices</u>. Any notice required under this Agreement shall be in writing, personally delivered or sent by certified mail, postage prepaid, to the other Party at the address set forth below or to such other address as any Party may so designate in writing from time to time.

TO: Cartwright Creek, LLC

To: Eagle Ridge Investments, L.L.C.

Attn: Manager

Attn: Manager

800 Roosevelt Rd., Suite B-214

25701 Lakeland Blvd, Suite 101

Glen Ellyn, IL 60137

Euclid, OH 44132

With a copy to the Parties' registered agents, as follows:

Cartwright Creek, LLC

Eagle Ridge Investments, L.L.C.

C/O Bruce Meyer

C/O Charles E. Morton, IV

1551 Thompson's Station Rd West

130 Fourth Avenue South

Thompson's Station, TN 37179

Franklin, TN 37064

c. <u>Force Majeure</u>. In the event either Party's performance of this Agreement is delayed in connection with any circumstance beyond such Party's control including, without limitation, fires, floods, accidents, labor shortages,



consent of Cartwright Creek, Cartwright Creek shall not unreasonably withhold its consent. Cartwright Creek may, with Owner's prior written consent, assign, transfer or otherwise dispose of any of its rights or delegate its obligations under this Agreement to (a) any affiliated or subsidiary entity of similar net worth; or (b) any person or entity qualified to perform the Wastewater Treatment and/or Additional Services. This Agreement will inure to the benefit of and be binding upon any successors and permitted assigns or delegates.

- n. <u>Change in Permit or Regulatory Requirements</u>. Nothing in this Agreement shall be construed to prohibit Cartwright Creek from requiring an increase in the fees payable to Cartwright Creek under this Agreement in the event of a regulatory or permit change, including a change in the rate structure for Cartwright Creek approved by the TRA.
- o. <u>Indemnification</u>. Owner does hereby defend, indemnify and save Cartwright Creek harmless from and against any and all claims, actions, damages, liabilities, expenses and costs of litigation in connection with loss of life, personal injury, and/or damage of property arising from or out of any occurrence in, upon, or at the Property, occasioned wholly or in part by any act or omission by Owner, its agents or invitees upon said Property.
- p. <u>Dispute Resolution</u>. Except as provided herein with regard to injunctive or equitable relief, all disputes and controversies between the parties arising out of or in connection with this Agreement, as to the existence, construction, validity, interpretation/meaning, performance, nonperformance, enforcement, operation, breach, continuance, or termination thereof shall be submitted to "Arbitration" as provided in this Agreement.
 - (i) <u>PRELIMINARY PROCEDURES</u>. If there are preliminary steps or procedures that would have to be followed under state law before a lawsuit could be commenced, those steps or procedures must be followed before the Arbitration can begin. Compliance with these state law provisions and any negotiations or settlement attempts made before the Arbitration do not constitute waiver of the Arbitration.
 - (ii) <u>ARBITRATION FEES</u>. The parties agree to share equally the cost of filing fees and administrative fees charged in connection with the Arbitration. If one of the parties pays a fee to the arbitrator in the process of requesting or scheduling the Arbitration, the other party will reimburse the paying party for its half of the fee within 30 days of being requested to do so in writing. With regard to any other cost incurred in connection with the Arbitration, each party shall bear their own costs. If a party uses litigation to enforce this Arbitration provision or the Arbitration award, the court will award to the prevailing party its court costs and reasonable attorney's fees.
 - (iii) ARBITRATION PROCEDURE. Thirty (30) days after the controversy arises and all preliminary steps or procedures have been satisfied, either of the parties may demand Arbitration. The parties shall select a single arbitrator from the current year's list as maintained by the American Arbitration Association for the nearest geographical area / local municipality to the Property in question. If the parties are unable to agree on one arbitrator from said list, then the parties will each choose one arbitrator from the list and those two arbitrators will then choose the single arbitrator who shall decide the case.
 - (iv) ARBITRATION AWARD AND RULES. The award rendered by the single arbitrator appointed pursuant to this Agreement shall be final and binding on all parties to the proceeding, and judgment on the award may be entered by either party in the highest court, state or federal, having jurisdiction. The appropriate Arbitration Rules and Mediation Procedures of the American Arbitration Association shall govern and control the Arbitration, and discovery in the form of document production and depositions shall be permitted, subject to the restrictions and conditions established by the Arbitrator.
 - (v) <u>ARBITRATION DEFENSE</u>. The parties agree that the Arbitration provisions of this Agreement shall be a complete defense to any suit, action, or proceeding instituted in any federal, state, or local court or before any administrative tribunal with respect to any controversy or dispute arising during the period of this Agreement, except that nothing herein shall preclude the parties from seeking injunctive or other equitable relief from a court of competent jurisdiction. The Arbitration provisions shall, with respect to the controversy or dispute, survive the termination or expiration of this Agreement and is binding on the parties and their respective successors and assigns. Nothing contained in this Agreement shall be deemed to give the arbitrator(s) any authority, power, or right to alter, change, amend, modify, add to, or subtract from any of the provisions of this Agreement.



9. **DEFINITIONS.**

- a. "Sewage Collection System," or "Collection System," means sewage collection pipe easements granted to Cartwright Creek, which shall run from the property line of each subdivided property in the Development served by the Project to wastewater collection pipelines and to the WWTP, as designed by Owner's civil engineer, as well as the pipe, valves, electrical controls, flow meters, and manholes installed within the easement. The Collection System does NOT include any real property interest in the subdivided, residential lots included in the Project, except that Cartwright Creek shall be granted a right of access to each lot for the purpose of maintaining, repairing, and replacing the individual grinder pumps serving each home, per Paragraph 4.b.iv. of this Agreement, and a right of access to the potable water supply shut-off valve for each home, per Paragraph 4.e. of this Agreement.
- b. "Residential Grinder Pumps" means the sewage pumps to be provided by E-one which have been specified by Owner's civil engineer for this Project. Each home served by the WWTP will be required to have a grinder pump meeting the design specifications approved by Cartwright Creek to macerate the sewage and pump the wastewater to the WWTP. Each Residential Grinder Pump shall be affixed to its corresponding residential property and owned by the homeowner. Each homeowner shall be responsible for repairs and replacement of his/her Residential Grinder Pump, subject to the conditions provided in Paragraph 4.b.iv. of this Agreement.
- c. <u>"Wastewater Treatment Plant" or "WWTP"</u> means the wastewater treatment system designed by Owner's consulting engineers, including treatment equipment, building, and site.
- d. "Irrigation System" means the reclaimed wastewater irrigation pumps, pipe, sprinklers, and other appurtenances for irrigating treated wastewater to the primary and secondary irrigation areas.
- e. <u>"Operations Costs"</u> means the costs to operate and maintain the Collection System, WWTP, and Irrigation System including those items listed in Exhibit D and other reasonable and documented costs.
- f. <u>"Wastewater Treatment and Reuse Facilities"</u> means the Collection System, Wastewater Treatment Plant, and Irrigation System as defined above.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date written above.

EAGLE RIDGE INVESTMENTS, L.L.C.	CARTWRIGHT CREEK, L.L.C.
By: afic	By: Robed. Corleans
Name: J.J. KEHAL	Name: Robert Cochrane
Title: MEMBER	Title: Cto ISECRETARY Sheaffy Internation
	As Manager
	<i>Q</i>



EXHIBIT A PROPERTY MAP AND LEGAL DESCRIPTION

(to be provided by Owner)



EXHIBIT B

SCOPE OF PRECONSTRUCTION AND CONSTRUCTION PHASE SERVICES

Preconstruction Phase Scope of Services

- 1. Collection System
- Review collection system plans and specifications prepared by Owner's engineer, provide a list of clarifications/comments, resolve and answer questions with Owner's engineer, and issue a letter of acceptance.
- Review operations and maintenance manual for the collection system prepared by Owner's Engineer.
- 2. Irrigation System
- Review design plans and specifications prepared by Owner's engineer, provide comments and questions, resolve, issue letter of acceptance.
- Review engineering and permitting documents (DSIR, DDR, Engineering Report, soils information) prepared by Owner's Engineer, provide list of comments and questions, resolve, issue letter of acceptance.
- Review design plans and specifications prepared by Owner's engineer, provide comments and questions, resolve, issue letter of acceptance.
- 3. Wastewater Treatment System
- No additional work required provided Exhibit C Scope Basis is followed.
- 4. Regulatory and Administrative
- Review and sign the TDEC State Operating Permit application(s) prepared by Owner's Engineer for the Collection System, WWTP, and Irrigation System.

Construction Phase Scope of Services

- 1. Collection System
- Construction inspection on a weekly basis or as needed and witness pressure testing of collection lines prior to backfill.
- Review of individual certificates of installation and testing provided by installer.
- Review, comment if required, and issue letter of acceptance of the as-built system drawings
- Prepare final punchlist and after completion of punchlist items, prepare letter of acceptance for the collection system.
- 2. Wastewater Treatment Plant and Irrigation System
- Inspect the construction on a regular basis to ensure conformance with plans and specifications.
- Prepare final punchlist, and after completion issue certificate of acceptance from Cartwright Creek.
- Review operations and maintenance manual prepared by Owner's Engineer



Exhibit C Basis for Scope of Services

• Collection System:

- o Will be a low-pressure design and consist of: collection force mains installed in the streets and other common areas (i.e. not on homeowner's properties); and, individual grinder pumps (E-one or equivalent) at every home.
- O Individual grinder pumps will be installed by the homebuilder using a factory-certified installer. Prior to occupancy, each home will provide a certificate of installation and testing from the installer or manufacturer's local representative. The homeowners will be responsible for repair and replacement of the individual grinder pumps.
- o Stillwater's contractor will install and test the collection system in the common areas.

• Wastewater Treatment system:

- o Will be constructed by the Owner on the Burns Property, which is within Cartwright Creek's existing approved service area.
- O Will be a two cell, Sheaffer Wastewater Reclamation and Reuse System designed to treat 330,000 gallons per day of wastewater. There will be additional area set aside for system expansion to serve additional property in the region.

• Irrigation System:

- o Will have area sufficient to serve up to 150,000 gallons/day from the Stillwater development and up to 150,000 gallons/day from future development on the Burns property. Irrigation areas will be on the Stillwater properties south of Cox Road and on the Burns property.
- o Will utilize subsurface drip irrigation and will be sized and designed to comply with Williamson County and TDEC regulations and guidelines, including primary and secondary irrigation areas required by the county.
- o Will have irrigation storage volume meeting County and TDEC requirements will be incorporated within the Wastewater Treatment System and/or constructed on the Stillwater property south of Cox Road.
- O The Stillwater golf course will be utilized as an additional, "auxiliary" irrigation area per Williamson County regulations. The golf course will be owned and managed by the Owner or Owner's assigns. The golf course operators will be responsible for controlling the use of reclaimed water on the golf course and related permit requirements. The use of reclaimed water on the golf course will not require the Collection System, WWTP or Irrigation System to be operated in a manner that incurs Operation Costs over and above the costs for subsurface drip irrigation.

Owner or Owner's engineer will:

- Complete the county and TDEC permit documents such as the DDR, DSIR, Engineering Report, and related fieldwork, engineering and testing, stamped by a licensed Tennessee Professional Engineer.
- O Complete the detailed construction plans and specifications, stamped by a licensed Tennessee PE, for the Collection System, Irrigation System, and additional storage requirements south of Cox Road. After construction, the plans and specifications will be updated and reissued as built.
- o Prepare the TDEC State Operating Permit Application forms and required information; pursue approval, lead follow-up meetings with TDEC, respond to TDEC comments, make changes to documents, coordinate the owner's role in public hearings. Cartwright Creek will review and



- sign the State Operating Permit application, will attend related meetings with TDEC staff required to obtain the permit, and will attend and testify at public hearings, if required.
- Sheaffer International will complete the detailed engineering, plans, and specifications for the Wastewater Reclamation and Reuse System.
- The Owner will fund and construct all components of the Collection System, Irrigation System, and Wastewater Treatment System.
 - Any changes from the plans and specifications approved by TDEC for the Wastewater Treatment, Irrigation System, and Collection System will be submitted to Cartwright Creek for review and approval prior to implementing the change.



EXHIBIT D ITEMS INCLUDED IN CARTWRIGHT CREEK'S OPERATIONS COSTS

- Operating Labor
- Administrative Labor (Management, accounting, legal, engineering)
- Sampling and Testing Costs
- Regular preventative maintenance cost (monthly, annual, or other required frequency)
- Grounds keeping, mowing, cover crop maintenance
- Unscheduled maintenance and troubleshooting
- Replacement equipment allowance for WTTP, Collection, and Irrigation Equipment
- Electric Power
- Other Utility bills (water, telephone, internet)
- Insurance
- Bonding: Surety, Backup or others required by County and/or other agencies
- Sludge handling, transportation, and disposal costs
- Taxes
- Permit and other fees required by regulatory agencies
- Customer billing costs (preparation, mailing, collection)
- Materials and supplies (chemicals, consumables)
- Interest expense



EXHIBIT E

Schedule of Standard Hourly Rates and Reimbursable Expenses

Standard Hourly Rates

Standard Hourly Rates are subject to annual review and adjustment. Hourly rates for services in effect on the date of the Agreement are:

Design Review Engineering \$125 / hour*

Construction Inspection \$100 / hour*

Pre-Operations Consulting \$125 / hour*

Reimbursable Expenses

Reimbursable Expenses are subject to annual review and adjustment. Reimbursable expense rates in effect on the date of the Agreement are:

Mileage (auto)	IRS Standard Mileage Rate
Long Distance Phone Calls	cost + 10%
Meals and Lodging	cost + 10%
Air Travel, Airport Parking	cost + 10%
Public Transportation, Tolls	cost + 10%
Car / 4WD Truck Rental	cost + 10%
Consultant Charges	See Note*

^{*}Consultants' charges shall be subject to an administrative factor of 10%, and Owner shall be responsible for payment of the total (110% of consultant charges) to Cartwright Creek.



^{*}Travel time required for site visits, meetings, etc. in order to complete work under these categories is billable at the rate indicated for the appropriate category of work to be completed.

Amendment 1 To Agreement (the "Amendment")

1. Background Data:

a. Effective Date of Agreement:

August 30, 2007

b. Owner:

Eagle Ridge Investments, L.L.C, a Tennessee limited liability

company

c. Utility:

Cartwright Creek, L.L.C, a Tennessee limited liability company

("Cartwright Creek")

d. Specific Project:

Stillwater Conservation Development Wastewater Treatment and

Effluent Reuse System

2. Nature of Amendment

√ Additional Services to be performed by Utility

- √ Modifications to Services of Utility
- √ Modifications to Payment to Utility
- √ Modifications to Time(s) for rendering Services

3. Description of Modifications

Attachment 1, "Modifications"

Attachment 2, "Standard Hourly Rates and Reimbursable Expenses"

All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is 3.1.09 UTILITY and ASSIGNOR: Cartwright Creek, OWNER: Eagle Ridge Investments, L.L.C. L.L.C. Ву: Ву: Printed Robert I. Cochrane Printed D.J. Keehan Name: Name: CFO / Secretary, Sheaffer Title: Member Title: International, L.L.C. as Managing Member of Cartwright Creek, L.L.C. Date Date 3.1.09 Signed: Signed:

> By: Printed Name:

Title:

Date Signed:

ASSIGNEE: Sheaffer International, L.L.C.

Vice President of Operations

Scott Davis

Owner and Utility hereby agree to modify the above-referenced Agreement as set forth in this Amendment.

Modifications

- 1. Utility shall perform the following Additional Services:
- a) Review and provide written comments on revisions to the Design Development Report ("DDR") / Engineering Report and the Detailed Site Investigation Report ("DSIR") completed by Owner's engineering firm, Atwell-Hicks. Discuss comments in telephone review conferences.
- b) Attend four (4) meetings, if required, with Williamson County and the Tennessee Department of Environment and Conservation ("TDEC") staff to discuss resubmitted documents and proposed changes.
- c) Provide two (2) site visits to witness additional soils investigations in the relocated primary irrigation area around the treatment site.
- d) Initial design review telephone conversations with Atwell-Hicks staff to agree on conceptual design and phasing of the wastewater treatment system in sufficient detail for reports.
- 2. The Parties anticipate entering into a second amendment to the Agreement to update the Utility's scope of work, compensation, and other terms, at a later date.
- 3. For the Additional Services or the modifications to services set forth above, Owner shall pay Utility the following additional or modified compensation:
- a) Time and materials (T&M) plus reimbursable expenses, per Utility's rates found in Attachment 2 to this Amendment 1. A T&M estimated budget of \$11,200, plus additional reimbursable expenses, is established for this Amendment 1. This estimated T&M budget shall be adjusted equitably to compensate Utility for its work, if necessary; however the estimated T&M budget shall not be exceeded without prior written consent by Owner.
- 4. Utility shall complete its work within a reasonable time.
- 5. Additional Modifications.
 - a) Assignment. Cartwright Creek shall assign its rights and delegate its duties under this Amendment 1 to Sheaffer International, L.L.C, a Delaware limited liability company and Cartwright Creek's managing member ("Sheaffer"). Per Paragraph 8.m. of the Agreement, Owner hereby consents to this assignment and delegation.
 - b) Atwell-Hicks will revise the DDR/Engineering Report and the DSIR and submit the documents to Williamson County. One hard copy of each will be transmitted to the Sheaffer office in Tennessee and one hard copy of each will be transmitted to the Sheaffer office in Glen Ellyn, IL.

- c) Sheaffer will have seven (7) working days to review and provide written comments to Atwell-Hicks.
- d) Atwell Hicks will prepare revisions to the TDEC SOP forms for Cartwright Creek's review and signature.
- e) Atwell-Hicks will establish and coordinate the permit and approval revision process for the County and TDEC.
- f) System treatment system design concept is revised to include an STS-Aerorotor treatment system followed by disc filtration, ultrafiltration, and UV disinfection. A 40 day lined storage cell will also be provided that will also serve as an emergency storage cell if the treatment system is out of service. Detailed design of this system will commence upon receipt of sufficient assurance of acceptance of the changes from the County and TDEC.
- g) The treatment system will be constructed in phases to allow deferral of a portion of the system cost. The first phase will handle approximately 76,000 gallons/day.
- h) Irrigation areas will be reconfigured so that the initial primary irrigation is at or around the treatment site.
- i) The Stillwater Cartwright Creek agreement will be revised to reflect the incorporation of the STS Aerorotor System and the phasing of the treatment system construction. This contract revision will be completed upon receipt of sufficient approvals from the County and TDEC on the proposed change in treatment system design.

