

# ***CEDESIGNERS, Inc.***

108 EAST COMMERCIAL AVENUE  
MONTEREY, TENNESSEE 38574

Phone: (931) 839-2350  
Fax: (931) 839-6380  
www.cedesigners.com

April 27, 2016

Chairman Herb Hilliard  
ATTN: Patsy Fulton  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**HAND DELIVERED**

RE: Petition of Hammerland Utilities, Inc.  
for a Certificate of Public Convenience  
and Necessity to Provide Wastewater  
Service - Docket No. 14-00124

Dear Chairman Hilliard:

As the technical representative of the applicant, I am resubmitting the enclosed revised package. This is in response to TRA comments dated March 30, 2015.

Please find enclosed an original and four (4) hard copies of the above referenced petition. Also enclosed is an electronic copy on disc. Please sign and stamp the extra copy for our records.

Thank you for your assistance regarding this petition. If you have any questions, please do not hesitate to contact me.

Yours,



Mike Callahan, P.E.  
Chief Executive Officer

MC:jc

ENCL:

cc: Pamela L. Bygden, Hammerland Utilities, Inc.  
Wade Murphy, TDEC

## ATTACHMENTS TO RESPONSE

### ITEM

- |    |                                      |
|----|--------------------------------------|
| 1  | Organizational Charts                |
| 5  | Customer Map                         |
| 8  | Letters Requesting Service           |
| 11 | Plats                                |
| 15 | Capital Financing Statement          |
| 16 | Contractor's Performance Bond        |
| 22 | Letter Concerning Accounting Methods |
| 24 | Revised Financial Statements         |
| 25 | Guarantee of O&M Funds               |
| 27 | Tariff                               |
| 28 | Letter to Rye Engineering            |
| 29 | Final Cost Estimate                  |
| 30 | Construction Contract                |
| 31 | Contractor's Tennessee License       |

### ADDITIONAL ITEMS

- |    |  |
|----|--|
| A. | KATHLEEN FINKLE'S QUALIFICATIONS                             |
| B. | CHANCERY COURT RULING  |
| C. | AVAILABILITY OF ELECTRIC POWER                               |
| D. | CERTIFIED OPERATOR'S CONTRACT                                |
| E. | REVISED FINANCIAL STATEMENTS IN EXCEL (ELECTRONIC COPY ONLY) |

Response to Comments by TRA  
Issued on March 30, 2015 Concerning  
Docket No. 14-00124

ITEM 1. Elmhurst Chicago Stone, Inc. is a wholly owned corporation created in 1882 to supply construction materials (stone, sand, gravel, ready mix, concrete sewer pipe, etc.) to the area of northern Illinois and southern Wisconsin.

Elmhurst Chicago Stone, Inc. formed Hammerland, Inc. as a wholly owned subsidiary in the early 1990's for the purpose of developing residential property in River Trace II and nearby.

Hammerland Inc, is neither the parent company nor the owner of Hammerland Utilities, Inc. Both are wholly owned subsidiaries of Elmhurst Chicago Stone, Inc. The attached organizational charts show the relationship of all three entities.

ITEM 2. Hammerland Utilities, Inc. is a wholly owned subsidiary of Elmhurst Chicago Stone, Inc. created and incorporated in 2014 to operate the proposed waste water system serving River Trace II. The corporation has designated Pamela L. Bygden, the corporate secretary, as the officer in charge for the operation and management of Hammerland Utilities, Inc. since she is the officer on site.

ITEM 3. As stated in ITEM 1 and ITEM 2, Hammerland Utilities, Inc. is a wholly owned subsidiary of Elmhurst Chicago Stone, Inc. Shares in Elmhurst Chicago Stone Inc. are traded and are owned by many institutions and persons who may vary from time to time. This item appears to be most appropriate when addressed to an investment where each investor has a fixed share of ownership.

