



Villages at Norris Lake Community Association, Inc.
C/o Morris Property Management, Inc.
9041 Executive Park Drive, Suite 122
Knoxville, TN 37923
Phone: 865-692-0930

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T.R.A. DOCKET ROOM

November 15, 2013

Chairman, Tennessee Regulatory Authority
c/o Sharla Dillon, Dockets and Records Manager
460 James Robertson Parkway
Nashville, TN 37243

Re: TRA Docket 13-00017

Dear Ms. Dillon:

Enclosed please find two hard copies of the email and attachment I sent to you on November 13, 2013 directed to Chairman James M. Allison. Please retain one copy for your records and distribute one copy to Chairman Allison.

Thank you,

Patrick H. Perry
Board Secretary
Villages at Norris Lake
Community Association, Inc.
3309 Devonshire Court
Flower Mound, TX 75022-2767
972-355-2116 home
214-704-9847 cell

Hard copies have been sent via U.S. Mail to:

Charlena Aumiller
Assistant Attorney General
Consumer Advocate and Protection Services
P.O. Box 20207
Nashville, TN 37202-0207
615-741-2812

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----- Original Message -----

From: Pat Perry

To: sharla.dillon@tn.gov

Cc: Mark Troutman ; HWALKER@babco.com ; Charlena.Aumiller@ag.tn.gov

Sent: Wednesday, November 13, 2013 3:59 PM

Subject: Request for Public Comments to Chairman James M. Allison

Dear MS Sharla Dillon,

Would you please send this to Chairman James M. Allison and post this email on TRA Docket 13-00017. I will send hard copies within 3 days.

Dear James M. Allison,

I am Patrick Perry, a lot owner and Board Secretary of the Villages at Norris Lake Community Association, Inc. I am respectfully requesting to be heard through Public Comments and further request my letter to the consumer advocate (attached) be filed in TRA Docket 13-00017.

I understand that a hearing on this docket will be held November 25, 2013 at 10:00 AM. With your permission, I shall be in attendance to speak on behalf of more than 300 lot owners at the Villages at Norris Lake in Campbell County, TN. Please let me know if I may attend the hearing to speak, any documentation you may require, the time limit for my comments and the limit on the number of lot owners I may invite to speak.

Respectfully,
Pat Perry

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----- Original Message -----

From: Pat Perry

To: Charlena.Aumiller@ag.tn.gov

Sent: Friday, November 08, 2013 2:47 PM

Subject: Request to Consumer Advocate re: TRA Docket 1300017

Charlena Aumiller
Asst Attorney General
State of Tennessee
Charlena.Aumiller@ag.tn.gov

Letter to Consumer Advocate

Dear Charlena Aumiller,

I am Patrick Perry, a lot owner and Board Secretary of the Villages at Norris Lake Community Association, Inc. I have been following the most recent TRA Docket 1300017 along with many of our lot owner association members at the Villages of Norris Lake.

Since 2009 our owners' efforts to recover our community from bankruptcy have been continually delayed because of this sewage system dispute costing us millions of dollars in lost property values and no ability to secure home building financing. I met with Charles Hyatt, CEO of TWSI on July 22nd to make sure I understood where TWSI and Emerson stood on this issue. While I have urged patience with our owners over the last 5 years to let the system work, it became apparent at our July 27th annual meeting that it is time for our owners to be heard. So, with input from them I have prepared this request for the TRA Board's consideration in this matter.

Please acknowledge receipt of this email and let me know if I should copy it to other recipients involved with TRA Docket 1300017.

Request:

On behalf of the 340 lot owners and members of the Villages at Norris Lake Community Association, Inc. (VNLCA) we are requesting that the Tennessee Regulatory Authority (TRA) conclude all necessary actions as soon as possible to enable Caryville Jacksboro Utilities to provide the sewage service requirements of the Villages at Norris Lake in Campbell County, TN.

Background:

Land Resource, LLC (LRC) began selling lots in the development at the Villages of Norris Lake (VNL) in August 2005. By June 2008 they had sold 344 lots to owners across the US for more than \$35M. Buyers were told that LRC would be investing the proceeds from land sales in construction of amenities and infrastructure to finish the community by December 2010 according to the February 2008 Property Report issued to all owners by LRC.

In September 2008, LRC communicated on its website that the company was seeking to restructure its financing through its banking partners. In October 2008 LRC filed for chapter 11 bankruptcy in the US Bankruptcy Court in Orlando, FL. By then the VNL lot owners organized a 10 owner Volunteer Committee (VC) to gather information and formulate options to save the community. The VC developed priorities to:

- 1- Find a new developer to take over VNL for completion
- 2- Get the county to call the bonds and finish the infrastructure
- 3- Find a marina developer to complete a 600+ slip marina
- 4- Take over the Community Association from LRC and staff it with owners.