This is Attachment 2, consisting of 1 page, to Amendment No. 1, dated 3.169

Standard Hourly Rates and Reimbursable Expenses Schedule

Standard Hourly Rates are subject to annual review and adjustment. Hourly rates for services in effect on the date of Amendment 1 are:

Chief Financial Officer	Robert Cochrane	\$ <u>185</u> /hour
VP, Operations	Scott Davis	\$ <u>185</u> /hour
Chief Engineer	Bruce Meyer, P.E.	\$ <u>185</u> /hour
Operations Manager	Nathan Hinch	\$ <u>150</u> /hour
Staff Engineers / Engineering Design Associates	James Gaspar Arijit Sarkar Larry LeDay	\$ <u>150</u> /hour
Consulting Engineers		Cost + 20%
WWTP Operations	Delmar Reed	\$ <u>130</u> /hour
Billing Class 2	Technician II	\$ <u>100</u> /hour
Billing Class 1	Technician I	\$ <u>90</u> /hour
Support Staff		\$ <u>80</u> /hour

Reimbursable Expenses Schedule

A. Reimbursable Expenses are subject to annual review and adjustment. Reimbursable expense rates in effect on the date of the Agreement are:

8.5"x11" Copies	\$ <u>0.10</u> /page
11" x 17" Copies	\$ <u>0.25</u> /page
24" x 36" plans, via outside copy service	cost + 10%
Messenger, shipping	cost + 10%
Mileage (auto)	@ IRS rate in effect at time of invoice
Conference Call Service	cost + 10%
Meals and Lodging	cost
Air Travel, Airport Parking	cost
Note: Business Class required for International	flights
Public Transportation, Tolls	cost
Car Rental	cost
Note: 4 x 4 vehicles shall be rented, if required	al C

Petition of Cartwright Creek, LLC to
Change and Increase Rates and Charges
Docket No. 09-00056
Cartwright Creek, LLC Response to Consumer Advocate's First Discovery Request

Exhibits 3a.1, 3a.2, 3a.3



209

TENNESSEE DEPARTMENT OF REVENUE

Gross Receipts Tax Return - Gas, Water, Electric Power, & Light Companies

Account No. Taxable Period 340000233

Beginning: 07-01-08 Ending: 06-30-09

20-1899950 Due Date 08-01-08

JUL 1 9 2008

Reporting Period Day 11011 Beginning: Please indicate the annual or monthly reporting period

SSN or FEIN

CARTWRIGHT CREEK, LLC 800 ROOSEVELT RD STE B214 C-20 60137-5860 GLEN ELLYN IL httattaastatidadahaladadaadadadadada

If this is an AMENDED RETURN, please check the box at right



Make your check payable to the Tennessee Department of Revenue for the amount shown on Line 14 or 15 and mail to: TENNESSEE DEPARTMENT OF REVENUE Andrew Jackson State Office Building 500 Deaderick Street, Nashville TN 37242

ROUND TO NEAREST DOLLAR

Gross Receipts Tax on Gas Distribution 1. Gross receipts from gas distribution in Tennessee	(1) _	240,6 .00
2. Tax (1.50 %of Line 1)	(2)	.00,
Gross Receipts Tax on Water/Electricity Distribution 3. Gross receipts from water/electricitydistribution in Tennessee	_	240,685.00
4. Less: Exemption (\$5,000 maxlmum)	(4) _	5,000 .00
5. Gross receipts subject to tax (Line 3 less Line 4)	(5) _	235,685 .00
6. Tax (3.00 % of Line 5)	(6) _	7,07/ .00
Computation of Tax 7. Gross receipts tax (From Lines 2 and/or 6)	(7)	7,071.00
8. Less: Franchise tax credit	(8) _	507.00
9. Less: Excise tax credit	(9) _	.00,
10. Nettax (Line 7 less Lines 8 and 9)	(10) _	6564.00
11. Less credit amountfrom previous Departmentof Revenue notice(s)	(11) _	.00.
12. Penalty If filed LATE, compute penalty at 5% of the tax (Line 10 minus Line 11) for each 1 to 30 DAY PERIOD for which TAX IS DELINQUENT (Total penalty not to exceed 25%.) Minimum penalty is \$15 regardless of the amount of tax due or whether there is any tax due	(12) _	.00.
13. Interest (Line 10 minus Line 11 X 9.00 % per annum on taxes unpaid by the due date)	(13)	.00.
14. Total Tax Due (Add Lines 10, 12 and 13, less Line 11 if applicable)	(14) _	6,54/ .00
15. Installment (1/4 of Line 14) (Only timely annual filers have the option to use this line)	(15) _	1,641.00
16. Total Remittance Amount (Line 14 or Line 15)	(16)	.00
FOR OFFICE		

USE ONLY

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Ending:



TENNESSEE DEPARTMENT OF REVENUE

06-30-08

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& Light Companies

08-01-07

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SSN or FEIN 20-1899950

Please Indicate the annual or monthly reporting period CARTWRIGHT CREEK, LLC 800 ROOSEVELT RD STE B214 GLEN ELLYN IL 60137-5860

Reporting Period Month Beginning: Ending:

If this is an AMENDED RETURN, please check the box at right



Make your check payable to the Tennessee Department of Revenue for the amount shown on Line 14 or 15 and mail to: TENNESSEE DEPARTMENT OF REVENUE Andrew Jackson State Office Building 500 Deaderick Street, Nashville TN 37242

ROUND TO NEAREST DOLLAR

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	Gross Receipts Tax on Water/Electricity Distribution Gross receipts from water/electricity distribution in Tennessee	(3)	240,001.00
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5. 0	Gross receipts subjectto tax (Line 3 less Line 4)	(5)	.00.
	ax (3.00% of Line 5)	(6)	7,050.00
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9. L	ess: Excise tax credit	(9)	.00.
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2. F	enalty Iffiled LATE, compute penalty at 5% of the tax (Line 10 minus Line 11) for each 1 to 30 DAY PERIOD for which TAX IS DELINQUENT (Total penalty not to exceed 25%.) Minimum penalty is \$15 regardless of the amount of tax due or whether there is any tax due	(12)	.00_
	nterest (Line 10 minus Line 11 X 12.25 % per annum on taxes unpaid by the due date)	(13)	.00.
4. T	otal Tax Due (Add Lines 10, 12 and 13, less Line 11 if applicable)	(14)	.00.
5. lì	estallment (1/4 of Line 14) (Only timely annual filers have the option to use this line)	(15)	.00
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Attachment 3a3

TENNESSEE DEPARTMENT OF REVENUE

Gross Receipts Tax Return - Gas, Water, Electric Power, & Light Companies

GRO 209 Taxable Period

BegInning: 0 7 · 01 · 06

Ending: 0 6 · 3 0 · 0 7

Account No. 3 1 9 3 4 4 4 5 3 Due Date

08-01-06

SSN OR

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20 - 1899950

Received

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Reporting Period

Beginning:

0/10/12005

Please indicate the annual or monthly reporting period

Cartwright Creek LLC 800 Roosevelt Road, Suite B-214 61en Ellyn, 12 60137

If this is an AMENDED RETURN, please check the box at right

Make your check payable to the Tennessee Department of Revenue for the amount shown on Line 16 and mail to: TENNESSEE DEPARTMENT OF REVENUE
Andrew Jackson State Office Building
500 Deaderick Street, Nashville TN 37242

ROUND TO NEAREST DOLLAR

	Gross Receipts Tax on Gas Distribution		00
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2.	Tax (% of Line 1)(2)		.00
3.	Gross Receipts Tax on Water/Electricity Distribution Gross receipts fromwater/electricity distribution in Tennessee(3)	241,014	.00
4.	Less: Exemption (\$5,000 maximum)(4)	5,000	.00
5.	Gross receipts subject to tax (Line 3 less Line 4)(5)	239,014	.00
6.	Tax (3, 0 % of Line 5)(6)	7,170	.00
7.	Computation of Tax Gross receipts tax (From Lines 2 and/or 6)(7)		.00
8.	Less: Franchise tax credit	993	.00
9.	Less: Excise tax credit(9)		.00
10.	Net tax (Line 7 less Lines 8 and 9)(10)	6,177	.00
11.	Less credit amount from previous Department of Revenue notice(s)(11)		.00
12.	Penalty If filed LATE, compute penalty at 5% of the tax (Line 10 minus Line 11) for each 1 to 30 DAY PERIOD for which TAX IS DELINQUENT (Total penalty not to exceed 25%.) Minimum penalty is \$15 regardless of the amount of tax due or whether there is any tax due (12)		.00
3.	Interest (Line 10 minus Line 11 X % per annum on taxes unpaid by the due date)(13)		.00
4.	Total Tax Due (Add Lines 10, 12 and 13, less Line 11 if applicable)(14)	6177	.00
5.	Installment (¼ of Line 14) (Only timely annual filers have the option to use this line)(15)		.00
6.	Total Remittance Amount (Line 14 or Line 15)(16)	6177	.00

FOR OFFICE USE ONLY

<u>|</u>

I declare this is a true, complete, and accurate return to the best of my knowledge.

SIGN'
HERE
President or other Principal Officer, Partner or Proprietor / Date

SIGN
HERE

Tax Return Preparer and Title

209340001

Date

Petition of Cartwright Creek, LLC to
Change and Increase Rates and Charges
Docket No. 09-00056
Cartwright Creek, LLC Response to Consumer Advocate's First Discovery Request

Exhibit 3b.1



Taxable Year Account No.			ccount No.		FEIN	or SSN		
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17	170 Ending: 12/31/2008		Due Date		AMENDED RETURN.	AMENDED RETURN, please check the box		
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	Schedule D — SCHEDULE OF CREDITS	011200	
1			
2	Tennessee Income Tax (cannot exceed Schedule B, Line 5)	•	
3	Day Care Credit from Schedule W, Line 18/Green Energy Tax Credit/Carbon Charge		
	Credit/Headquarters Relocation Expense Credit (attach schedule)		
4	Industrial Machinery Credit from Schedule T, Line 11		
5	Jobs Tax Credit from Schedule X, Line 28		
6	Jobs Tax Credit computed in accordance with T.C.A. Section 67-4-2109 (c)(2)(H) , (I) or (K)		
7	Total Credit Add lines 1 through 6 (Enter here and on Schedule C, Line 9)	7	
L.	Schedule E — SCHEDULE OF PAYMENTS		
1	Overpayment from previous year if available		
2	First quarterly estimated payment		
3	Second quarterly estimated payment		
4	Third quarterly estimated payment		
5	Fourth quarterly estimated payment		
6	Extension payment		
7	Total payments — Add lines 1 through 6 (Enter here and on Schedule C, Line 11)	7	
	COMPUTATION OF FRANCHISE TAX		
	Schedule F1 - NON-CONSOLIDATED NET WORTH		
1	Net Worth (total assets less total liabilities)	1	-499,562.
2	Indebtedness to or guaranteed by parent or affiliated corporation	2	
3	Total lines 1 and 2	3	-499,562.
4	Ratio (Schedules N, O, P, or R if applicable or 100%).	4	100,0000%
5	Total – Line 3 multiplied by Line 4 (Enter here and on Schedule A, Line 1)		-499,562.
	Schedule F2 – CONSOLIDATED NET WORTH		
1	Consolidated Net Worth (total assets less total liabilities)		
2	Ratio (Schedule 170NC or 170SF)	_	્ર
3	Total Line 1 multiplied by Line 2 (Enter here and on Schedule A, Line 1)	3	
	NOTE: Schedule F2 is to be completed only if the consolidated net worth election has been made.		
	Schedule G — DETERMINATION OF REAL AND TANGIBLE PROPERT	<u>Y</u>	
	BOOK VALUE OF PROPERTY OWNED — Cost less accumulated depreciation	. [In Tennessee
1	Land	1	
2	Buildings, leaseholds, and improvements	2	
3	Machinery, equipment, furniture, and fixtures	3	144,808.
4	Automobiles and trucks	4	
5	$\label{prop:prop:state} \textit{Prepaid supplies and other tangible personal property (Attach schedule)} \dots \\ \textit{See} . \\ \textit{Statement} . \\ \textit{1}$	5	32,868.
6	Share of partnership real and tangible property provided that the partnership does not file a return		
	(Attach schedule)	6	
7	Inventories and work in progress	7	
a	Deduct exempt inventory in excess of \$30 million (Section 67-4-2108(a)(6)(B))	7a	
8	Deduct value of certified pollution control equipment (Include copy of certificate (Section 67-5-604))	8	
9	Deduct exempt required capital investments (T.C.A. Section 67-4-2108(a)(6)(G))	9	
10	CLIDITOTALS Add lines 1 through 7 less line 7s through Line 9	10	177 676

7	Inventories and work in progress	7			
	a Deduct exempt inventory in excess of \$30 million (Section 67-4-2108(a)(6	7a			
8	Deduct value of certified pollution control equipment (Include copy of certi	ficate (Section 67-5-	604))	8	
9	Deduct exempt required capital investments (T.C.A. Section 67-4-2108(a)	6)(G))		9	
10	SUBTOTALS - Add lines 1 through 7, less Line 7a through Line 9			10	177,676.
	Rental Value of Property Used but not Owned (A) (B) In Tennessee				(C)
	Net Annual Rental Paid for:	In Tennessee			
11	Real property		x8	11	
12	Machinery and equipment used in manufacturing and processing	12			
13	Furniture, office machinery, and equipment	13			
14	Delivery or mobile equipment	14			
15	TENNESSEE TOTAL Add lines 10 · 14 (Enter total here and on Schedul	e A, Line 2)		15	177,676.

		Page:				
TAXABLE YEAR	TAXPAYER NAME	ACCOUNT NO./FEIN/SSN				
2008	CARTWRIGHT CREEK L.L.C.	319344153				

	COMPUTATION OF EXCISE TAX			
	Schedule J-1 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS P	AR'	T	VERSHIPS
1	Ordinary Income or Loss from Federal Form 1065, Line 22, plus any intangible expense to an affiliated business entity deducted for federal tax purposes	1		-274,011.
2		2		11,576.
3		3		11,570.
4		4		-262,435.
5	ocitation to partitions (i decreal 1000 ocitation ty)	5		
7		6	ļ	0.
8	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs).	7 8	-	
9 1 0	Total deductions - Add lines 5 through 8	9		-262,435.
	Schedule J-2 - COMPUTATION OF NET EARNINGS FOR A SINGLE MEMBER LLC FILING		=	AN INDIVIDITAL
	Additions:	1 // \	<u>T</u>	AN INDIVIDUAL
1	Business Income from Form 1040, Schedule C plus any intangible expense to an affiliated business entity	1		
2	Business Income from Form 1040, Schedule D plus any intangible expense to an affiliated business entity	2	ľ	
3	Business Income from Form 1040, Schedule E plus any intangible expense to an affiliated business entity	3		
4	Business Income from Form 1040, Schedule F plus any intangible expense to an affiliated business entity	4		
5	Business Income from Form 4797	5		
6	Other: Form, Schedule	6	L	
7	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax (include schedule of entities and FEINs).	7		
8	Total - Add lines 1 through 7	8		
9	Deductions: Amount subject to self-employment taxes distributable or paid to the single member (If negative, enter zero) (Include on Schedule K, Line 3)	9		
10		_	r	
11	Total deductions – Add lines 9 and 10.		H	
12		12	r	
	Schedule J-3 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS SUBCHAPTER S		D/	ODATIONS.
1	Ordinary Income or Loss from Federal Form 1120S, Line 21 plus any intangible expense to an affiliated	CUR	P) T	JKA HUNS
•	business entity deducted for federal tax purposes	1	_	
2	Income items to extent includable in federal income were it not for 'S' status election (Fed 1120S — Schedule K)	2		
3	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs).	3		
4	Total — Add lines 1, 2 and 3 Deductions:	4	ŀ	
5	Expense items to extent includable in federal expenses were it not for 'S' status election (Fed 1120S — Schedule K).	5	L	
6	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs).	6		
7	Total deductions – Add lines 5 and 6	7	H	
8	Total - Line 4 less Line 7 (Enter here and on Schedule J, Line 1)	8		
				OTHER ENTITIES
	Schedule J-4 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS CORPORATIONS Enter the amount of income (loss) from the applicable federal return to Schedule J, Line 1	AIVL	<u>n</u>	OTHER FAITHES
1	Federal Form 1120 — Line 28 (Taxable income or loss before net operating loss deduction and special deductions) plus any intangible expense to an affiliated business entity deducted for federal tax purposes	1		
2	Federal Form 990-T, Line 30 (unrelated business taxable income)	2	r	
3	Other: Form, Schedule	3	F	
4	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	4	_	
5	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs)	5		
	Total — Lines 1 through 4 less Line 5 (Enter here and on Schedule 1 Line 1)	6	1	