ITEM 4. Hammerland Utilities, Inc. has a President, Vice-President, Corporate Secretary, and a Corporate Treasurer. There is not a CEO or a CFO. The names, addresses, telephone numbers and fax numbers for each are listed as follows:

President and Director

Charles P. Hammersmith Jr.  
400 West 1<sup>st</sup> Street  
Elmhurst, Illinois 60126  
Phone: (630) 832-4000  
Fax: (630) 832-0140

Vice-President and Director

Kenneth J. Labner  
400 West 1<sup>st</sup> Street  
Elmhurst, Illinois 60126  
Phone: (630) 832-4000  
Fax: (630) 832-0140

Secretary

Pamela L. Bygden  
6471 E. Antioch Road  
Buchanan, Tennessee 38222  
Phone: (731) 642-1399  
Fax: (731) 642-1459

Treasurer and Director

Kathleen Finckle  
400 West 1<sup>st</sup> Street  
Elmhurst, Illinois 60126  
Phone: (630) 832-4000  
Fax: (630) 832-0140

ITEM 5. Please find attached a map showing the sewer area (developments), street names, current homes built (active homes), sold lots and unsold lots (potential customers) and the location of the treatment units and the drip field.

ITEM 6. Properties in addition to River Trace II which shall be customers of the Hammerland Utilities, Inc. Sewer System are:



Stoney River Subdivision  
Terry Sternard Lot  
Gary Taylor Lot  
Shirley Morgan Lot

All of which are shown on the map referenced under ITEM 5.

ITEM 7. At this time, there are no plans for Hammerland Utilities, Inc. to serve any commercial customer. The reference in the paragraph to commercial establishments has been removed.

ITEM 8. The description of the territory served has been revised to include only those customers needing immediate sewer service or who have commitments. These include River Trace II, Stoney River Subdivision and three residences located outside of these two subdivisions. The developers of both these subdivisions have provided letters requesting that Hammerland Utilities, Inc. serve as the waste water provider. The three lot owners listed in Item 6 have sewer service in their sales contracts. Letters which are available are attached.

ITEM 9. While projections of future development and growth of a project may be good and proper engineering practice, for the purpose of this petition for a CCN all references to future projects has been eliminated. Any future development is not part of this CCN.

ITEM 10. The map provided in response to ITEM 5 designates a boundary for the CCN and designates 50 active and future connections to the sewer system. If any additional customer within the boundary wishes to connect to the sewer system, such connection would only be made with the permission of TDEC after the agency determined that excess capacity existed in the treatment units. That being the case, no funds would be required for capital improvements.

ITEM 11. Please find attached copies of a recorded plat for River Trace II and an unrecorded plat of Stoney River Subdivisions.

ITEM 12. When you deduct the 10 unsold lots and the unbuilt condo units, only 36 lots are left which have a contractual obligation to receive sewer service.

ITEM 13. At this time, there are 7 existing homes receiving sewer services from the existing sewer system.

ITEM 14. The number of units served upon build out will be changed at all places in the text to read the equivalent of 50 units to match the SOP. The rationale for agreeing to 50 units as a common number is shown as follows:

River Trace II was platted for 38 lots (There is no Lot 32). Lot 1 was sold to a neighboring developer which leaves 37 lots. The adjacent development, Stoney River, was platted for 6 lots. Three additional lots have sales contracts allowing them to connect to the sewer system. This brings the total number of lots to 46.

A single large tract was sold which has sufficient acreage for 8 condo units. However, Hammerland Utilities will not issue sewer connection permits for more than 4 condo units until this CCN is modified.

The total number of residential units to be served is shown to be 50 units.

ITEM 15. Hammerland, Inc. is the developer for this property and as such is responsible for the construction of the proposed waste water treatment facility. A statement is attached to verify that Elmhurst Chicago Stone, Inc. is providing the capital for this proposed waste water treatment facility being constructed by Hammerland, Inc. At this time, approximately \$170,000 of the needed funds is on deposit in an account at a local bank.