The VC interviewed 4 developers and decided to support the efforts of Emerson Properties in their purchase of the remaining unsold lots at VNL. Emerson Properties LLC bought the remaining property and assets of the Debtor LRC through US Bankruptcy Court auction on February 11, 2009.

Because of the LRC bankruptcy, 344 lot owners lost \$2.4M in promised amenities. And because the infrastructure (roads, water, sewer and electric) was less than 15% completed our \$35M in property values declined to less than \$7M.

In late 2008 the Campbell County Planning Commission (CCPC) called the bonds held by Bond Safeguard Insurance Co. (BS) to finish the infrastructure. BS refused to pay on the bonds citing pre-bankruptcy litigation filed against LRC. Members of our VC employed in the insurance industry found that BS was likely to fail having carried bonds for so many failed developers during the financial crisis.

The CCPC allowed Emerson to negotiate a settlement with BS which was completed in April 2009 and Emerson discovered that LRC had underfunded the bonds by more than \$3M based on the original 538 lots planned. Due to very steep terrain it was determined that reducing the development to 403 lots was the only financially viable means of completing the development. Emerson also found that the original site planned by LRC for the waste water treatment plant (WWTP) would not meet soil specification requirements and had to be replanned to accommodate the reduction of 135 lots. Because 73 of these 135 lots had already been purchased by owners, Emerson offered them an even swap to another of Emerson's purchased lots in order to protect the investments of owners and the banks that held their mortgages. The CCPC and all 73 owners agreed to the lot swap program and 80% of them have been completed with a few pending bank approval for change of mortgage collateral.

Summary:

In December 2008 I and two other lot owners were selected by LRC to take over the VNL Community Association Board, Inc. from LRC executive management. I was contacted by the Department of Justice to join the Unsecured Creditors Committee for the LRC Bankruptcy case in Orlando, FL. I remained on this committee through Chapter 11 until it was dismissed when the case went to Chapter 7 liquidation. I had access to LRC financial records and creditor claims.

In April 2009 Emerson held a Grand Re-Opening event for VNL owners and invited suppliers and contractors. Owners were advised that Emerson was told by Mike Hines (affiliated with TWSI see document attached) that he required a payment of \$100,000 before any work would be done on the sewer system by TWSI. This was supposedly for equipment which should belong to Emerson with the purchase of LRC bankruptcy assets. I checked LRC financial bankruptcy court records and found no unpaid accounts payables or unsecured creditor claims filed by Utility Capacity Corp. (UCC) or Tennessee Wastewater Systems, Inc (TWSI). If UCC or TWSI had unpaid invoices for \$100,000 they should have filed a unsecured claim to the bankruptcy court rather than demanding that Emerson or anyone else to pay them. Members of our VC told Emerson to find another sewage services provider.

In April 2009 Emerson began construction to complete the infrastructure and to date have spent more than \$6M on the project which is now 85% completed lacking only a short segment of road and the wastewater treatment plant.

Emerson offered to pay LaFollette Utilities for sewage services and they declined twice due to lack of capacity in the east side of the county. Emerson was then free to select another utility with a good reputation in the County. Caryville Jacksboro Utilities (CJU) accepted the task and planning began on a new high technology system that will result in a cost savings of more than 60% from the original LRC plan. Tennessee Wastewater Systems, Inc (TWSI) began a program of challenging the issuance of the permit granted by TRA/TDEC to CJU for the Villages. This intervention by TWSI has delayed the completion of the VNL recovery by more than three years at a cost of millions of dollars in lost property values. We as VNL owners feel our rights to have our choice of sewage services providers has been disenfranchised by these actions.

We VNL owners have worked tens of thousands of hours over 5 years working with Emerson Properties and all of the local bankers, contractors, service providers, city and county government to recover our community. We have continued to pay our association annual dues, taxes and mortgages and we are getting tired of all the delays in finishing the last 15% of our infrastructure. We have 3 completed homes, 3 under construction and 9 waiting to build when the sewer system is operational.

VNL Owners want CJU to be our sewage services provider.

Respectfully,
Pat Perry
Secretary VNLCA, Inc

Patrick H Perry
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UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION
www.flmb.uscourts.gov

In re:

Chapter 11 Cases

LAND RESOURCE, LLC, et al.,

Case No. 6:08-bk-10159-ABB

Debtors.