Page 4

		Schedule J - COMPUTA	TION OF NET EARNINGS	SUBJECT TO EXCISE T	ΊΑΧ	
1	Federal inc	ome or loss (Enter amount from Sched 5:	dule J-1, J-2, J-3, or J-4)		1	-262,435.
2	Any depred Tennessee as a result	iation under the provisions of IRC Sec permanently decoupling from federal I of 'safe harbor' lease elections. (attact	tion 168 not permitted for excise conus depreciation and any exp controlled schedule)	e tax purposes due to ense/deprecation deducted	2	
3		for domestic production activities under the provi			3	
4		e sale of an asset sold within twelve months afte			4	
5	Tennessee	excise tax expense (to the extent repo	orted for federal purposes)		5	
6		iums tax deducted in determining fede			6	
7		ome on obligations of states and their			7	
8		ot based on actual recovery of cost			8	
9		carryover from prior period(s)			9	
10		ns offset by capital loss carryover or ca			10	
11	Evress fair	market value over book value of prope	erty donated		11	
12	Total additi	ons — Add lines 2 through 11	org domaic diversity		12	
12	DEDUCTIO					
10			tion 168 permitted for excise tax	nurnoses due to		
15	Tennessee	iation under the provisions of IRC Sec permanently decoupling from federal I	onus depreciation		13	
14	Any avege	gain (or loss) from the basis adjustme	ent resulting from Tennessee pe	rmanently decoupling from	1 /	
	federal bon	us depreciation			14	
15		e sale of an asset sold within twelve months afte				
16	Dividends r	eceived from corporations, at least 80	% owned (attach schedule)		10	
17	Contribution	ns in excess of amount allowed by fed	eral government		1/	
18	Donations t	o Qualified Public School Support Gro	ups and nonprofit organizations		18	
19	Portion of o	urrent year's capital loss not included	in federal taxable income	La impagna for which a gradit	19	
20	Any expens	e other than income taxes, not deduct federal income tax is allowable	ted in determining federal taxab	le income for which a credit	20	
21	Any income	included for federal tax purposes and	l any depreciation or other expe	nse that could have been		
	deducted for	r 'safe harbor' lease elections (attach	schedule)		21	
22	Nonbusines	s earnings — Schedule M, Line 8			22	
23	Intangible e	expense to an affiliated business entity adjustment provided in TCA Section	· (Intangible expense disclosure 67-4-2006(d)(3))	form MUST be completed	23	
24	Intangible i	ncome from an affiliated business enti r has been disallowed	ty if the corresponding intangible	e expense has not been		
	disclosed o	has been disallowed				
25		uctions – Add lines 13 through 24		•••••	25	
		TION OF TAXABLE INCOME:			~~	262 425
26	Total Busin	ess Income (Loss) - Add lines 1 and	12, less Line 25 (if loss, comple	te Schedule K)	26	-262,435. 100.0000 %
27	Apportionm	ent Ratio (Schedules N, O, P, or R if a	applicable or 100%)	••••	2/	
28	Apportioned	l business income (Loss) (Line 26 mul	tiplied by Line 27)		28	-262,435.
29	Add: Nonbu	siness earnings directly allocated to T	ennessee (From Schedule M, Li	ine 9)	29	F00 015
30		s carryover from prior years (From Sc			30	500,315.
31	Subject to e	excise tax (6.50 %) (Line 28 plus Lin	e 29, less Line 30) (enter here a	and on Schedule B, Line 4).	31	-762,750.
9	Schedule	K — DETERMINATION OF LOSS CAR	RYOVER AVAILABLE — See Ru	ıle 1320-6-121 of Departmen	tal F	Rules and Regulations
1	Net loss fro	m Schedule J, Line 26			1	-262,435.
	ADD:				_	
2	Amounts re	ported on Schedule J, lines 16 and 22		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2	
3	Amounts re	ported on Schedule J-1, lines 6 and 7	, and Schedule J-2, Line 9	,	3	_060 ADE
4	Reduced lo	ss – Add lines 1 through 3 (if net amo	unt is positive, enter '0')		4	-262,435. 100.0000 %
5	Excise Tax	Ratio (Schedules N, O, P, or R if appl	icable or 100%)		5 6	-262,435.
6	Current yea	r loss carryover available (Line 4 mult	iplied by Line b)		<u> </u>	
		C -111	L – FEDERAL INCOME	DEVISIONS		
			1		Т	
	Year	1 Original Net Income on Federal Return	2 Net Income Corrected	3 Increase (Decrease) in Net Income	'	4 Increase (Decrease) Affecting Excise Tax

319344153

SCHEDULE U and V - LOSS CARRYOVER/INDUSTRIAL MACHINERY CREDIT CARRYOVER

NOTE: SCHEDULES U AND V ARE NOT REQUIRED TO BE FILED WITH THE RETURN. These schedules may be used as a worksheet to compute the amount of net operating loss carryover and\or industrial machinery credit carryover available.

IMPORTANT INFORMATION APPLICABLE TO LOSS CARRYOVER

- 1 Any net operating loss incurred for fiscal years ending on or after 1-15-84 may be carried forward fifteen (15) years as a net operating loss carryover.
- 2 COMBINED RETURN UNITARY GROUP OF FINANCIAL INSTITUTIONS: Any net operating loss incurred by a member of the unitary group which has been apportioned to Tennessee in a year prior to filing a combined return may be carried forward seven (7) years as a net operating loss carryover by the unitary group. A net operating loss incurred by a unitary group of financial institutions computed on a combined basis may be carried forward fifteen (15) years by the unitary group. Reference: Section 67-4-2006(c), Tennessee Code Annotated.

SCHEDULE U — SCHEDULE OF LOSS CARRYOVER						
Year	Period Ended (MM/YY)	For Original Return or As Amended	Used In Prior Year(s)	Expired	Loss Carryover Available	
1	12/07	189,417.			189,417.	
2	12/06	186,037.			186,037.	
3	12/05	124,861.			124,861.	
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15					500 015	
	Total Amount	t (Transfer to Schedule J, Line 30)		500,315.	

SCHEDULE V — SCHEDULE OF INDUSTRIAL MACHINERY CREDIT CARRYOVER IMPORTANT INFORMATION APPLICABLE TO INDUSTRIAL MACHINERY CREDIT CARRYOVERS

Any unused credit incurred for fiscal years ending on or after 3-15-82 may be carried forward in any tax period for up to fifteen (15) years. Reference: Section 67-4-2009(4)(c), Tennessee Code Annotated.

Year	Period Ended (MM/YY)	For Original Return or As Amended	Used In Prior Year(s)	Expired	Industrial Machinery Credit Carryover Available
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

2008	Tennessee Statements	Page 1
Client CARTWRIG	CARTWRIGHT CREEK L.L.C.	20-1899950
3/08/09		07:22PN
Statement 1 Form FAE 170, Schedule G Prepaid supplies and othe	G, Line 5 r tangible personal property	
Other Assets		32,868. Total 32,868.

sheaffer International, LLC Tennessee Department of Revenue 2008 TN Partnership Return	Tennessee Department of Revenue 500 Deaderick Street Nashville TN 37242 MEMO 20-1899950 2008 FAE 170 II**********************************	PAY TO THE ORDER OF Tennessee Department of Revenue Four Hundred Forty-Four and 00/100*********************************	SHEAFFER INTERNATIONAL, LLC PH. 630-446-4080 PH. 630-446-4080 800 ROOSEVELT ROAD STE C 20 GLEN ELLYN, IL 60137
4/15/2009 444.00	#BO 2 3 III A COLUMNIS CASA COLUMN III S CO B III	\$*444.00 *******************************	COMMUNITY BANK! WHEATONIGLEN/ELLYM 70-2543/719 4/15/2009

INC 250 1032

Tennessee Department Of Revenue Individual Income Tax Return



Filing Period
Beginning:

1-01-08
Ending:

12-31-08

Due Date

4-15-09
Account Number

CARTWRIGHT CREEK L.L.C. 800 ROOSEVELT RD BLDG C #20 GLEN ELLYN, IL 60137

Please mail payments to:

Tennessee Department of Revenue Andrew Jackson State Office Building 500 Deaderick Street Nashville, TN 37242-0300

YOUR SSN:

SPOUSE'S SSN:

FEIN: 20-1899950

Developer's Code

If this is an AMENDED RETURN, please check the box at right

1032

Because a portion of the tax goes back to the city or county of residence, please provide the county and city (if within an incorporated municipality) of the taxpayer's legal residence on the lines below.

County

City GLEN ELLYN

AFFIDAVIT FOR EXEMPTION

For tax years beginning January 1, 2000, any person 65 years of age or older having a total annual income derived from any and all sources of \$16,200 or less, or any persons who file a joint return and either spouse is 65 years of age or older having a total annual joint income derived from any and all sources of not more than \$27,000 may qualify for a total exemption from income tax. IF YOU QUALIFY FOR THE EXEMPTION, DO NOT COMPLETE THE SCHEDULES BELOW. CHECK THE BOX AT RIGHT AND SIGN RETURN ON PAGE 2

CHECK ALL BOXES WHICH APPLY:

1 2	Single Married Filing Jointly	4	Quadriplegic (yourself)	6 7	Blind (yourself) Blind	9 10	Partnership X Limited Liability
3	Married Filing Separately (enter spouse's SSN above)	5	Quadriplegic (your spouse)	8	(your spouse) Trust	11	Company Estate
Т	AX COMPUTATION					ROU	ND TO THE NEAREST DOLLAR
1 GROSS	S TAXABLE INCOME (From Sch	nedule A).			1		11,576.
2 SUBTR	ACT EXEMPTION — \$1,250 in \$1,250 in	f single or	married filing separately		2		1,250.
	۱۱ Jay کارچیا۔ NT SUBJECT TO TAX (Line 1 le				2		10,326.
	E TAX (6% of Line 3)				4		620.
	: Amount paid with extension re				5		0.
	TY — If filed late, compute per for each 1 to 30 DAY Per penalty NOT TO EXCEL of the amount of tax du						. 0.
	EST — If filed late, compute in minus Line 5) from the						0.
8 TOTAL	AMOUNT DUE (Add Lines 4, 6,	and 7, su	btract Line 5)		8		620.
9 REFUN	D (If Line 5 exceeds total of Lin	ies 4, 6, ai	nd 7, enter overpayment he	re)	9		0.
RV-R00035	501						
FOR OFF							TNIA0112L 11/28/08

Preparer's Name and Address Federal ID : 36-4241612
TNIA0112L 11/28/08

JEFFREY J WATERS CPA

800 ROOSEVELT RD BLDG C # 114 GLEN ELLYN, IL 60137-5839 Petition of Cartwright Creek, LLC to
Change and Increase Rates and Charges
Docket No. 09-00056
Cartwright Creek, LLC Response to Consumer Advocate's First Discovery Request

Exhibit 3b.2



FA	E Beginning:	1/01/2007	319344153		20-18	399950
17		12/31/2007	Due Date	AMENDED RETURN, p	lease che	ck the box
103.	"		4/15/2008	at right.		
	CHECK AP a Tenne b Fore c S Co d Insur e LLC f PLLC g Single h Single i Single	PROPRIATE BLOCK(S): ssee domestic corporation ign corporation reporation rance Company Member LLC/individual Member LLC/corporation Member LLC/general partners Taxpayer Name and R RIGHT CREEK L.L	J Single Member LLC/Division of parent (see instructions) k LP t LLP m RLLP n PRLLP o Business Trust p Not-For-Profit q Other hip	FINAL RETURN for ler or withdrawal, please at right. Application of Public L Excise Tax, please check the Payment for this retur EFT, please check the Taxpayer has made an net worth per the prov 67-4-2103 (g)-(i), please the provincipal business activity in Te 221300	ew 86-27: ck box at n was ser box at rig n election risions of use check siness act us that bos unnessee.	2 to right
	chy GLEN E	LLYN		Oale Termessoc Operations Bega	n	If you use a paid preparer and do not want forms mailed to you next year, check box
L	State IL		ZIP Code 60137	1/01/200)5	at right.
SCHEDU	JLE A - CO	PUTATION OF FRA	ANCHISE TAX			
			ule F2, Line 3 ,		1	-244,313.
2 Total real	and tangible per	sonal property from Sch	edule G, Line 15		2.	202,696.
3 Franchise minimum	tax (25 ¢ per \$1 \$100.00)	00.00 or major fraction	thereof on the greater of Lines 1 or	2;	3	507.
SCHEDU	JLE B - CON	IPUTATION OF EXC	CISE TAX			
4 Income su	bject to excise t	ax from Schedule J, Line	: 31 <i></i>		4.	-500,315.
5 Excise tax	(6,50 % of Li	ne 4)	**************************		5 _	
6 Add: Reca	pture of excise t	ax credit from Schedule	T, Part 2		6.	
7 Net excise	tax due (Line 5	plus Line 6)	TAL TAX DUE OR OVERPAY	NAC NET		
8 Total Fran	obice and Evelor	Laves - Add Lines 3 at	nd 7	I VI La I VI	8	507.
			ot exceed Line 8)		9	
			8, enter 0 here)		10	507.
			*****************************		11	
12 Penally (5	% for each 30-d	ay period of delinquency	not to exceed 25%; minimum pena	ılly is \$15)	12	
13 Interest (% p	oer annum on taxes unp	aid by the due date)		13	
14 Penalty on	estimated franc	chise, excise tax paymen	its	/ / / -	14	
15 Interest on	estimated franc	chise, excise tax paymer	ls	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	15 .	507.
16 Total amor	unt due (overpa	yment) – Add lines 10, 1	12, 13, 14, and 15, less Line 11		ַ טו	301.1
· · ·	ment reported o edit to next year	n Line 16, complete A ar	B Refund \$			
	**************************************	Under penallies of perium I de	ctare that I have examined this report, and to It	no bost of my knowledge	and bellef	, it is true, correct, and complete.
POWER OF ATTO YES if this taxpayo certifies that this I the authority to ex- behalf of the taxpa authorized to recei confidential tax inf perform any and a respective tax matter	or's signature ax preparer has ecute this form on yer and is ve and inspect formation and to Il acts relating to	Taxpayer a Signature JECT X EV JUNE TEL TAX FINATES Signature JECT REY J WATE		3/11/68/ Date	(63	Tille
RV-R0011001					Remit an	tount on Line 16, payable to:
OR OFFICE SE ONLY	-		·		Andrew J 500 Dead	nount on Line 16, payable to: SEE DEPARTMENT OF REVENUE ackson State Office Building lerick Street, Nashville, TN 37242
			TNCZ0812L 09/11/07			

FEIN or SSN

	3193441	53
STIC		
1		
2		
3		
1		1

	Schedule D — SCHEDULE OF CREDITS						
1	Gross Premiums tax credit (cannot exceed Schedule C, Line 8)						
2	Tennessee Income Tax (cannot exceed Schedule B, Line 5)						
3	Day Care Credit from Schedule W, Line 18/LIHTC from Schedule Y, Line 3 3						
4	Industrial Machinery Credit from Schedule T, Line 11						
5	Jobs Tax Credit from Schedule X, Line 28 5						
6	Jobs Tax Credit computed in accordance with T.C.A. Section 67-4-2109 (c)(2)(H) , (I) or (K)						
7	Total Credit Add lines 1 through 6 (Enter here and on Schedule C, Line 9)						
	Schedule E SCHEDULE OF PAYMENTS						

	Schedule E SCHEDULE OF PAYMENTS					
1	Overpayment from previous year if available	1				
2	First quarterly estimated payment	2				
3	Second quarterly estimated payment	3)			
4	Third quarterly estimated payment	4				
5	Fourth quarterly estimated payment	5				
6	Extension payment	6				
7	Total payments — Add lines 1 through 6 (Enter here and on Schedule C, Line 11)		7			

COMPUTATION OF FRANCHISE TAX

	Schedule F1 - NON-CONSOLIDATED NET WORTH		
1	Net Worth (total assets less total liabilities)	1	-244,313.
2	Indebtedness to or guaranteed by parent or affiliated corporation	2	<u></u>
3	Total lines 1 and 2	3	-244,313.
4	Ratio (Schedules N, O, P, or R if applicable or 100%)	4	100.0000%
	Total - Line 3 multiplied by Line 4 (Enter here and on Schedule A, Line 1)		-244,313.

	Schedule F2 — CONSOLIDATED NET WORTH				
1 2	Consolidated Net Worth (total assets less total liabilities)	1 2	-	4.	96
	Total - Line 1 multiplied by Line 2 (Enter here and on Schedule A, Line 1).	3			
	NOTE: Schedule F2 is to be completed only if the consolidated net worth election has been made.				

Schedule G - DETERMINATION OF REAL AND TANGIBLE PROPERTY						
	BOOK VALUE OF PROPERTY OWNED - Cost less accumulated depreciati				In Tennessee	
1	Land	.,		. 1		
2	Buildings, leaseholds, and improvements			. 2 _		
3	Machinery, equipment, furniture, and fixtures			. 3	202,696.	
4	Automobiles and trucks	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		. 4		
5	Prepaid supplies and other tangible personal property (Attach schedule)		,	. 5		
6	Share of partnership real and tangible property provided that the partnership	p does not file a re	eturn			
	(Attach schedule)			. 6		
7	Inventories and work in progress					
1	a Deduct exempt inventory in excess of \$30 million (Section 67-4-2108(a)(6)(B))					
8	Deduct value of certified pollution control equipment (Include copy of certifi	cale (Section 67-5	604))			
9	Deduct exempt required capital investments (T.C.A. Section 67-4-2108(a)(6					
10	SUBTOTALS - Add lines 1 through 7, less Line 7a through Line 9		,,	, 10	<u> 202,696.</u>	
	Rental Value of Property Used but not Owned	(A)	(B)	ĺ	(C)	
	Net Annual Rental Paid for:	In Tennessee		İ		
11	Real property		x8	71		
12	Machinery and equipment used in manufacturing and processing		x3	12	·	
13	Furniture, office machinery, and equipment		x2	13	······································	
14	Delivery or mobile equipment		x1	14		
15	TENNESSEE TOTAL - Add lines 10 · 14 (Enter total here and on Schedule			. 15	202,696.	