- ITEM 16. The developer has a contract with a construction company to build the proposed waste water treatment plant. This contract requires that a performance bond or equivalent be provided to the developer to assure the completion of the proposed facility. Please note that this is a different contractor from that in the original docket. A copy of this performance bond is attached.
- ITEM 17. Section J of the Rules and Regulations has been deleted.
- ITEM 18. Please see the attached Tariff for customer deposits and tapping fees.
- ITEM 19. There will be no commercial or industrial customers. Therefore, Section N of the Rules and Regulations is deleted.
- ITEM 20. The system will go on line billing 50 customers, 7 active customers and 43 inactive customers paying access fees. See Tariff. Item 27.
- ITEM 21. See comments concerning ITEM 8.
- ITEM 22. See attached letter from Jeff Brown, Vice President of Elmhurst Chicago Stone.
- ITEM 23. Since Hammerland Utilities, Inc. is a new corporation, there are no financial statements for year-end 2012, 2013 or 2014.
- ITEM 24. As stated previously in this response, Hammerland Utilities, Inc. is a newly formed subsidiary of Elmhurst Chicago Stone, Inc. for the purpose of providing sewer service to River Trace II. Thus far there have not been any audited financial statements. Attached are revised balance sheet, income statement and statement of cash flow. All these documents have been based on the proposed tariff. Depreciation shall be for the construction cost amount of \$297,500 on a straight line basis over 40 years.

- ITEM 25. See attached statement concerning guarantee of funds to cover deficit in annual O&M costs.
- ITEM 26. The customer service number is (731) 642-1399. This number shall be at a location or forwarded to an alternate location which will be answered at any time.
- ITEM 27. Please see the attached Tariff for Hammerland Utilities, Inc. which shows all the services and cost as per your requests.
- ITEM 28. Please see attached letter from Hammerland Utilities, Inc. to Rye Engineering, LLC. At this time, water service is provided by individual wells.
- ITEM 29. The cost estimate on page 10 of the Petition was a copy from the Engineering Report which was written a year and a half before the Petition and was included by mistake. A revised and updated cost estimate has been substituted by the attached document. This revised cost estimate is based on the Contractor's quoted price of \$297,500 plus other related costs. The increase in the construction cost is the result of the normal annual increase in this cost (5%) and the cost of delivery of construction material to the remote project location. A revised page 10 is attached.
- ITEM 30. The developer is responsible for providing the waste water treatment facility for the development. This is accomplished via a construction contract with Utility Inspection Services, Inc. This contract requires that construction be completed using plans and specification approved by the Tennessee Department of Environment and Conservation, Said plans and specifications are shown in the docket. The construction contract is attached.

- ITEM 31. A copy of Utility Inspection Services, Inc. contractors license and certificate of existence is attached.
- ITEM 32. Attached is a signed statement from Terry Wimberly that he is still under contract to serve as operator for this proposed facility.
- ITEM 33. The Engineering Report was written in May of 2013. The option of building one or two recirculating sand filters was offered to the Owners as a choice as to the size of the initial investment. The Owners decided to build the entire plant at one time. The docket for the CCN was submitted a year and a half later. The plans which are part of the construction contract show that both filters will be constructed.

Additional Items of Interest

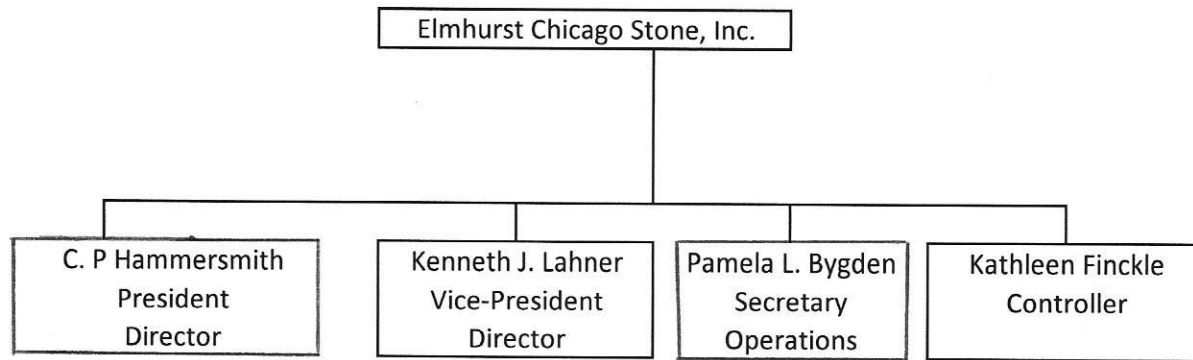
- A. Since the initial filing of this docket, Mr. Charles Simon has died. He has been replaced as Treasurer by Kathleen Finkle. The minutes of the Board of Directors meeting appointing her and her qualifications are attached.
- B. A hearing was held in Stewart County Chancery Court concerning the Restraining Order preventing the transfer of property to Hammerland Utilities, Inc. A copy of the ruling is attached as well as a quit claim deed returning the subsurface sewage system site to Hammerland, Inc.
- C. Claims have been made that the electric power supplier has been prevented from new homes to the electric system. Attached is an e-mail from the utility stating that electric service is available.
- D. It has been verbally questioned as to whether Hammerland Utilities, Inc. still has the services of an available certified operator. Attached is a verification that the operator's contract is still active.