Jointly Administered with cases
6:08-bk-10159 through 6:08-bk-10192

_____/

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the *Order Approving Debtor's Rejection of Executory Contracts with Tennessee Wastewater Systems, Inc. and Utility Capacity Corporation Nunc Pro Tunc to the Petition Date (D.E. No. 228) [D.E. No. 365]* was served electronically via the Court's CM/ECF system on February 17, 2009 and via first class mail, postage pre-paid, on February 18, 2009 on all parties listed on the Service List attached hereto as Exhibit A.

I declare that the statements above are true to the best of my knowledge, information and belief.

Dated: March 5th, 2009

Sandirose Magder
Trustee Services, Inc.
Claims and Noticing Agent for
Land Resource, LLC, et al.

EXHIBIT A

EXHIBIT A

The Debtors

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U.S. Trustee

United States Trustee – Orlando **
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USTP.Region21.OR.ECF@usdoj.gov

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The Coastal Bank of Georgia
1500 Newcastle Street
Brunswick, GA 31520
Tempe, AZ 85282

Wachovia Bank National Association
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PO Bx 13327
Roanoke, VA 24040

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Beachview Tent Rentals
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** Denotes parties who receive service through the Court's CM/ECF system.

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Lien Holders

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Marion, NC 28752

Buchanan & Harper, Inc.
735 West 11th St.
Panama City, FL 32401

City of St. Mary's
418 Osborne St.
St. Mary's, GA 31558

Erosion Solutions LLC
1026 County Rd 439
Athens, TN 37303

Hickory Nut Development Corp.
2975 Memorial Hwy
Lake Lure, NC 28746

Howard B. Jones & Son, Inc.
123 Zenker Road
Lexington, SC 29072

LCE Engineers Inc
603 Macy Drive
Roswell, GA 30076

Michael Underwood & Associates
102 Cinema Drive Ste C
Wilmington, NC 28403

Morrow & Son LLC
359 County Road 129
Athens, TN 37303

R&R Excavating
P.O. Box 1102
Harriman, TN 37748

Sailors Engineering Assoc
1675 Spectrum Dr
Lawrenceville, GA 30043

Scheer's Incorporated
601 Oakmont Lane Ste 400
Westmont, IL 60559-5570
SGC, Inc.
P.O. Box 5177
ST. Marys, GA 31558

Shield Engineering, Inc.
4301 Taggart Creek Road
Charlotte, NC 28208

Snow Creek Landscaping
P.O. Box 10
Skyland, NC 28776

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Brunswick, GA 31520

York Bridge Concepts, Inc
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Tampa, FL 33604

Government Entities/Taxing Authorities

Bay County Tax Collector
648 Mulberry Avenue
Panama City, FL 32401

Buncombe County Tax Department
60 Court Plaza, Room 315
Asheville, NC 28801-3570

Craven County Business Property Taxes
226 Pollock Street
New Bern, NC 28560

Florida Department of Revenue
Orlando Service Center
Regions Bank Building,
5th Floor, 5401 S. Kirkman Rd
Orlando, FL 32819-7911

Fulton County Government Center
Treasury / Business Tax
141 Pryor Street
Suite 7001
Atlanta, GA 30303

Georgia Department of Revenue
1800 Century Center Boulevard NE
Atlanta, GA 30345-3205

Orange County Local Business Tax
201 S. Rosalind Avenue, 2nd Floor
Orlando, FL 32801

Roane County Business License
200 E. Race Street
Kingston, TN 37763

Tennessee Department of Revenue
500 Deaderick Street
Andrew Jackson Building
Nashville, TN 37242

Brunswick County Tax Administration
P.O. Box 269
Bolivia, NC 28422

Camden County – Business Taxes
200 East 4th Street
P.O. Box 99
Woodbine, GA 31569

Campbell County Tennessee
Business License
P.O. Box 13
Jacksboro, TN 37757

Internal Revenue Service
Centralized Insolvency Operations
P.O. Box 21126
Philadelphia, PA 19114

Lincoln County Occupation Tax
P.O. Box 340
182 Humphrey Street
Lincolnton, GA 30817

North Carolina Department of Revenue
P.O. Box 25000
Raleigh, NC 27640-0640

Rutherford Co. Tax Collector
P.O. Box 143
Rutherford Township, NC 28139

West Virginia Department of Revenue
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** Denotes parties who receive service through the Court's CM/ECF system.

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Other Interested Parties

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** Denotes parties who receive service through the Court's CM/ECF system.

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