				Page	
	TAXABLE YEAR TAXPAYER NAME			NO. IFEIN/SSN	
	2007 CARTWRIGHT CREEK L.L.C.		3	19344153	
	COMPUTATION OF EXCISE TAX				
	Schedule J-1 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED	AS P	ART	NERSHIPS	
1	Ordinary Income or Loss from Federal Form 1065, Line 22, plus any intangible expense to an affiliated business entity deducted for federal tax purposes.		1	-192,586	
2	Additions: Additional income items specifically allocated to partners, including guaranteed payments to partners (Federal 1065 – Schedule K)		•	3,169.	
3	(Federal 1065 — Schedule K). Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax, or any net loss or expense distribute a publicly traded REIT (include schedule of entities and FEINs).	ited to	2 3	3, 109.	
4	a publicly traded REIT (include schedule of entities and FEINs)		4	-189,417.	
5	Deductions: Additional expense items specifically allocated to partners (Federal 1065 Schedule K)		5		
6	Amount subject to self-employment taxes distributable or paid to each partner or member net of medical insurance payments previous	isly	6	0.	
7	Amount of contribution, not previously deducted, to qualified pension or benefit plans of any partner or		7		
8	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distributed on the control of t	ed to a	8		
9	Total deductions Add lines 5 through 8		9	100 115	
10	Total - Line 4 less Line 9 (Enter here and on Schedule J, Line 1)		10	-189,417.	
· · ·	chedule J-2 — COMPUTATION OF NET EARNINGS FOR A SINGLE MEMBER LLC F		RA F	AN INDIVIDUAL	
<u> </u>	Additions:				
1	Business Income from Form 1040, Schedule C plus any intangible expense to an affiliated business ent	ity	1		
1 '	Business Income from Form 1040, Schedule D plus any intangible expense to an affiliated business ent	ilv	2		
2	Business Income from Form 1040, Schedule E plus any intangible expense to an affiliated business ent	ilv	3		
3	Business Income from Form 1040, Schedule F plus any intangible expense to an affiliated business enti-	ilu	4		
4	Business Income from Form 1040, Schedule F plus any intangible expense to all anniated business end	ι	5		
5	Business Income from Form 4797		6	444-20-457	
6	Other: Form, Schedule			<u></u>	
7	Any not loss or expense received from a 'pass-through' entity subject to and paying the excise tax (include schedule of entities and F	čins) .	7		
8	Total — Add lines 1 through 7		8		
	Deductions:				
9	Amount subject to self-employment taxes distributable or paid to the single member (If negative, enter a (Include on Schedule K, Line 3)		9		
10	Any not gain or income received from a 'pass-through' entity subject to and paying the excise tax (include schedule of entities and F	EINs).	10		
11	Total deductions – Add lines 9 and 10		11		
12	Total - Line 8 less Line 11 (Enter here and on Schedule J, Line 1)		12		
	Schedule J-3 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS SUBCHAPT			PORATIONS	
	Ordinary Income or Loss from Federal Form 1120S, Line 21 plus any intangible expense to an affiliated	LITO	OUN	OMATIONO	
1	business entity deducted for federal tax purposes	••••	1	<u> </u>	
2	Income items to extent includable in forteral income were it not for 'S' status election (Fed 1120S — Schedule K)		2		
3	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax, or any net loss or expense distribute a publicly traded OFIT (include schedule of entities and FEINs).	ited to	3		
4	Total Add lines 1, 2 and 3		4		
Ţ	Deductions:				
5	Expanse items to extent includable in federal expenses were it not for 'S' status election (Fed 1120S — Schedule K)		5		
6	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distribut	ed to a	6	, <u></u>	
7	Total deductions - Add lines 5 and 6		7		
8	Total Line 4 less Line 7 (Enter here and on Schedule J, Line 1).		8		
	Schedule J-4 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS CORPORA	TIONS	SANE	OTHER' ENTITIES	
	Enter the amount of income (loss) from the applicable federal return to Schedule J, Line 1	HOM	7 / 1110	Ottibit Bittitico	
1	Federal Form 1120 — Line 28 (Taxable income or loss before net operating loss deduction and special deductions) plus any intangible expense to an affiliated business entity deducted for federal tax purpose		1		
-	Federal Form 990-T, Line 30 (unrelated business taxable income)		2		
2	Other: Form, Schedule		3		
3	Additions:				
4	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax, or any net loss or expense distribute a publicly traded REIT (include schedule of entities and FEINs).	ited to	4		
5	Deductions: Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distribute publicly traded REIT (include schedule of entities and FEINs)		5		
c	publicly traded RET (include schedule of entities and FEINS). Total Lines 1 through 4 less Line 5 (Enter here and on Schedule J, Line 1).			**************************************	
6	Total - Titles 1 (Illough 4 less title 2 (Title) here suit all deligation of title 15			Last variables :	

<u> </u>	Schedule J - COMPUTATION OF NET EARNINGS SUBJECT TO EXCISE 1	ΓΑΧ	
	Federal income or loss (Enter amount from Schedule J-1, J-2, J-3, or J-4)	1	-189,417.
2	Any depreciation under the provisions of IRC Section 168 not permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation and any expense/deprecation deducted as a result of 'safe harbor' lease elections. (attach schedule)	2	
3	Any deduction for domestic production activities under the provisions of IRC Section 199	3	
4	Any cain on the sale of an asset sold within twelve months after the date of distribution to a nontaxable entity	4	<u> </u>
5	Tennessee excise lax expense (to the extent reported for federal purposes)	5	
6	Gross premiums tax declucted in determining federal income and used as an excise tax credit	6	
7	Interest income on obligations of states and their political subdivisions, less allowable amortization	7	
8	Depletion not based on actual recovery of cost	8	
9	Contribution carryover from prior period(s)	9	
10	Capital gains offset by capital loss carryover or carryback	10	
11	Excess fair market value over book value of property donated	11	
12	Total additions — Add lines 2 through 11 DEDUCTIONS:		
13	Any depreciation under the provisions of IRC Section 168 permitted for excise tax purposes due to Tennessee permanently decoupling from federal bonus depreciation.	13	
14	Any excess gain (or loss) from the basis adjustment resulting from tennessee permanently decoupling from federal horses depreciation.	14	
15	Any loss on the sale of an asset sold within twelve months after the date of distribution to a nontaxable entity	15	
16	Dividends received from corporations, at least 80% owned (attach schedule)	16	
17	Contributions in excess of amount allowed by federal government	17	
18	Donations to Qualified Public School Support Groups and nonprofit organizations	18	
19	Doction of oursent year's capital loss not included in federal taxable income	19	
20	Any expense other than income taxes, not deducted in determining federal taxable income for which a credit against the federal income tax is allowable.	20	
21	Any income included for federal tax purposes and any depreciation or other expense that could have been deducted for 'safe harbor' lease elections (attach schedule)	21	4.44.40
22	Nonbusiness earnings — Schedule M, Line 8	22	
23	Intangible expense to an affiliated business entity (Intangible expense disclosure form MUST be completed to avoid the adjustment provided in TCA Section 67-4-2006(d)(3))	23	
24	Intangible income from an affiliated business entity if the corresponding intangible expense has not been disclosed or has been disallowed.	24 25	
25	TOTAL deductions — Add lines 13 through 24	20	
	COMPUTATION OF TAXABLE INCOME:	26	-189,417.
26	Total Business Income (Loss) - Add lines 1 and 12, less Line 25 (if loss, complete Schedule K)	27	100.0000 %
27	Apportionment Ratio (Schedules N, O, P, or R if applicable or 100%)	28	-189,417.
28	Apportioned business income (Loss) (Line 26 multiplied by Line 27)	29	103/11/1
29	Add: Nonbusiness earnings directly allocated to Tennessee (From Schedule M, Line 9)	30	310,898.
30	Deduct: Loss carryover from prior years (From Schedule U)	31	-500,315.
31	Subject to excise tax (6.50 %) (Line 28 plus Line 29, less Line 30) (enter here and on ochequie of the 4).	*•	33373231
	Schedule K — DETERMINATION OF LOSS CARRYOVER AVAILABLE — See Rule 1320-6-121 of Departmen	tal F	ules and Regulations
	Net loss from Schedule J, Line 26	1	-189,417.
1	ADD:		
2	Amounts reported on Schedule J. lines 16 and 22	2	
3	Amounts reported on Schedule J-1, lines 6 and 7, and Schedule J-2, Line 9	3	
4	Reduced loss - Add lines 1 through 3 (if net amount is positive, enter '0')	4	-189,417.
5	Excise Tax Ratio (Schedules N, O, P, or R if applicable or 100%)	5	100.0000 %
6	Current year loss carryover available (Line 4 multiplied by Line 5)	6	-189,417.
	O. L. L. L. EPREDAL MICOMP DEVICIONS		
	Schedule L — FEDERAL INCOME REVISIONS	\top	16
	1 Oviginal Not Income 2 Not Income 3 Increase (Decrease)	1 0	Increase (Decrease)

Schedule L FEDERAL INCOME REVISIONS					
Year	1 Original Net Income on Federal Return	2 Net Income Corrected	3 Increase (Decrease) in Net Income	4 Increase (Decrease) Affecting Excise Tax	
			<u> </u>		

319344153

SCHEDULE U and V - LOSS CARRYOVER/INDUSTRIAL MACHINERY CREDIT CARRYOVER

NOTE: SCHEDULES U AND V ARE NOT REQUIRED TO BE FILED WITH THE RETURN. These schedules may be used as a worksheet to compute the amount of net operating loss carryover and/or industrial machinery credit carryover available.

IMPORTANT INFORMATION APPLICABLE TO LOSS CARRYOVER

- Any net operating loss incurred for fiscal years ending on or after 1-15-84 may be carried forward fifteen (15) years as a net operating loss carryover.
- COMBINED RETURN UNITARY GROUP OF FINANCIAL INSTITUTIONS:
 Any net operating loss incurred by a member of the unitary group which has been apportioned to Tennessee in a year prior to filing a combined return may be carried forward seven (7) years as a net operating loss carryover by the unitary group. A net operating loss incurred by a unitary group of financial institutions computed on a combined basis may be carried forward fifteen (15) years by the unitary group. Reference: Section 67-4-2006(c), Tennessee Code Annotated.

Year	Period Ended (MM/YY)	For Original Return or As Amended	Used In Prior Year(s)	Explred	Loss Carryover Available
1	12/06	186,037.			186,037
2	12/05	124,861.			124,861
3					
4					
5					
6					
7					
8					
9	<u> </u>				
10					
11				**************************************	
12					
13					
14					
15	l	Transfer to Schedule J, Line 30)			310,898

SCHEDULE V -- SCHEDULE OF INDUSTRIAL MACHINERY CREDIT CARRYOVER IMPORTANT INFORMATION APPLICABLE TO INDUSTRIAL MACHINERY CREDIT CARRYOVERS

Any unused credit incurred for fiscal years ending on or after 3-15-82 may be carried forward in any tax period for up to fifteen (15) years. Reference: Section 67-4-2009(4)(c), Tennessee Code Annotated.

Year	Perlod Ended (MM/YY)	For Original Return or As Amended	Used In Prior Year(s)	Expired	Industrial Machinery Credit Carryover Available
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					* *
12					
13			-	··········	
14					
15					

INC 250

Tennessee Department Of Revenue Individual Income Tax Return

32	

Due Date Filing Period Beoimha: 1-01-07 4-15-08 Ending: Account Number 12-31-07

CARTWRIGHT CREEK L.L.C. 800 ROOSEVELT RD BLDG B #214 GLEN ELLYN, IL 60137

Developer's Code If this is an AMENDED RETURN, please check the box at right Please mail payments to: Tennessee Department of Revenue Andrew Jackson State Office Building 500 Deaderick Street 1.032 Nashville, TN 37242-0300

YOUR SSN:

SPOUSE'S SSN:

FEIN: 20-1899950

Because a portion of the tax goes back to the city or county of residence, please provide the county and city (if within an incorporated municipality) of the taxpayer's legal residence on the lines below.

County City GLEN ELLYN

AFFIDAVIT FOR EXEMPTION

For tax years beginning January 1, 2000, any person 65 years of age or older having a total annual income derived from any and all sources of \$16,200 or less, or any persons who file a joint return and either spouse is 65 years of age or older having a total annual joint income derived from any and all sources of not more than \$27,000 may qualify for a total exemption from income tax. IF YOU QUALIFY FOR THE EXEMPTION, DO NOT COMPLETE THE SCHEDULES BELOW. CHECK THE BOX AT RIGHT AND SIGN RETURN ON PAGE 2

CHECK ALL BOXES WHICH APPLY:

	O'ILON / ILL		11110111111				
1	Single			6 7	Blind (yourself) Blind	9 10	Partnership X Limited Liability
2	Married Filing Jointly	4	Quadriplegic (yourself)	,	(your spouse)	10	Company
3	Married Filing Separately (enter spouse's SSN above)	5	Quadriplegic (your spouse)	8	Trust	11	Estate ROUND TO THE NEAREST DOLLAR
	TAX COMPUTATION					ſ	OMP 10 HIE HENNEST PORDS
1 GROS	SS TAXABLE INCOME (From Sch	nedule A)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,., 1		3,169.
2 SUBT	RACT EXEMPTION - \$1,250 if	single or married f	married filing separately		, 2		1,250.
	JNT SUBJECT TO TAX (Line 1 le				3		1,919.
	ME TAX (6% of Line 3)				4		115.
	R: Amount paid with extension r	equest an	d/or prepayment(s)		, 5		0.
	If filed late, compute put for each 1 to 30 DAY Pupenalty NOT TO EXCEL of the amount of tax due	enally at 5 ERIOD for ED 25%). Ie or whet	% of the tax (Line 4 minus which TAX IS DELINQUEN Minimum penalty is \$15 re her there is any tax due	Line 5) IT (Total gardless	, 6		0.
7 INTER	REST—If filed late, compute in minus Line 5) from the						0.
	L AMOUNT DUE (Add Lines 4, 6						115.
	IND (If Line 5 exceeds total of Lin						0.
RV-R0003	3501					_	
FOR OF]	TN(A0112L 11/29/07

If taxpayer is deceased, enter date of death	Enter taxpayer's phone number below
If taxpayer spouse is deceased, enter date of death	

of death			
SCHEDULE A — TAXABLE DIVIDEN List taxable dividends from all sources, incleand mutual funds. List all bonds, notes, mo interest. (See instructions on separate shee explanations of taxable income.)		SCHEDULE B — NON-TAXABLE DIVID DIVIDENDS from national and Tennessee of credit unions, building or savings and loan licensed insurance companies, and cemele on bonds of the U.S. Government and its a bonds, interest from credit unions, certification or represented by a written instrument, paraccounts, bank money market accounts, which is commercial paper maturing in 6 months or separate sheet for examples and explanations.	ENDS AND INTEREST chartered bank stock, companies, Tennessee by companies, INTEREST agencies, Tennessee des of deposit, accounts assbook accounts, savings
Dividends:	Figure (Cities to the Hose of Bulls	accounts, bank money market accounts, N commercial paper maturing in 6 months or separate sheet for examples and explanati	IOW accounts, and less. (See instructions on long of nontaxable income.) Please round to the nearest dollar
		Dividends:	Please found to the record donar
	(3-10-10-10-10-10-10-10-10-10-10-10-10-10-		
Interest: From Federal Schedule K	3,169.	Interest:	
Total	3,169.		
GROSS TAXABLE ► INCOME	3,169.	GROSS NON-TAXABLE ► INCOME	0.
Enter on Line 1 on page 1 also.	Under penalitos belief, it is true,	of portury, I declare that I have examined this report, and to correct and complete.	o the best of my knowledge and
	Taxpayer's Si	ginalure Spouse's S	Signature Date (630) 469-6388 Telephone

Under panalties of portury, I declare that I have ex- beliaf, it is true, correct and complete.		se's Signalure	Date
Taxpayer's Signolure	3/11/0/	(630)	469-6388
Tax Propager's Signature	Date	Telephone	
JEFFREY J WATERS CPA			
800 ROOSEVELT RD BLDG C	# 114		
GLEN ELLYN, IL 60137-583	39		
Preparer's Name and Address Federal	TD : 36-4	241612	

250 1032

Tennessee Department Of Revenue Individual Income Tax Return



Filing Period
Beginning:

1-01-07
Ending:

1-031-07

Due Date

4-15-08
Account Number

SHEAFFER INTERNATIONAL, L.L.C 800 ROOSEVELT RD. BLDG. B SUITE 214 GLEN ELLYN, IL 60137

Please mail payments to:

Tennessee Department of Revenue Andrew Jackson State Office Building 500 Deaderick Street Nashville, TN 37242-0300

FEIN: 36-4303085

YOUR SSN:

SPOUSE'S SSN:

Developer's Code

If this is an AMENDED RETURN, please check the box at right

1032

Because a portion of the tax goes back to the city or county of residence, please provide the county and city (if within an incorporated municipality) of the taxpayer's legal residence on the lines below.

County

City GLEN ELLYN

AFFIDAVIT FOR EXEMPTION

For tax years beginning January 1, 2000, any person 65 years of age or older having a total annual income derived from any and all sources of \$16,200 or less, or any persons who file a joint return and either spouse is 65 years of age or older having a total annual joint income derived from any and all sources of not more than \$27,000 may qualify for a total exemption from income tax. IF YOU QUALIFY FOR THE EXEMPTION, DO NOT COMPLETE THE SCHEDULES BELOW. CHECK THE BOX AT RIGHT AND SIGN RETURN ON PAGE 2.

CHECK ALL BOXES WHICH APPLY:

1 2	Single Married Filing Jointly	<i>4</i>	Quadriplegic (yourself) Quadriplegic	6 7	Blind (yourself) Blind (your spouse)	9 10	· X	Partnership Limited Liab Company	ility
3	Married Filing Separately (enter spouse's SSN above)	•	(your spouse)	8	Trust	11	ROUND 1	Estate TO THE NEAREST	DOLLAR
7	TAX COMPUTATION								
1 GROS	S TAXABLE INCOME (From Sc	hedule A) .		,,,,	1			5,	116.
2 SUBTF	RACT EXEMPTION - \$1,250 if	f single or r f married fil	narried filing separately		2				250.
	NT SUBJECT TO TAX (Line 1 le				3				866.
	4E TAX (6% of Line 3)				4				232.
	R: Amount paid with extension r			<i></i>	5				0.
6 PENAL	If filed late, compute po	enalty at 5% ERIOD for v ED 25%). Nue or wheth	% of the tax (Line 4 minu which TAX IS DELINQUE Ainimum penalty is \$15 r er there is any tax due	s Line 5) NT (Total egardless	6				0.
7 INTERE	EST—If filed late, compute in minus Line 5) from the	terest at 12 due date o	2.25% per annum on the f payment to the date pa	tax (Line 4 nid	. 7				0.
	AMOUNT DUE (Add Lines 4, 6								232.
	ID (If Line 5 exceeds total of Lir								0.
RV-R00035									
FOR OFF								TNIA0112L	11/29/07

If taxpayer is deceased, enter date of death	Enter taxpayer's phone number below
If taxpayer spouse is deceased, enter date of death	

SCHEDULE A — TAXABLE DIVIDEND	S AND INTEREST	SCHEDULE B — NON-TAXABLE DIVIDI	ENDS AND INTEREST			
List taxable dividends from all sources, include and mutual funds. List all bonds, notes, mortg interest. (See instructions on separate sheet f explanations of taxable income.)	ing holding companies	on bonds of the U.S. Government and its agencies, Tennessee bonds, interest from credit unions, certificates of deposit, accounts				
Dividends:	7 lease round to the rearest dollar	accounts, bank money market accounts, No commercial paper maturing in 6 months or separate sheet for examples and explanation	JIJ OI HOHICKGBIO HIGGINGIA			
			Please round to the nearest dollar			
		Dividends:				
Interest: From Federal Schedule K	2,264.	Interest: From Federal Sch. M-1	48,053.			
CARTWRIGHT CREEK, LLC	2,852.					
			10.050			
Total	5,116.	Total	48,053.			

GROSS TAXABLE INCOME Enter on Line 1 on page 1 also.

	1	1	\mathcal{C}	
ጉ	- 1	1	6	

GROSS NON-TAXABLE ► INCOME

48,053.

Under penalties of perjury. I declare that I have e belief, it is true-correct and complete.	xamined this report,	and to the best of i	my knowledge and
Taxbayelys Signature	Spou	se's Signature	Date
JEENRIN WATERS	3/11/18	(630)	469-6388
Tax reparer's Signature	Date	Telephone	
JEFFREY J WATERS CPA			
800 ROOSEVELT RD BLDG C	# 114		
GLEN ELLYN, IL 60137-58	39		
Preparer's Name and Address Federal	ID: 36-4	241612	

36-4303085

2007 SCHEDULE U and V - LOSS CARRYOVER/INDUSTRIAL MACHINERY CREDIT CARRYOVER

NOTE: SCHEDULES U AND V ARE NOT REQUIRED TO BE FILED WITH THE RETURN. These schedules may be used as a worksheet to compute the amount of net operating loss carryover and/or industrial machinery credit carryover available.

IMPORTANT INFORMATION APPLICABLE TO LOSS CARRYOVER

- Any net operating loss incurred for fiscal years ending on or after 1-15-84 may be carried forward fifteen (15) years as a net operating loss carryover.
- COMBINED RETURN UNITARY GROUP OF FINANCIAL INSTITUTIONS:
 Any net operating loss incurred by a member of the unitary group which has been apportioned to Tennessee in a year prior to filing a combined return may be carried forward seven (7) years as a net operating loss carryover by the unitary group. A net operating loss incurred by a unitary group of financial institutions computed on a combined basis may be carried forward fifteen (15) years by the unitary group. Reference: Section 67-4-2006(c), Tennessee Code Annotated.

S	CHEDULE	U - SCHEDULE OF LOSS	CARRYOVER		
Year	Period Ended (MM/YY)	For Original Return or As Amended	Used In Prior Year(s)	Expired	Loss Carryover Available
1	12/06	143.			143.
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15	<u> </u>				143.
1	Total Amount	t (Transfer to Schedule J, Line 30) ,		·

SCHEDULE V - SCHEDULE OF INDUSTRIAL MACHINERY CREDIT CARRYOVER IMPORTANT INFORMATION APPLICABLE TO INDUSTRIAL MACHINERY CREDIT CARRYOVERS

Any unused credit incurred for fiscal years ending on or after 3-15-82 may be carried forward in any tax period for up to fifteen (15) years. Reference: Section 67-4-2009(4)(c), Tennessee Code Annotated.

Year	Period Ended (MM/YY)	For Original Return or As Amended	Used In Prior Year(s)	Expired	Industrial Machinery Credit Carryover Available
1					
2					
3					
4					
5					
6					
7					
8					
9					
10		<u> </u>			
11	,				
12					
13					
14					
15		<u> </u>			

SHEAFFER INTERNATIONAL, LLC

PH. 630-446-4080 800 ROOSEVELT ROAD STE C 20 GLEN ELLYN, IL 60137

70-2543/719 0

4/16/2008

PAY TO THE ORDER OF

Tennessee Department of Revenue

**232.00

DOLLARS

Tennessee Department of Revenue 500 Deaderick Street Nashville, TN 37242

Pobed. Corleion

мемо INC250 36-4303085 2007

#OOB339# #O71925431# 118023#

SHEAFFER INTERNATIONAL, LLC

Tennessee Department of Revenue

4/16/2008

8339

232.00

INC250 36-4303085 2007 Cash- Community Ba

232.00

SHEAFFER INTERNATIONAL, LLC

8339

Tennessee Department of Revenue

4/16/2008

232.00

Cartwright Creek LLC

Cartwright Creek LLC

Exhibit 3b.3

	I	Taxable Year		Account No.				or SSN	
FΑ	1 5	1/01/2006		319344153	3		<u> 20-1</u>	899950	
17	0 Ending:	12/31/2006		Due Date		AMENDED RETURN, p	lease che	eck the box	
103	2			4/15/200	7	at right.			
	CHECK AP a Tenne b Fore	PROPRIATE BLOCK ssee domestic corporation ign corporation		ngle Member LLC parent (see instr	C/Division	FINAL RETURN for ter or withdrawal, please at right.			
	d Insul	orporation rance Company	m n	RLLP PRLLP		Application of Public L Excise Tax, please che			
	_ I ~	, Member LLC/individual Member LLC/corporation	o _ p _ q	Business Trust Not-For-Profit Other		Payment for this retur EFT, please check the	n was se box at ri	nt via	
	i 🗆 Sinale	Member LLC/general par	nership	4		Taxpayer has made an	efection	to calculate	
		<u> </u>		***************************************		net worth ner the prov	isions of	T.C.A.	
		Taxpayer Name a	nd Mailing A	ddress		67-4-2103 (g)-(i), plea	ise checi	the box at right.	
	ALTERNATION	RIGHT CREEK I				Enter the principal bu	siness ac	tivity code (NAICS) list	ed in
	Name <u>CARTW</u>	KIGHI CKEEK I	.п.с.			I federal IRC instruction	s that be	est describes the princip	al
	0.00			5 8014		business activity in Te	innessee	•	
	Box (street) 800	ROOSEVELT RI) BLDG	B #214		221300		т	
	City GLEN E	LLYN	····			Date Tennesse Operations Bega	e in	If you use a paid preparer and do not want forms mailed to you next year, check b	av
	State IL		710	Code 60137		1/01/20	15	at right.	υλ
						1/01/20			
SCHED	JLE A - CO	MPUTATION OF	FRANCH	SE TAX					
1 Total net v	vorth from Sche	dule F1, Line 5 or Sc	hedule F2, L	ine 3			1	-97,3	
2 Total real	and tangible per	sonal property from	Schedule G,	Line 15			2	283,7	58.
minimum	\$100.00)	00.00 or major fracti		<u></u>	ines 1 or 2;		3	7	09.
SCHED	JLE B - COI	MPUTATION OF	EXCISE T	'AX					
4 Income su	bject to excise t	ax from Schedule J,	.ine 31	,,			4	-310,8	98.
		ne 4)							
		ax credit from Sched						•	
1	•	plus Line 6)					7		
SCHEDI	II F C - COI	MPUTATION OF	TOTAL T	AX DUE OR O	VERPA	MENT			
		taxes - Add Lines					8	7	09.
		Schedule D, Line 7 (c				Ī	9		
		9 (if Line 9 exceeds L					10	7	09.
		om Schedule E, Line	=	•			11		~~
		ay period of delinque				v ic \$15)		•	
								•	
13 Interest (per annum on taxes							-
		hise, excise tax payı							
		chise, excise tax payı							09.
		/ment) - Add lines 1		, and 15, less Lii	ne II		16		09.[
[•	n Line 16, complete /	and/or B:						
A Cr	edit to next year				d \$				
POWER OF ATTO		Under penalties of perjur	, I declare that	I have examined this i	report, and to t	he best of my knowledge	and bel	ief, it is true, correct, an	d complete.
YES if this taxpay	er's signature			w.m.m					
certifies that this the authority to ex	ecute this form on	Taxpayer's Signature JEDWARY WA				. 1 Date		Title	_
behalf of the taxpa	yer and is	JEGANA PA	TERS	<u>353-62</u>		<u>4/フレンフ</u>	<u>(6</u>	30) 469-638	8
authorized to rece	ive and inspect	Tax# leparer's Signature			rer's SSN	// Date		Telephone	
confidential tax in perform any and a		JEFFREY J WA	TERS CPA	4 36-42416. NC C # 114	ען די איז די בי היים דים	7T T VN1		IL 60137-	5830
respective tax mat	🗂 ்	800 ROOSEVEL	ד עה פרן	JG C # 114	מדיבון ן			State SIP C	
<u> </u>	ters. YES	Preparer's Address				City			
RV-R0011001		····					Remit a	mount on Line 16, payal	de to:
FOR OFFICE USE ONLY	-						Andrew 500 Dea	Jackson State Office Buderick Street, Nashville,	ilding TN 37242

1032				Page Z
CA	RTWRIGHT CREEK L.L.C.		319344153	
	Schedule D - SCHEDULE OF CRED	DITS		
1	Gross Premiums tax credit (cannot exceed Schedule C, Line 8)	1		
2	Tennessee Income Tax (cannot exceed Schedule B, Line 5)	2		
3	Day Care Credit from Schedule W, Line 18/LIHTC from Schedule Y, Line 3	3		
4	Industrial Machinery Credit from Schedule T, Line 11	4		
5	Jobs Tax Credit from Schedule X, Line 28	5		
6	Jobs Tax Credit computed in accordance with T.C.A. Section 67-4-2109 (c)(2)(H) or (l)	6		
	Total Credit - Add lines 1 through 6 (Enter here and on Schedule C, Line 9)		7	
Γ	Schedule E SCHEDULE OF PAYMI	ENT:	S	
1	Overpayment from previous year if available	1		
2	First quarterly estimated payment	2		
3	Second quarterly estimated payment	3		
4	Third quarterly estimated payment	4		
5	Fourth quarterly estimated payment	5		
6	Extension payment	6		
7	Total payments — Add lines 1 through 6 (Enter here and on Schedule C, Line 11)			
	COMPUTATION OF FRANCHISE T	ΑX		

	Schedule F1 — NON-CONSOLIDATED NET WORTH		
1	Net Worth (total assets less total liabilities)	1	-97,368.
2	Indebtedness to or guaranteed by parent or affiliated corporation	2	
3	Total lines 1 and 2	3	-97,368.
4	Ratio (Schedules N, O, P, or R if applicable or 100%)	4	100.0000%
5	Total - Line 3 multiplied by Line 4 (Enter here and on Schedule A, Line 1)	5	-97,368.

Schedule F2 — CONSOLIDATED NET WORTH					
1 Consolidated Net Worth (total assets less total liabilities)	,				
2 Ratio (Schedule 170NC or 170SF)		%			
3 Total - Line 1 multiplied by Line 2 (Enter here and on Schedule A, Line)	i			
NOTE: Schedule F2 is to be completed only if the consolidated net worth	election has been made.				

	Schedule G - DETERMINATION OF REAL	AND TANGIBL	E PROPER	ΤΥ	
	BOOK VALUE OF PROPERTY OWNED - Cost less accumulated depreciation	on			In Tennessee
1	Land			1	
2	Buildings, leaseholds, and improvements		,,,,,,,,,,,	2	
3	Machinery, equipment, furniture, and fixtures			3	283,758.
4	Automobiles and trucks			4	
5	Prepaid supplies and other tangible personal property (Attach schedule)			5	
6	Share of partnership real and tangible properly provided that the partnership	o does not file a retu	rn		
	(Attach schedule)			6	
7	Inventories and work in progress			7	
ā	Deduct exempt inventory in excess of \$30 million (Section 67-4-2108(a)(6)(E	3))		7a	
8	Deduct value of certified pollution control equipment (Include copy of certific	ate (Section 67-5-60	4))	8	
9	Deduct exempt required capital investments (T.C.A. Section 67-4-2108(a)(6)	(G))		9	
10	SUBTOTALS - Add lines 1 through 7, less Line 7a through Line 9			10	283,758.
			1		
	Rental Value of Property Used but not Owned	(A)	(B)		(C)
	Net Annual Rental Paid for:	In Tennessee	***		
11	Real property		x8	11	
12	Machinery and equipment used in manufacturing and processing	***************************************	x3	12	
13	Furniture, office machinery, and equipment		<u>x2</u>	13	
14	Delivery or mobile equipment		x1	14	
15	TENNESSEE TOTAL - Add lines 10 - 14 (Enter total here and on Schedule	A, Line 2)		15	283,758.

TAXABLE YEAR TAXPAYER NAME ACCOUNT NO./FEIN/SSN 2006 CARTWRIGHT CREEK L.L.C. 319344153

	COMPUTATION OF EXCISE TAX		
	Schedule J-1 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS P	ART	NERSHIPS
1	Ordinary Income or Loss from Federal Form 1065, Line 22, plus any intangible expense to an affiliated business entity deducted for federal tax purposes	1	-191,112.
	Additional income items specifically allocated to partners, including guaranteed payments to partners (Federal 1065 – Schedule K).	2	5,075.
	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	3	
4	Total — Add lines 1, 2, and 3	4	-186,037.
5	Additional expense items specifically allocated to partners (Federal 1065 - Schedule K)	5	
6	deducted to determine Ordinary Income (Loss) on Form 1065 (If negative, enter zero) (Include on Schedule K, Line 3)	6	0.
7	Amount of contribution, not previously deducted, to qualified pension or benefit plans of any partner or member, including all IRC 401 plans (Include on Schedule K, Line 3)	7	
	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs).	8	
9 10	Total deductions – Add lines 5 through 8	9 10	-186,037.
S	chedule J-2 — COMPUTATION OF NET EARNINGS FOR A SINGLE MEMBER LLC FILING	G AS	AN INDIVIDUAL
	Additions:		/ / ((
1	Business Income from Form 1040, Schedule C plus any intangible expense to an affiliated business entity	1	
2	Business Income from Form 1040, Schedule D plus any intangible expense to an affiliated business entity	2	
3	Business Income from Form 1040, Schedule E plus any intangible expense to an affiliated business entity	3	
4	Business Income from Form 1040, Schedule F plus any intangible expense to an affiliated business entity	4	
5	Business Income from Form 4797	5	
6	Other: Form, Schedule	6	
7	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax (include schedule of entities and FEINs)	7	
8	Total – Add lines 1 through 7	8	
	Deductions:		
9	Amount subject to self-employment taxes distributable or paid to the single member (If negative, enter zero) (Include on Schedule K, Line 3)	9	
10	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax (include schedule of entities and FEINs)	10	
11	Total deductions - Add lines 9 and 10	11	
12	Total - Line 8 less Line 11 (Enter here and on Schedule J, Line 1)	12	
	Schedule J-3 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS SUBCHAPTER S	S COF	RPORATIONS
1	Ordinary Income or Loss from Federal Form 1120S, Line 21 plus any intangible expense to an affiliated business entity deducted for federal tax purposes	1	
	Additions:		
2	Income items to extent includable in federal income were it not for 'S' status election (Fed 1120S — Schedule K)	2	
3	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	3	
4	Total — Add lines 1, 2 and 3 Deductions:	4	
5	Expense items to extent includable in federal expenses were it not for 'S' status election (Fed 1120S — Schedule K)	5	
6	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs).	6	
7		7	
8	Total - Line 4 less Line 7 (Enter here and on Schedule J, Line 1)	8	
	Schedule J-4 — COMPUTATION OF NET EARNINGS FOR ENTITIES TREATED AS CORPORATION	IS AN	D 'OTHER' ENTITIES
	Enter the amount of income (loss) from the applicable federal return to Schedule J, Line 1		
1	Federal Form 1120 — Line 28 (Taxable income or loss before net operating loss deduction and special deductions) plus any intangible expense to an affiliated business entity deducted for federal tax purposes	1	
2	Federal Form 990-T, Line 30 (unrelated business taxable income)	2	
3	Other: Form, Schedule	3	
4	Any net loss or expense received from a 'pass-through' entity subject to and paying the excise tax, or any net loss or expense distributed to a publicly traded REIT (include schedule of entities and FEINs)	4	
5	Any net gain or income received from a 'pass-through' entity subject to and paying the excise tax, or any net gain or income distributed to a publicly traded REIT (include schedule of entities and FEINs).	5	
6	Total - Lines 1 through 4 less Line 5 (Enter here and on Schedule J, Line 1)	6	

		Schedule J – COMPUTAT	TION OF NET EARNINGS	SUBJECT TO EXCISE	TAX	(
1		ome or loss (Enter amount from Sched	ule J-1, J-2, J-3, or J-4)		1	-186,037.
	ADDITIONS					:
2	Any deprect Tennessee as a result of	2				
3	Any deduction	for domestic production actvities under the provis	ions of IRC Section 199		3	
4		e sale of an asset sold within twelve months after			4	
5		excise tax expense (to the extent repor			5	
6	•	iums tax deducted in determining feder			6	reason declarated by the State Control of the State
7		ome on obligations of states and their p			7	
8	•	ot based on actual recovery of cost			8	
9		carryover from prior period(s)			9	
10		s offset by capital loss carryover or car			10	
11		market value over book value of prope			11	
12	Total addition	ons – Add lines 2 through 11			12	
	DEDUCTION					
13	Any depreci	ation under the provisions of IRC Secti permanently decoupling from federal be	on 168 permitted for excise tax	purposes due to	13	
14	Any excess	gain (or loss) from the basis adjustments depreciation	nt resulting from Tennessee per	manently decoupting from	14	
15		sale of an asset sold within twelve months after			15	
16	•	eceived from corporations, at least 80%			16	
17		is in excess of amount allowed by feder			17	1,00
18		o Qualified Public School Support Grou			18	
19		urrent year's capital loss not included in			19	
20	Any eynens	e other than income taxes, not deducte	ed in determining federal taxable	income for which a credit		
01	against the	federal income tax is allowable included for federal tax purposes and	one dong sisting or other even	oce that sould have been	20	
21	Any Income	included for federal tax purposes and r 'safe harbor' lease elections (attach s	any depreciation or other expen	ise mai could have been	21	
22		s earnings — Schedule M, Line 8			22	
23	Intangible e	xpense to an affiliated business entity (adjustment provided in TCA Section 6	(Intangible expense disclosure f	orm MUST be completed		
	to avoid the	adjustment provided in TCA Section 6	7-4-2006(d)(3))		23	-
24	Intangible in disclosed or	ncome from an affiliated business entity has been disallowed	if the corresponding intangible	expense has not been	24	
25		uctions - Add lines 13 through 24			25	
		ION OF TAXABLE INCOME:				
26	Total Busine	ess Income (Loss) - Add lines 1 and 1	2, less Line 25 (if loss, complete	Schedule K)	26	-186,037.
27	Apportionme	ent Ratio (Schedules N, O, P, or R if ap	oplicable or 100%)		27	100.0000 %
28		l business income (Loss) (Line 26 multi			28	-186,037.
29	Add: Nonbu	siness earnings directly allocated to Te	nnessee (From Schedule M, Lir	ne 9)	29	
30		s carryover from prior years (From Sch			30	124,861.
31	Subject to e	excise tax (6.50 %) (Line 28 plus Line	29, less Line 30) (enter here ar	nd on Schedule B, Line 4)	31	-310,898.
5	Schedule I	√ — DETERMINATION OF LOSS CAR	RYOVER AVAILABLE - See R	ule 1320-6-121 of Departmen	tal R	ules and Regulations
		m Schedule J, Line 26			1	-186,037.
	ADD:					
2		ported on Schedule J, lines 16 and 22.			2	
3		ported on Schedule J-1, lines 6 and 7,			3	100 000
4						
5		Ratio (Schedules N, O, P, or R if applic			5 6	100.0000 % -186,037.
6	Current yea	r loss carryover available (Line 4 multip	olled by Line 5)		О	-100,037.
		Cahadala	L – FEDERAL INCOME	PEVISIONS		
					Τ.	
	Year	1 Original Net Income	2 Net Income Corrected	3 Increase (Decrease) in Net Income		Increase (Decrease) Affecting Excise Tax
		on Federal Return	OULICATOR	III NOT INCOME		
					+	

319344153

SCHEDULE U and V - LOSS CARRYOVER/INDUSTRIAL MACHINERY CREDIT CARRYOVER

NOTE: SCHEDULES U AND V ARE NOT REQUIRED TO BE FILED WITH THE RETURN. These schedules may be used as a worksheet to compute the amount of net operating loss carryover and\or industrial machinery credit carryover available.

IMPORTANT INFORMATION APPLICABLE TO LOSS CARRYOVER

- 1 Any net operating loss incurred for fiscal years ending on or after 1-15-84 may be carried forward fifteen (15) years as a net operating loss carryover.
- 2 COMBINED RETURN UNITARY GROUP OF FINANCIAL INSTITUTIONS: Any net operating loss incurred by a member of the unitary group which has been apportioned to Tennessee in a year prior to filing a combined return may be carried forward seven (7) years as a net operating loss carryover by the unitary group. A net operating loss incurred by a unitary group of financial institutions computed on a combined basis may be carried forward fifteen (15) years by the unitary group.
 Reference: Section 67-4-2006(c), Tennessee Code Annotated.

SCHEDULE U — SCHEDULE OF LOSS CARRYOVER Period For Original Used In

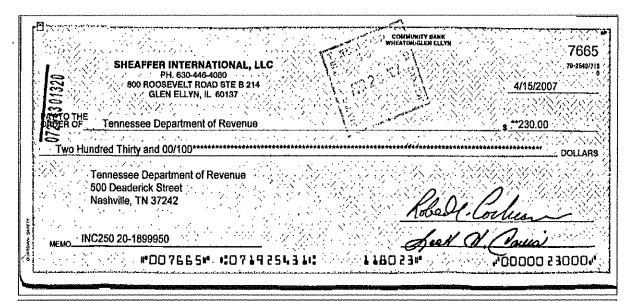
Year	Period Ended (MM/YY)	For Original Return or As Amended	Used In Prior Year(s)	Expired	Loss Carryover Available
1	12/05	124,861.		, ,	124,861.
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
	Total Amount (Tr	ransfer to Schedule J, Line 30).			124,861.

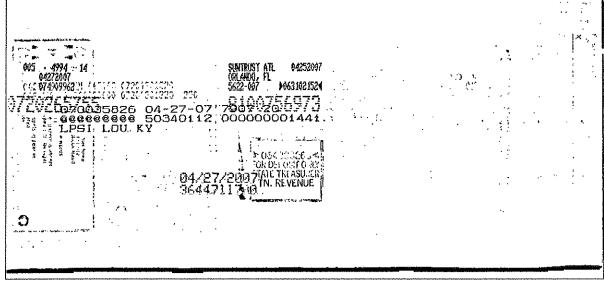
SCHEDULE V - SCHEDULE OF INDUSTRIAL MACHINERY CREDIT CARRYOVER

IMPORTANT INFORMATION APPLICABLE TO INDUSTRIAL MACHINERY CREDIT CARRYOVERS

Any unused credit incurred for fiscal years ending on or after 3-15-82 may be carried forward in any tax period for up to fifteen (15) years. Reference: Section 67-4-2009(4)(c), Tennessee Code Annotated.

Year	Period Ended (MM/YY)	For Original Return or As Amended	Used In Prior Year(s)	Expired	Industrial Machinery Credit Carryover Available
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					





INC 250

Tennessee Department Of Revenue Individual Income Tax Return



Filing Period
Beginning:

1-01-06
Ending:

Due Date

4-15-07
Account Number

CARTWRIGHT CREEK L.L.C. 800 ROOSEVELT RD BLDG B #214 GLEN ELLYN, IL 60137

12-31-06

Please mail payments to:

Tennessee Department of Revenue Andrew Jackson State Office Building 500 Deaderick Street Nashville, TN 37242-0300

YOUR SSN:

SPOUSE'S SSN:

FEIN: 20-1899950

Developer's Code

If this is an AMENDED RETURN, please check the box at right

1032

Because a portion of the tax goes back to the city or county of residence, please provide the county and city (if within an incorporated municipality) of the taxpayer's legal residence on the lines below.

County

City GLEN ELLYN

AFFIDAVIT FOR EXEMPTION

For tax years beginning January 1, 2000, any person 65 years of age or older having a total annual income derived from any and all sources of \$16,200 or less, or any persons who file a joint return and either spouse is 65 years of age or older having a total annual joint income derived from any and all sources of not more than \$27,000 may qualify for a total exemption from income tax. IF YOU QUALIFY FOR THE EXEMPTION, DO NOT COMPLETE THE SCHEDULES BELOW. CHECK THE BOX AT RIGHT AND SIGN RETURN ON PAGE 2

CHECK ALL BOXES WHICH APPLY:

1	Single			6	Blind (yourself)	9	Partnership	
2	Married Filing Jointly	4	Quadriplegic (yourself)	7	Blind	10	X Limited Liab	ility
3	Married Filing Separately	5	Quadriplegic		(your spouse)		Company	
	(enter spouse's SSN above))	(your spouse)	8	Trust	11	Estate	
T	AX COMPUTATION					R	OUND TO THE NEAREST	DOLLAR
	S TAXABLE INCOME (From Sci						5,	075.
2 SUBTR	RACT EXEMPTION — \$1,250 ii \$2,500 ii	f single or f married	r married filing separately filing iointly		2		1,	250.
3 AMOU	NT SUBJECT TO TAX (Line 1 le	ss Line 2)		3		3,	825.
	E TAX (6% of Line 3)				4			230.
	t: Amount paid with extension r			- • • • • • • • • • • • • •	5			0.
6 PENAL	TY — If filed late, compute per for each 1 to 30 DAY Per penalty NOT TO EXCE! of the amount of tax du	enalty at ! ERIOD fo ED 25%), ie or whe	5% of the tax (Line 4 minus r which TAX IS DELINQUE Minimum penalty is \$15 re ther there is any tax due.	s Line 5) NT (Total egardless	6			0.
7 INTER	EST — If filed late, compute in minus Line 5) from the				i			0.
	AMOUNT DUE (Add Lines 4, 6							230.
9 REFUN	ID (If Line 5 exceeds total of Lin	nes 4, 6, a	and 7, enter overpayment h	nere)	9			0.
RV-R00035	501							
FOR OF							TNIA0112L	12/01/06

		490 ~
If taxpayer is deceased, enter date of death If taxpayer spouse is deceased, enter date of death	Enter taxpayer's phone number below	
	Landa Control	

SCHEDULE A — TAXABLE DIVIDENDS List taxable dividends from all sources, including and mutual funds. List all bonds, notes, mortgaginterest. (See instructions on separate sheet for explanations of taxable income.)		SCHEDULE B — NON-TAXABLE DIVIDENDS AND INTEREST DIVIDENDS from national and Tennessee chartered bank stock, credit unions, building or savings and loan companies, Tennessee licensed insurance companies, and cemetery companies. INTEREST on bonds of the U.S. Government and its agencies, Tennessee bonds, interest from credit unions, certificates of deposit, accounts not represented by a written instrument, passbook accounts, savings accounts, bank money market accounts, 'NOW' accounts, and		
Dividends:		accounts, bank money market accounts, 'NOW' accounts, and commercial paper maturing in 6 months or less. (See instructions on separate sheet for examples and explanations of nontaxable income.) Please round to the nearest dollar		
And the second s		Dividends:		
Interest:		Interest:		
From Federal Schedule K	5,075.			
Total	5,075.			

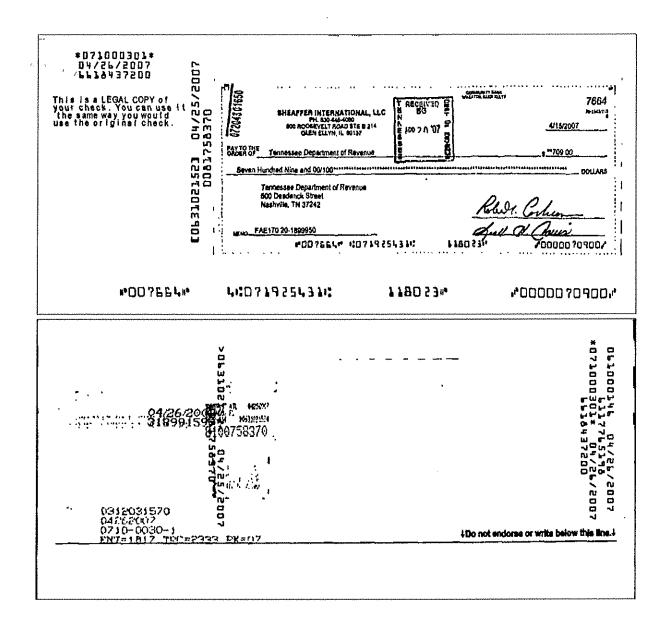
GROSS TAXABLE INCOME Enter on Line 1 on page 1 also.

5,075.

GROSS NON-TAXABLE ► INCOME

0.

INCOME			
Remit amount cal	culated on Line 8	3 (Page 1)	
Under penalties of perjury, I declare that I have exbelief, it is true, correct and complete.	camined this report, ar	nd to the best of	my knowledge and
Taxpayer's Signature)	Spouse	's Signature	Date
JEACKEY AWATERS	4/7/07	(630)	469-6388
Tax Preparet's Signature	Date	Telephone	
JEFFREY J WATERS CPA			Wint T
800 ROOSEVELT RD BLDG C	# 114		W. W
GLEN ELLYN, IL 60137-583	39		
Preparer's Name and Address Federal	ID: 36-42	41612	



INC 250

Tennessee Department Of Revenue Individual Income Tax Return



Filing Period	Due Date
Beginning:	
1-01-06	4-15-07
Ending:	Account Number
12-31-06	

CARTWRIGHT CREEK L.L.C. 800 ROOSEVELT RD BLDG B #214 GLEN ELLYN, IL 60137 Developer's Code Please mail payments to:

Tennessee Department of Revenue Andrew Jackson State Office Building 500 Deaderick Street

Nashville, TN 37242-0300

YOUR SSN: SPOUSE'S SSN:

FEIN: 20-1899950

If this is an AMENDED RETURN, please check the box at right

1032

Because a portion of the tax goes back to the city or county of residence, please provide the county and city (if within an incorporated municipality) of the taxpayer's legal residence on the lines below.

County

City GLEN ELLYN

AFFIDAVIT FOR EXEMPTION

For tax years beginning January 1, 2000, any person 65 years of age or older having a total annual income derived from any and all sources of \$16,200 or less, or any persons who file a joint return and either spouse is 65 years of age or older having a total annual joint income derived from any and all sources of not more than \$27,000 may qualify for a total exemption from income tax. IF YOU QUALIFY FOR THE EXEMPTION, DO NOT COMPLETE THE SCHEDULES BELOW. CHECK THE BOX AT RIGHT AND SIGN RETURN ON PAGE 2.

CHECK ALL BOXES WHICH APPLY:

1	Single			6	Blind (yourself)	9		Partnership	
2	Married Filing Jointly	4	Quadriplegic (yourself)	7	Blind	10	Х	Limited Liability	
3	Married Filing Separately	5	Quadriplegic		(your spouse)			Company	
	(enter spouse's SSN above)		(your spouse)	8	Trust	11		Estate	
	TAX COMPUTATION					RO	UND T	O THE NEAREST DOL	LAR
1 GROS	S TAXABLE INCOME (From Sci	hedule A	.)		1			5,07	5.
2 SUBTI	RACT EXEMPTION — \$1,250 if	single o	or married filing separately		2			1,250	0.
	المراجعة NT SUBJECT TO TAX (Line 1 الم				3			3,82	
	ME TAX (6% of Line 3)				4			230	
	R: Amount paid with extension r			- 	5			(0.
	LTY — If filed late, compute posterior each 1 to 30 DAY Posterior penalty NOT TO EXCE of the amount of tax do							(0.
	REST—If filed late, compute in minus Line 5) from the							(0.
	L AMOUNT DUE (Add Lines 4, 6							230	0.
9 REFUI	ND (If Line 5 exceeds total of Li	nes 4, 6,	and 7, enter overpayment	here)	9			(0.
RV-R0003	501								
FOR OF								TNIA0112L 12/0	1/06

If taxpayer is deceased, enter date of death	Enter taxpayer's phone number below
If taxpayer spouse is deceased, enter date of death	

SCHEDULE A — TAXABLE DIVIDENDS	AND INTEREST	SCHEDULE B — NON-TAXABLE DIVIDENDS AND INTI			
List taxable dividends from all sources, includin and mutual funds. List all bonds, notes, mortga interest. (See instructions on separate sheet for explanations of taxable income.)	g holding companies ges and other taxable	DIVIDENDS from national and Tennessee chartered bank stock, credit unions, building or savings and loan companies, Tennessee licensed insurance companies, and cemetery companies. INTEREST on bonds of the U.S. Government and its agencies, Tennessee bonds, interest from credit unions, certificates of deposit, accounts not represented by a written instrument, passbook accounts, savings accounts, bank money market accounts, 'NOW' accounts, and commercial paper maturing in 6 months or less. (See instructions on separate sheet for examples and explanations of nontaxable income.			
Dividends:		accounts, bank money market accounts, NOW accounts,	and		
Dividends.		commercial paper maturing in 6 months or less. (See Instance sheet for examples and explanations of nontaxal	ructions on ble income.)		
		Please round to the	e nearest dollar		
		Dividends:			
			<u> </u>		
Meaning . Audition					
- Little Control of the Control of t					
And the second s					
Interest:		Interest:			
From Federal Schedule K	5,075.				
			<u> </u> _		
Total	5,075.				

GROSS
TAXABLE
INCOME
Enter on Line 1
on page 1 also.

5,075.

GROSS NON-TAXABLE ► INCOME

0.

Remit amount calcu				
Under penalties of perjury, I declare that I have examined this report, and to the best of my knowledge and belief, it is true, correct and complete.				
Taxpayer's Signature	Sr	ouse's Signalure	Date	
JEFFREY J WATERS Tax Preparer's Signature	Date	(630)	469-6388	
JEFFREY J WATERS CPA				
800 ROOSEVELT RD BLDG C #	114			
GLEN ELLYN, IL 60137-5839				
Preparer's Name and Address Federal I	D : 36-	4241612		

Exhibit 5.1

Provided in Excel format on attached CD Per Consumer Advocate Request

Exhibit 5.2

Provided in Excel format on attached CD Per Consumer Advocate Request

Exhibit 7.1

1:00 pm

Cartwright Creek, LLC Chart of Accounts

Account #	Account Description	Account Type	Sub Type	PSC-ThroughAcct
1.000	OUT-OF-BALANCE ERROR	Current Assets		P
101.000	Utility plant in service	Fixed Assets		P
104.000	Utility plant purchase or sold	Fixed Assets		P
105.000	Construction work in progress	Fixed Assets		P
108.000	A/D & amort of utility plant	Fixed Assets		P
114.000	Utility plant acquisition adj	Fixed Assets		P
121.000	Nonutility property	Fixed Assets		P
122.000	A/D & amort of nonutility prop	Fixed Assets		P
124.000	Utility investments	Other Assets		P
131.200	Fifth Third Bank - MMA	Current Asset-Cash	Cash	P
131.300	Pinnacle - Deposit Acct (MMA)	Current Asset-Cash	Cash	P
131.700	Pinnacle - Operating	Current Asset-Cash	Cash	P
131.800	Union Planters - Operating	Current Asset-Cash	Cash	P
* 131.900	Union Planters - MMA	Current Asset-Cash	Cash	P
132.000	Special deposits	Other Assets		P
133.000	Deferred Rate Case Expense	Current Assets		P
141.000	Customer accounts receivable	Current Assets	A/R	P
143.000	Acc provision for uncollectibl	Current Assets	A/R	P
151.000	Plant material & supplies	Current Assets		P
174.000	Misc current & accrued assets	Other Assets		P
182.000	Note Receivable - M.R.S. LLC	Other Assets		P
185.000	Permits - Waterbridge	Other Assets		P
186.000	Misc. deferred debits	Other Assets		P
187.000	Const in Process-Plant Upgrade pre-e	ngin Other Assets		ת
188.000	Deferred Rate Case Costs	Other Assets		P P
190.000	Accum deferred income taxes	Other Assets		P
191.000	Accumulated tax credit	Other Assets		P P
201.000	Common stock issued	Equity		P
204.000	Preferred stock issued	Equity		P
211.000	Other contributed capital	Equity		P
212.000	Other contributed capital - tap fees	Equity		P
		- '		
215.000	Retained earnings (deficit)	Retained Earnings		P
216.000	Partners Capital - Sheaffer	Equity		P
217.000	Partners Capital - M.R.S. LLC	Equity		P
218.000	Proprietary capital	Equity		P

Cartwright Creek, LLC Chart of Accounts

Account #	Account Description	Account Type	Sub Type	PSC-ThroughAcct
224,000	Long Term debt - Reese/Steve Smith			
		Long-Term Liab.		P
224.100	Interest Due - Smith Prom Note	Long-Term Liab.		P
225.000	Note to Shareholder	Long-Term Liab.		P
231.000	Accounts payable	Current Liab.		P
232.000	Notes payable	Current Liab.		P
235.000	Customer deposits	Current Liab.		P
236.100	Accrued Franchise Tax	Current Liab.		P
236.200	Accrued Ad Valorem Tax	Current Liab.		P
236.300	Accrued Gross Receipts tax	Current Liab.		P
237.000	Accrued interest	Current Liab.		P
239.000	Payable to Sheaffer Inter. LLC	Current Liab.		P
240.000	Loan from Shareholders - Sheaffer			
		Current Liab.	ShLn	P
241.000	Misc current & accrued liab	Current Liab.		P
252.000	Advances for construction	Other Liabilities		P
253.000	Other deferred credits	Other Liabilities		P
255.000	Accum deferred invest tax cred	Other Liabilities		P
265.000	Misc. operating reserves	Other Liabilities		P
271.000	Contributions in aid of constr	Other Liabilities		P
272.000	A/A contribution in aid of con	Other Liabilities		P
275.000	Pending tap - Madison Land Co.	Other Liabilities		P
281.000	Accum def inc tax - acc amort	Other Liabilities		P
283.000	Accum def inc tax - other	Other Liabilities		P
350.000	Utility Plant in Service	Fixed Assets		S
351.000	Organization	Fixed Assets		Р.
352.000	Franchises	Fixed Assets		Ρ.
353.000	Land & land rights	Fixed Assets		P.
354.000	Structures & improvements	Fixed Assets		P.
360.000	Collection sewers - force	Fixed Assets		Ρ.
361.000	Collection sewers - gravity	Fixed Assets		P.
362.000	Special collecting structures	Fixed Assets		Ρ.
363.000	Services to customers	Fixed Assets		P.
364.000	Flow measuring devices	Fixed Assets		P. ,
365.000	Flow measuring installations	Fixed Assets		Ρ.
370.000	Receiving wells	Fixed Assets		P.
371.000	Pumping equipment	Fixed Assets		Р.
380.000	Treatment & disposal equipment	Fixed Assets		P.
381.000	Plant sewers	Fixed Assets		P.
382.000	Outfall sewer lines	Fixed Assets		P.
389.000	Other plant & misc equipment	Fixed Assets		P.
390.000	Office furniture & equipment	Fixed Assets		P.
391.000	Transportation equipment	Fixed Assets		Ρ.
393.000	Tools, shop & garage equipment	Fixed Assets		P.

Cartwright Creek, LLC Chart of Accounts

395.000 398.000	Power operated equipment Other tangible plant	Fixed Assets	
	Other tangible plant		Ρ.
*** U/ADNIDIO, E.J.O		Fixed Assets	Р.
WARNING; End S	Subtotal Account missing!		
399.000	Utility plant in service offse	Fixed Assets	Ρ.
403.000	Depreciation	Other Inc./Exp.	P
406.000	Amort of utility plant aquisit	Other Inc./Exp.	P
407.000	Amortization exp - other	Other Inc./Exp.	P
408.000	Permits & Taxes other than income		
		Other Inc./Exp.	P
409.000	Income taxes	Income Tax Exp.	P
409.200	Inc taxes, other income & dedu	Income Tax Exp.	P
412.000	Investment tax credits	Income Tax Exp.	P
419.000	Interest & dividend income	Other Inc./Exp.	P
420.000	Other Income-Gain refinance	Other Inc./Exp.	p
421.000	Nonutility income	Other Inc./Exp.	P
426.000	Misc. nonutility expense	Other Inc./Exp.	P
426.030	Dep of plant not used & useful	Other Inc./Exp.	p
426.050	Imprudent expenses	Other Inc./Exp.	P
426.060	Donations	Other Inc./Exp.	P
426.080	Penalities for violations	Other Inc./Exp.	P
427.000	Interest expense	Other Inc./Exp.	P
521.000	Flat rate revenues	Sales	P
521.100	Residential revenues	Sales	P
521.600	Other revenues	Sales	P
522.000	Measured revenues	Sales	P
522,200	Commercial revenues	Sales	P
524.000	Revenues from other systems	Sales	P
536.000	Other sewer revenues	Sales	P
701.000	Salaries & wages - employees	Expenses	P
703.000	Salaries & wages - officers,	Expenses	Ρ ,
710.000	Purchased sewage treatment	Expenses	P
711.000	Sludge removal expense	Expenses	P
715.000	Purchased power	Expenses	P
716.000	Fuel for power production	Expenses	P
718.000	Chemicals	Expenses	P
720.000	Materials & supplies	Expenses	P
730.000	Contractual services	Expenses	P
730.100	Engineering	Expenses	P
730.200	Plant Management	Expenses	P
730.300	Accounting	Expenses	P

Cartwright Creek, LLC Chart of Accounts

Account #	Account Description	Account Type	Sub Type	PSC-ThroughAcc
730.500	Repairs & Maint to plant	Expenses		P
730.600	Legal fees	Expenses		P
730.700	Consulting fees	Expenses		P
740.000	Rents	Expenses		P
750.000	Transportation expenses	Expenses		P
753.000	Telephone	Expenses		P
755.000	Insurance expenses	Expenses		P
758.000	Postage	Expenses		P
760.000	Rate Case Expense	Expenses		P
765.000	Regulatory commission expense	Expenses		P
770.000	Bad debt expense	Expenses		P
772.000	Interest Expense	Expenses		P
772.100	Interest Exp - Smith Note	Expenses		P
772.200	Interest on Bank of America Escrow			
		Expenses		P
773.000	Bank charges	Expenses		P
775.000	Miscellaneous expense	Expenses		P
775.010	Industry dues & education	Expenses		P
775.030	Communication service	Expenses		P
775.050	Stockhoders' meeting expenses	Expenses		P
775.080	Directors' fees & expenses	Expenses		P
775.110	W/O expenditures for abandoned	Expenses		P
799.000	Operating expense offset	Expenses		P

Exhibit 9.1

Name of Respondent Cartwright Creek LLC (successor to C		eport is: XX An Original A Resubmission		Date of Report (Mo, Da, Yr) 3/31/09	Year of Report
		NCOME STAT	EMENT	, ,	2000
	Ref				
Account Name	Page	Water	Sewer	Other	Total
(a)	(b)	(c)	(d)	(e)	(f)
Gross Revenue:					
Residential			190,441	-	190,441
Commercial			54,137	-	54,137
Industrial		_	_	-	-
Multi-Family		-	-	-	-
Tap Fee			-	-	
Other (Late Fees)		-	1,359	-	1,359
Other (Please Specify)		-			-
Other (Please Specify)		-		-	-
Total Gross Revenue		-	245,936	-	245,936
Operation & Maint. Expense	W3/S3		371,448	_	371,448
Depreciation Expense	F-5		17,850	-	17,850
Amortization Expense			-	-	-
Other Expense (TDEC Permitting)			10,784	-	10,784
Other Expense (LLC pers inc/reg. Fee	<u> </u>	-	1,267	-	1,267
Faxes Other Than Income	F-7		17,049		17,049
ncome Taxes	F-7	-	17,017	-	
	Γ-/		418,398	Service Development	418,398
Total Operating Expenses		*	416,326		410,020
Net Operating Income			(172,462)		(172,462)
Other Income:					
Nonutility Income		_	-	-	_
Other (Interest Income)			11,576	-	11,576
Other (Please Specify)		-		-	-
Other (Please Specify)		_	<u> </u>	-	-
Other (Please Specify)		-	-	_	-
Total Other Income			11,576	-	11,576
Total Other Income					
		:			
Other Deductions:					
Misc. Nonutility Expenses				_	_
Other (Interest Expenses)		-	61,584		61,584
Other (Please Specify)		_	<u> </u>	-	
Other (Please Specify)		-	-	-	
Other (Please Specify)		_		Mr.	-
Total Other Deductions		.	61,584	-	61,584
N. 4 N			(222.460)		(222,469)
Net Income			(222,469)	-	(444,407)

2	Nam	e of Respondent	This Report is:		_	Year of Report
Acct Description Amount	Carty	vright Creek LLC (successor to	1 .		(Mo, Da, Yr)	2008
Acet No. Description (a) (b)		SEWER OPERAT				
No. Description		SEVER OF ERRIT				
Castomers Cast	Acct					
Total Salaries & Wages - Employees	No.		-			
Customers Cust						(b)
Total Sewer Operation & Maintenance Expense	701	Salaries & Wages - Employee	S			
Till Purchased Sewage Treatment				ders		
Sludge Removal Expense 63,3			S			
Tils Purchased Power 26,20						
Title Fuel for Power Production Title Chemicals Chemical						
Title Chemicals 10,32						20,208
Materials & Supplies S.10						10 354
Contractual Services 225,40						8,161
Transportation Expense 19,86						225,468
Transportation Expense						
Insurance Expense 19,86 77 775 776 777 778 777 778 777 778 779 7						4,936
Total Sewer Operation & Maintenance Expense Total Sewer Operation & Total Sewe						19,805
1,75		-	nse			707
Total Sewer Operation & Maintenance Expense 371,44		-				1,795
Description	775	Miscellaneous Expenses				10,623
Customers First of Year (b) Customers End of Year (e)		Total Sewer Operation &	Maintenance Expe	nse		371,448
Description (a) (b) (c) (d) (e)		•				
(a) (b) (c) (d) (e) Metered Customers:			SEWER CUST	FOMERS		
(a) (b) (c) (d) (e) Metered Customers: 5/8 Inch				FOMERS		Customers
5/8 Inch -<			Customers		Disconnections	End of Year
3/4 Inch -<		Description	Customers First of Year	Additions	1	End of Year
1.0 Inch -<	√lete	Description (a)	Customers First of Year	Additions	1	End of Year
1.5 Inch -<	√lete:	Description (a) red Customers: 5/8 Inch	Customers First of Year	Additions	1	End of Year
2.0 Inch -<	Mete	Description (a) red Customers: 5/8 Inch 3/4 Inch	Customers First of Year (b)	Additions (c)	(d) 	End of Year (e)
2.5 Inch -<	Mete	Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch	Customers First of Year (b)	Additions (c) - -	(d) - -	End of Year (e) - -
3.0 Inch 4.0 Inch	Mete	Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch	Customers First of Year (b)	Additions (c)	(d) - - -	End of Year (e) - - -
4.0 Inch -<	Mete	Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch	Customers First of Year (b)	Additions (c)	(d) - - -	End of Year (e)
6.0 Inch 6.0 Inch 8.0 Inch Other (Commercial) Other (Please Specify) Other (Please Specify)	Mete	Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch	Customers First of Year (b)	Additions (c)	(d) 	End of Year (e)
8.0 Inch -<		Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch 3.0 Inch	Customers First of Year (b)	Additions (c)		End of Year (e)
Other (Commercial) 34 -		Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch 3.0 Inch 4.0 Inch	Customers First of Year (b)	Additions (c)		End of Year (e)
Other (Please Specify) -		Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch 3.0 Inch 4.0 Inch 6.0 Inch	Customers First of Year (b)	Additions (c)	(d)	End of Year (e)
Other (Please Specify) - - - - - - - - 495 - - 495		Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch 3.0 Inch 4.0 Inch 6.0 Inch 8.0 Inch	Customers First of Year (b)	Additions (c)	(d)	End of Year (e)
Jnmetered Customers 495 49		Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.0 Inch 4.0 Inch 4.0 Inch 6.0 Inch 8.0 Inch Other (Commercial)	Customers First of Year (b)	Additions (c)	(d)	End of Year (e)
		Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch 3.0 Inch 4.0 Inch 6.0 Inch 8.0 Inch Other (Commercial) Other (Please Specify)	Customers First of Year (b)	Additions (c)		End of Year (e)
Fotal Customers 529 0 0 52		Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch 3.0 Inch 4.0 Inch 6.0 Inch 8.0 Inch Other (Commercial) Other (Please Specify) Other (Please Specify)	Customers First of Year (b)	Additions (c)		End of Year (e)
	Unmo	Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch 3.0 Inch 4.0 Inch 6.0 Inch 8.0 Inch Other (Commercial) Other (Please Specify) etered Customers	Customers First of Year (b)	Additions (c)		End of Year (e)
	Unmo	Description (a) red Customers: 5/8 Inch 3/4 Inch 1.0 Inch 1.5 Inch 2.0 Inch 2.5 Inch 3.0 Inch 4.0 Inch 6.0 Inch 8.0 Inch Other (Commercial) Other (Please Specify) etered Customers	Customers First of Year (b)	Additions (c)		End of Year (e)

	SEWER CUSTOMERS						
Metered Customers: -	escription First	of Year		1	Customers End of Year (e)		
3/4 Inch - - - 1.0 Inch - - - 1.5 Inch - - - 2.0 Inch - - - 2.5 Inch - - - 3.0 Inch - - - 4.0 Inch - - - 6.0 Inch - - - 8.0 Inch - - - Other (Commercial) 34 - - Other (Please Specify) - - - Other (Please Specify) - - -							
1.0 Inch - - - 1.5 Inch - - - 2.0 Inch - - - 2.5 Inch - - - 3.0 Inch - - - 4.0 Inch - - - 6.0 Inch - - - 8.0 Inch - - - Other (Commercial) 34 - - Other (Please Specify) - - - Other (Please Specify) - - -			_		-		
1.5 Inch - - - 2.0 Inch - - - 2.5 Inch - - - 3.0 Inch - - - 4.0 Inch - - - 6.0 Inch - - - 8.0 Inch - - - Other (Commercial) 34 - - Other (Please Specify) - - - Other (Please Specify) - - -		-	-	-	<u>.</u>		
2.0 Inch - - - 2.5 Inch - - - 3.0 Inch - - - 4.0 Inch - - - 6.0 Inch - - - 8.0 Inch - - - Other (Commercial) 34 - - Other (Please Specify) - - - Other (Please Specify) - - -		-	-	-			
2.5 Inch - - 3.0 Inch - - 4.0 Inch - - 6.0 Inch - - 8.0 Inch - - Other (Commercial) 34 - Other (Please Specify) - - Other (Please Specify) - -		-					
3.0 Inch - - - 4.0 Inch - - - 6.0 Inch - - - 8.0 Inch - - - Other (Commercial) 34 - - Other (Please Specify) - - - Other (Please Specify) - - -		-	-	-	-		
4.0 Inch - - - 6.0 Inch - - - 8.0 Inch - - - Other (Commercial) 34 - - Other (Please Specify) - - - Other (Please Specify) - - -		-	-	-	-		
6.0 Inch 8.0 Inch Other (Commercial) Other (Please Specify) Other (Please Specify)		-	_	-			
8.0 Inch - - - Other (Commercial) 34 - - Other (Please Specify) - - - Other (Please Specify) - - -		-	-	-	-		
Other (Commercial) 34 - - Other (Please Specify) - - - Other (Please Specify) - - -					-		
Other (Please Specify) Other (Please Specify)		-		-	-		
Other (Please Specify)	mmercial)	34	_		34		
	ease Specify)	-		-			
Unmetered Customers 495	ease Specify)	_	-	-	_		
	tomers				495		
Fotal Customers 529 0 0	rs	529	0	0	529		

Name of Respondent Cartwright Creek LLC (successor to		X An Original		Date of Report (Mo, Da, Yr)	Year of Report
-	(2)	A Resubmission		3/28/08	2007
	11	NCOME STATE	MENT		
Account Name	Ref Page	Water	Sewer	Other	Total
(a)	(b)	(c)	(d)	(e)	(f)
Gross Revenue:					
Residential			186,189	-	186,189
Commercial			53,428		53,428
Industrial		_			
Multi-Family		-	-	-	
Tap Fee				-	-
Other (Late Fees)			1,068		1,068
Other (Please Specify)			-	-	-
Other (Please Specify)		-	~ . A16 -65	-	240,685
Total Gross Revenue			240,685	, F	440,085
Operation & Maint. Expense	W3/S3		316,522	••	316,522
Depreciation Expense	F-5		29,342	-	29,342
Amortization Expense		.		••	
Other Expense (TDEC Permitting)			2,500		2,500
Other Expense (Please Specify)		-	-	-	-
Taxes Other Than Income	F-7	-	11,964	-	11,964
Income Taxes	F-7	-	-	-	-
Total Operating Expenses			360,328		360,328
,					
Net Operating Income			(119,644)		(119,644)
Net Operating means	1		(No. of the Section of Section 19 are served as the Section 19 are section to 1	
Other Income:					
Nonutility Income			2 1 6 6	-	2.170
Other (Interest Income)			3,169	-	3,169
Other (Please Specify)		- :	~		-
Other (Please Specify)	 	-	-	-	-
Other (Please Specify) Total Other Income	-	-	3,169		3,169
Total Other Income		•	3,109	•	2,10 7
Other Deductions:					_
Misc. Nonutility Expenses Other (Interest Expenses)		-	21,222		21,222
Other (Please Specify)		_	£ 1 , £ 2 £ 2 £ 2		# 1 5 he he he
Other (Please Specify)			-		-
Other (Please Specify) Other (Please Specify)	 		-	-	
Total Other Deductions	4		21,222	· ·	21,222

Net Income			(137,697)	-	(137,697)

		Till In December 1 in	Data of Donaut	Year of Report
	of Respondent	This Report is:		2007
Cartwr	right Creek LLC (successor to Car		(Mo, Da, Yr)	31-Dec-07
·	CHIND ODD A BION	(2) A Resubmission	3/28/08	N/A
	SEWER OPERATION	& MAINTENANCE EXPI	ENSE	N/A
Acet				
No.		Description		Amount
		(a)		(b)
701 S	Salaries & Wages - Employees			-
703 S	Salaries & Wages - Officers, Direc	tors & Stockholders		
704 E	Employee Pensions & Benefits			-
710 P	Purchased Sewage Treatment			
711 S	Sludge Removal Expense			58,925
715 P	Purchased Power			23,369
716 F	Fuel for Power Production			-
718 C	Chemicals			14,099
720 N	Materials & Supplies			21,632
730 C	Contractual Services			186,763
740 R	Rents			-
750 T	Fransportation Expense			-
755 li	nsurance Expense			958
765 R	Regulatory Commission Expense			705
	Bad Debt Expense			-
775 N	Miscellaneous Expenses			10,071
	Total Sewer Operation & Ma	intenance Expense		316,522

SEWER CUSTOMERS							
Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)			
Metered Customers:							
5/8 Inch	-	-	-	-			
3/4 Inch	-	-	-	-			
1.0 Inch	-	_		<u> </u>			
1.5 Inch	-	-	-	-			
2.0 Inch	-		-	-			
2.5 Inch	-	-	-	-			
3.0 Inch	-	-	-	-			
4.0 Inch	-	<u>.</u>	-	-			
6.0 Inch	-	-	-	-			
8.0 Inch	-	-	-	- 0.1			
Other (Commercial)	31	3	-	34			
Other (Please Specify)	-	-	-	-			
Other (Please Specify)	-	-		* *0.5			
Jnmetered Customers	489	6	-	495			
Total Customers	520	9	0	529			

Nam	e of Respondent	This Report is:	Date of Report	Year of Report
Carty	vright Creek LLC (successor to Ca	ır (1)XX An Original	(Mo, Da, Yr)	2006
	,	(2) A Resubmission	4/27/07	31-Dec-06
	SEWER OPERATION	& MAINTENANCE EXPI	ENSE	N/A
Acct			•	
No.		Description	•	Amount
		(a)		(b)
701	Salaries & Wages - Employees			-
703	Salaries & Wages - Officers, Dire	ectors & Stockholders		-
704	Employee Pensions & Benefits			-
710	Purchased Sewage Treatment			
711	Sludge Removal Expense			55,090
	Purchased Power			24,539
716	Fuel for Power Production			-
718	Chemicals			12,505
	Materials & Supplies			17,705
730	Contractual Services			174,663
740	Rents			-
	Transportation Expense			
	Insurance Expense			822
	Regulatory Commission Expense			708
	Bad Debt Expense			168
775	Miscellaneous Expenses			4,248
	Total Sewer Operation & M	aintenance Expense		290,449
	1			
				I

	SEWER CUST	OMERS	T	
Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)
Metered Customers:				
5/8 Inch		_	-	
3/4 Inch	-		-	
1.0 Inch			-	
1.5 Inch	<u>-</u>		-	
2.0 Inch	-		-	
2.5 Inch	-		-	
3.0 Inch		-	-	
4.0 Inch	-		-	
6.0 Inch		_	-	-
8.0 Inch	<u></u>	-	-	
Other (Commercial)	31	-	-	31
Other (Please Specify)	-	_	-	
Other (Please Specify)	<u>.</u>	_		-
Jnmetered Customers	489		-	489
Total Customers	520	0	0	520

Name of Respondent Cartwright Creek LLC (successor to	(2)	XX An Original A Resubmission		Date of Report (Mo, Da, Yr) 4/27/07	Year of Report 2006
	I	NCOME STATI	EMENT		
Account Name (a)	Ref Page (b)	Water (c)	Sewer (d)	Other (¢)	Total (f)
Gross Revenue:	1			***************************************	105.055
Residential			185,867		185,867
Commercial	<u> </u>	-	53,225		53,225
Industrial		-			-
Multi-Family		*	**	-	-
Tap Fee			-		010
Other (Late Fees)		-	910		910
Other (Please Specify)		-	-		
Other (Please Specify)				-	240,002
Total Gross Revenue			240,002		240,002
			000 110		290,449
Operation & Maint. Expense	W3/S3		290,449	*	290,449
Depreciation Expense	F-5		29,342	<u> </u>	29,342
Amortization Expense		-			4 260
Other Expense (TDEC Permitting)			4,268	-	4,268
Other Expense (Please Specify)				•	10.706
Taxes Other Than Income	F-7	-	10,786		10,786
Income Taxes	F-7	*	*	-	-
Total Operating Expenses			384,845		334,845
Net Operating Income		•	(94,848)		(94,843))
Other Income:					
Nonutility Income		-	-		-
Other (Interest Income)		-	5,076		5,076
Other (Please Specify)		-		-	
Other (Please Specify)		**			-
Other (Please Specify)		-	=	-	-
Total Other Income		7.00	5,076	,	5,076
Other Deductions:					
Misc, Nonutility Expenses			-	-	,
Other (Interest Expenses)		-	11,107		11,107
Other (Please Specify)			•	_	
Other (Please Specify)				-	
Other (Please Specify)		-	-	-	-
Total Other Deductions			11,107		jel;107/
#4 1 A			(100(874)		(100)(87/4)
Net Income			**************************************		

Exhibit 11.1

		Date of Report (Mo, Da, Yr) 3/31/2008	Year of Report
COMPARATIVE BALANCE SHEET		Report Date:	
Account Name (a)	Ref Page (b)	Current Year (c)	Previous Year (d)
ASSETS			
Utility Plant in Service (101-105) Accum. Depreciation and Amortization (108) Net Utility Plant	F5/W1/S1 F5/W2/S2	1,059,587 849,782 209,805	956,947 831,932 125,015
Cash Customer Accounts Receivable (141) Other Assets (Restricted Cash securing LOC) Other Assets (Prepaid Insurance) Other Assets (Deferred Rate Case Expense) Other Assets (Def. Permit Costs-Waterbridge) Total Assets		3,811 3,383 240,100 458 17,125 140,743 615,425	3,261 2,304 240,000 423 0 125,000 496,003
Common Stock Issued (201) Preferred Stock Issued (204) Other Paid-In Capital (211) Retained Earnings (215) Capital (Proprietary & Partnership-218) Total Capital	F-6 F-6 F-6 F-6	(1,952,458) 667,428 (1,285,030)	(1,729,989) 557,602 (1,172,387)
Long-Term Debt (224) Accounts Payable (231) Notes Payable (232) Customer Deposits (235) Accrued Taxes (236) Advances Payable Other Liabilities Accrued Interest	F-6 F-7	459,547 15,970 12,250 11,958 58,485	459,547 34,886 12,250 11,414
Other Liabilities (Due to Sheaffer) Other Liabilities (Miscellaneous) Other Liabilities (Please Specify) Advances for Construction Contributions In Aid Of ConstNet (271-2)	F-8	1,150,293	1,150,293
Total Liabilities Total Liabilities & Capital		1,900,455 615,425	1,668,390 496,003

Name of Respondent This Report		Date of Report	Year of Report
Cartwright Creek LLC (successor to Cartwr (1) _XX A		(Mo, Da, Yr)	2007
	esubmission	3/31/2007	2007
COMPARATIVE BALANCE SHEET		Report Date:	
	Ref		D 1 1/
Account Name	Page	Current Year	Previous Year
(a)	(b)	(c)	(d)
ASSETS			
Utility Plant in Service (101-105)	F5/W1/S1	956,947	956,947
Accum. Depreciation and Amortization (108)	F5/W2/S2	831,932	802,590
Net Utility Plant	13/112/02	125,015	154,357
Pools		3,261	5,164
Cash		2,304	2,804
Customer Accounts Receivable (141)		240,000	244,577
Other Assets (Restricted Cash securing LOC)		423	375
Other Assets (Prepaid Insurance)		423	0
Other Assets (Deferred Rate Case Expense)			125,000
Other Assets (Defeered Permit Express-Waterbridge)		125,000 496,003	532,277
Total Assets		490,000	552,411
LIABILITIES AND CAPITAL	-		
Common Stock Issued (201)	F-6		
Preferred Stock Issued (204)	F-6		
Other Paid-In Capital (211)		(1.77.0.000)	(1.500.000)
Retained Earnings (215)	F-6	(1,729,989)	(1,592,292)
Capital (Proprietary & Partnership-218)	F-6	557,602	515,130
Total Capital		(1,172,387)	(1,077,162)
	F. 6	450 547	409,572
Long-Term Debt (224)	F-6	459,547 34,886	26,495
Accounts Payable (231)		34,000	20,493
Notes Payable (232)		12,250	12,250
Customer Deposits (235)	F-7	11,414	10,829
Accrued Taxes (236)	1'-/	11,717	10,027
Advances Payable Other Liabilities Accrued Interest		0	0
			-
Other Liabilities (Due to Vendor) Other Liabilities (Miscellaneous)			
· · · · · · · · · · · · · · · · · · ·			
Other Liabilities (Please Specify)			
Advances for Construction	F-8	1,150,293	1,150,293
Contributions In Aid Of ConstNet (271-2)	Γ-δ	1,130,293	1,130,293
Total Liabilities		130093970	1,007,409
Total Liabilities & Capital		496,003	532,277

Name of Respondent Cartwright Creek LLC (successor to Cartwr (1)XX A (2)A R COMPARATIVE BALANCE SHEET		Date of Report (Mo, Da, Yr) 3/31/2007 Report Date:	Year of Report
			·
Account Name (a)	Ref Page (b)	Current Year	Previous Year (d)
ASSETS			
Utility Plant in Service (101-105) Accum. Depreciation and Amortization (108) Net Utility Plant	F5/W1/S1 F5/W2/S2	956,947 802,590 154,357	956,947 773,248 183(699)
Cash Customer Accounts Receivable (141) Other Assets (Funds on Deposit in Lieu of LOC) Other Assets (Prepaid Insurance) Other Assets (Deferred Rate Case Expense) Other Assets (Defeered Permit Express-Waterbridge) Total Assets		5,164 2,804 244,577 375 0 125,000 53252775	3,467 1,470 0 297 0 125,000 313,933
LIABILITIES AND CAPITAL Common Stock Issued (201) Preferred Stock Issued (204) Other Paid-In Capital (211) Retained Earnings (215) Capital (Proprietary & Partnership-218) Total Capital	F-6 F-6 F-6	(1,592,292) 515,129 (1,077,162)	(1,491,418) 191,840 (1,299;578)
Long-Term Debt (224) Accounts Payable (231) Notes Payable (232) Customer Deposits (235) Accrued Taxes (236) Advances Payable Other Liabilities Accrued Interest	F-6 F-7	409,572 26,495 12,250 10,829	407,865 31,933 12,250 11,170
Other Liabilities (Due to Vendor) Other Liabilities (Miscellaneous) Other Liabilities (Please Specify) Advances for Construction Contributions In Aid Of ConstNet (271-2) Total Liabilities	F-8	1,150,293 1,609,440	1,150,293 1,6133510
Total Liabilities & Capital		532,211	31(3)938

Exhibit 13.1

CITY OF FRANKLIN WATER

SVC END DATE	GALLONS USED	COST
11/16/2004	265,000	1,380.92
12/16/2004	341,000	1,897.56
1/18/2005	400,000	2,236.23
2/16/2005	327,000	1,889.12
3/17/2005	342,000	1,776.30
4/18/2005	384,000	1,991.96
5/17/2005	327,000	1,699.27
6/16/2005	361,000	1,873.86
7/18/2005	373,000	1,972.59
8/16/2005	330,000	1,747.56
9/16/2005	399,000	2,268.61
10/18/2005	224,000	1,192.86
11/17/2005	186,000	994.00
12/16/2005	184,000	983.53
1/18/2006	210,000	1,209.62
2/16/2006	176,000	941.67
3/17/2006	254,000	1,349.85
4/18/2006	303,000	1,606.27
5/17/2006	279,000	1,616.21
6/16/2006	291,000	1,543.47
7/18/2006	313,000	1,693.12
8/16/2006	284,000	1,538.20
9/18/2006	319,000	1,865.98
10/17/2006	280,000	1,516.83
11/16/2006	287,000	1,693.06
12/18/2006	302,000	1,634.36
1/18/2007	295,000	1,596.96
2/16/2007	272,000	1,474.09
3/16/2007	263,000	1,426.01
4/17/2007	305,000	1,650.39
5/17/2007	285,000	1,543.54
6/18/2007	327,000	1,767.92
7/17/2007	350,000	1,890.79
8/16/2007	365,000	2,143.99
9/18/2007	409,000	2,205.99
10/17/2007	366,000	2,178.19
11/15/2007	359,000	2,119.76
12/16/2007	381,000	2,233.87 1,810.65
1/14/2008	335,000	758.34
2/15/2008	107,000	346.86
3/17/2008 4/16/2008	61,000 7,000	47.43
5/16/2008	7,000 8,000	57.88
6/17/2008	7,000	47.43
0/1//2000	1,000	71.70

CITY OF FRANKLIN WATER

SVC END	GALLONS	
DATE	USED	COST
7/16/2008	7,000	47.43
8/18/2008	15,000	96.37
9/17/2008	11,000	71.90
10/16/2008	11,000	71.90
11/18/2008	58,000	359.44
12/16/2008	10,000	65.78
1/16/2009	28,000	175.90
2/18/2009	11,000	71.90
3/18/2009	5,000	35.19
4/16/2009	6,000	41.31
5/18/2009	3,000	22.95

Exhibit 14.1

Provided in Excel format on attached CD Per Consumer Advocate Request

Exhibit 16.1

CONFIDENTIAL UNDER SEPARATE COVER

Exhibit 25.1

Cartwright Creek, LLC. SUMMARY OF SHEAFFER INTERNATIONAL, LLC CASH AND OPERATING COST ADVANCES FOR CARTWRIGHT CREEK, LLC

EXHIBIT 25.1

Balance		1,000.00	126,000.00	135,000.00	137,613.00	154,175.13	155,840,13	166 840 13	104 640 43	421 840 43	21.040.124	446,840.13	453,017.13	513,017.13	526,295.84	526,295.84	561,295.84	598,722,70	605,063.70	606,704,70	606,704.70	606,704,70		1	20,868.75	22,470.67	24,845.57	37,426.86	o O	9 712 50	21.055.00	25,957.50	28,917.50	42,942.50	63,646.25	102,250.75	107,925.09	131,095.09	142,674.22	155,615.79	173,206.43	191,952.83	208,441.73	208,441.73	815,146.43				
Amount		1.000.00	125,000.00	10,000.00	1,613.00	16,562.13	1,665.00	11 000 00	00 000	240,000,00	240,000,00	00.000,61	6,177.00	60,000,00	13,278.71	0.00	35,000.00	37,426.86	6,341.00	1,641.00	0.00	606,704,70			20,868.75	1,601.92	2,375.00	12,581.19	90'074'19	0 712 50	-		2,960.00	-					11,579,13		17,590.64	18,746.40	15,488.90	208,441.73	208,441.73		100.00	00 073 001	102,640.00
Метто			Record Estimated Time in PGA5	Cash Advance	Installment Payment Taxes	for 1st Response and Bouchard & Sons	-		Acceptance of the second secon	Casi Auvance			Gross Receipt Tax, Payment in full		Transfer to Pinnacle Bank for LOC	Gross Receipts Tax / Cartwirght Creek		Record Note Receivable Coreek	Transfer costs to Cartwright Creek	Gross Receipts Tax / Cartwirght Creek					Design services- B. Meyer/J. Gaspar for 1/07 - 6/07	Collection system oversight-B, Meyer Jul & Aug. 07	Design services- B. Meyer/J. Gasparfor 07/07	Consultants/Legal &Tax Work/Reproductions for CCUC	Kecord Note receivable Coreex	ise OB. Onerations support@misct Mot = B. Mever	Feb 08- Operations support/Project Mat -8 Meyer A Sarka	March 08- Operations support/Project Mqt, -B. Mever	April 08- Operations support/Project MgtB. Meyer	May 08- Operations support/Project MgtB. Meyer, J. Gasp:	June 08- Operations support/Project MgtB. Meyer, J. Gasp	D. Reed Compensation/Benefits Jan June 08	Expenses, operating supplies, membership fees Jan-July 08	July 08-Operations support/Project Mgt. B.Meyer, N. Hinch,	Sept 08-Operations support/supplies/expenses/D. Reed cort	Oct 08-Operations support/D. Reed compensation/expenses	Nov/Dec. Oper. Support/D. Reed compensation/expenses	Reimburse General Business Insurance pd. 2008	Reimburse General Business insurance pd. Jan. 2009		BY SHEAFFER INTERNATIONAL				
Name		Cartwright Creek, LLC	Sheaffer Time and Expenses for PGA5	Cartwright Creek LLC	Tennessee Department of Revenue	Cartwright Creek, LLC	Tennessee Department of Revenue	Cartaints Charter C. C.	Orthodox Court IIO	Carrwight Creek LLC	rist American line insurance	Cartwright Creek LLC	Cartwright Creek , LLC	First American Title Insurance	Cartwright Creek , LLC	Cartwright Creek, LLC	Cartwright Creek , LLC			Cartwright Creek , LLC	Tennessee Department of Revenue		t Creek , LLC	:	Note Receivable	Note Receivable	Note Receivable	Note Receivable	Note Kedervadie	Acriero Dereinable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable		TOTAL CASH ADVANCES AND BILLINGS FOR COSTS AND SERVICES RENDERED MADE BY SHEAFFER INTERNATIONAL			(i - i (i	Creek LLC
Num rational	1000	right creek	2004-013	6105	6236	6255	340000037	6367		250	escrow-dispulsement	cash advance	7044	7155		2007-08 Gross Receip	8028	2007-024	2007-035	2007 Gross Receipts	2007-08 Gross Receip		Unpaid Billings for Services and Expenses to Cartwright Creek , $\coprod C$		100824	100925	100926	100927		401018	910101	101020	101021	101022	101023	101024	101025	101026	101046	101047	101058	101062	101063		ES AND BILLINGS FOR C	Equity: Reese and Stevel Smith	Contribution	Tourseleant to Carbainship	Value of Land I ransferred to Carwight Creek LLC
Date Sheaffer international	1	Cash Advances to Cartwright Creek Bill 12/21/2004	12/31/2004	06/06/2005	08/01/2005	08/24/2005	10/03/2005	10/12/2005	40.05.000	5002/2021	9002/20/90	07/10/2006	08/01/2006	08/30/2006	06/25/2007	08/01/2007				08/01/2008	10/01/2008 ight Creek		or Services ar	ayable:	08/14/2007	08/14/2007	08/14/2007	08/27/2007	1002/15/2/L	SUUGIFUGU	03/03/2008	04/01/2008	05/01/2008	06/02/2008	07/01/2008	08/07/2008	08/07/2008	08/12/2008	11/17/2008	11/17/2008	12/31/2008	12/31/2008	01/28/2009	2	ASH ADVANC	Fourth Repose	Original Note Contribution		Value of Lai
Type Member's Equity: 9		Cash Advar	General Jo	Check	Check	Check		200	100 d	Cleak			Check	Check	Check		Check	General Jo	General Jo		Credit Total Investment in Cartwrî	TOTAL	Unpaid Billings fo	Demand Notes Payable:	Invoice	Invoice	Invoice	invoice	Payment 1 Accounts Pavable:	arimal	invoice invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice	Total Cartwright Creek, Ll	TOTALCA	Members			

Exhibit 28.1

Provided in Excel format on attached CD Per Consumer Advocate Request

Exhibit 29.1

Provided in Excel format on attached CD Per Consumer Advocate Request