**ITEM 1**

**ORGANIZATIONAL CHARTS**

**TABLE OF ORGANIZATION**

**ELMHURST CHICAGO STONE, INC.**



## TABLE OF ORGANIZATION

### HAMMERLAND, INC.

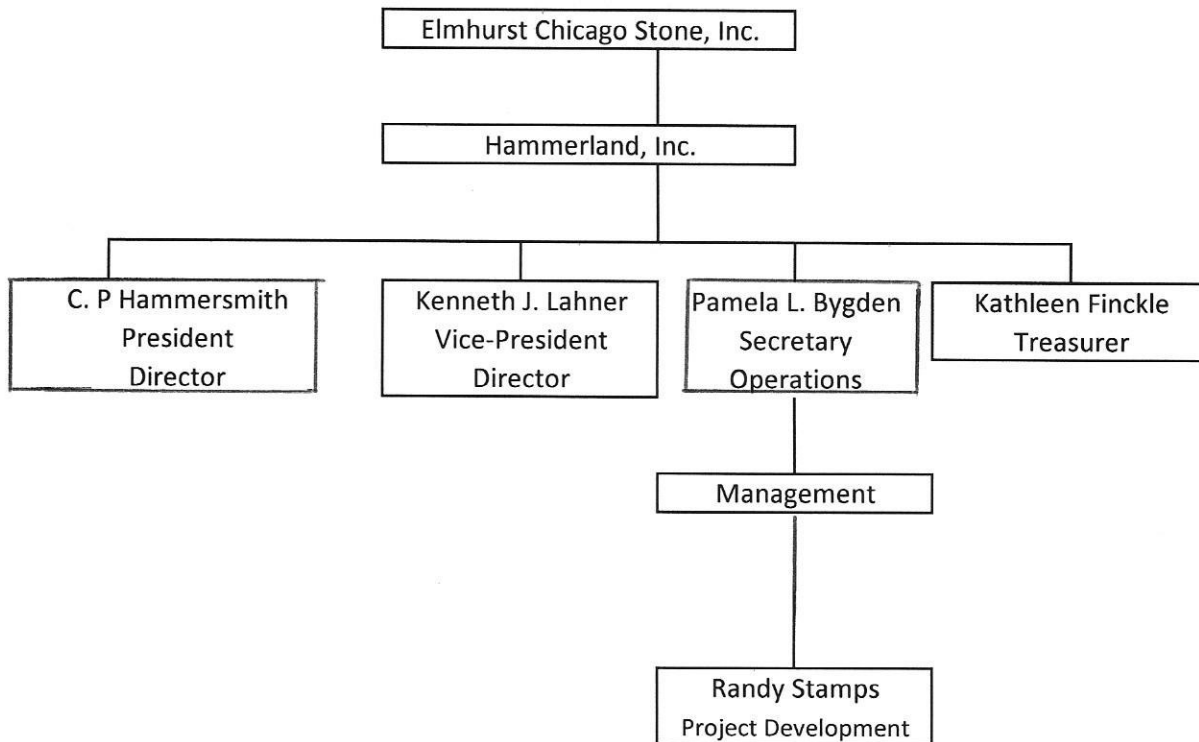
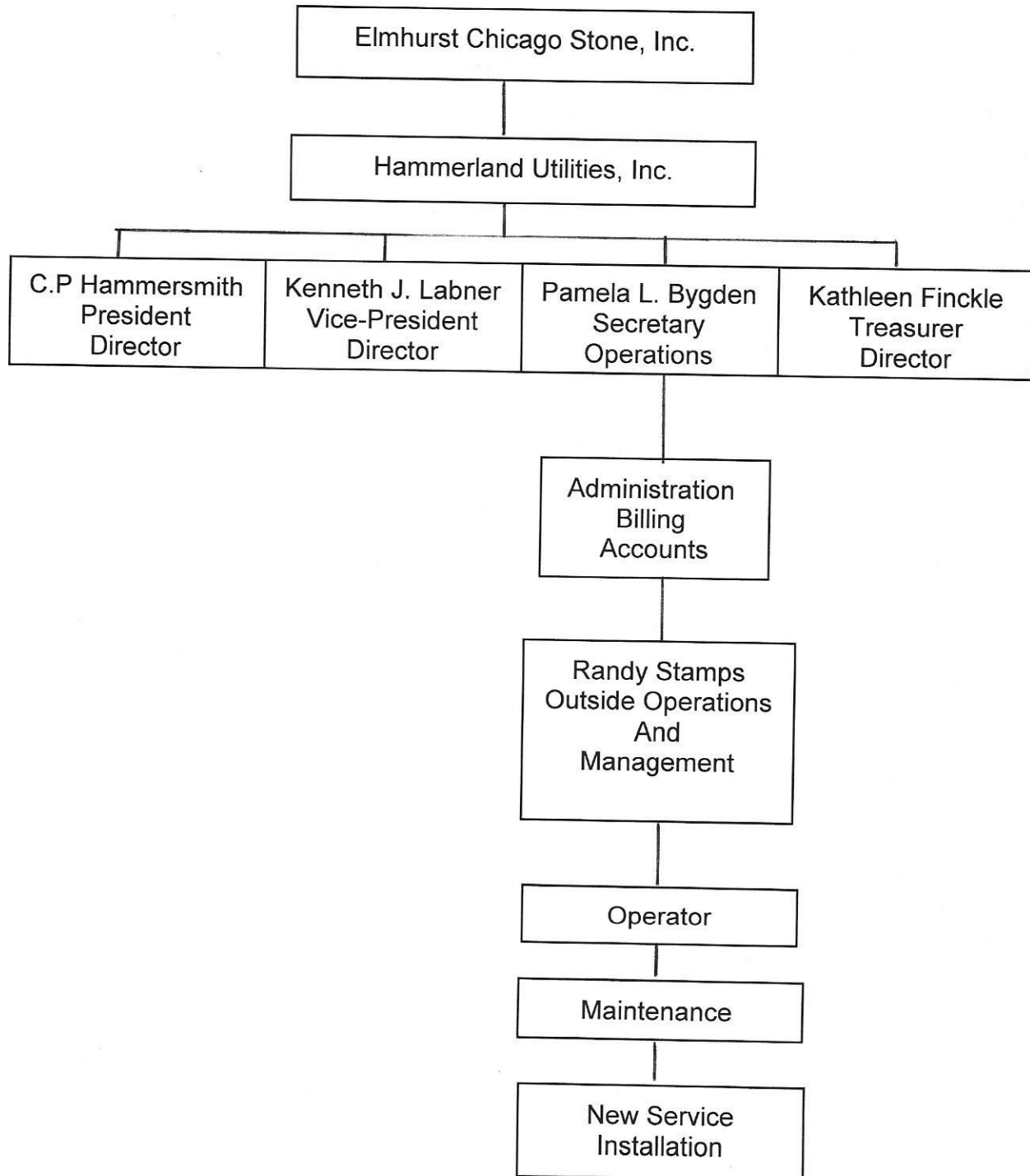


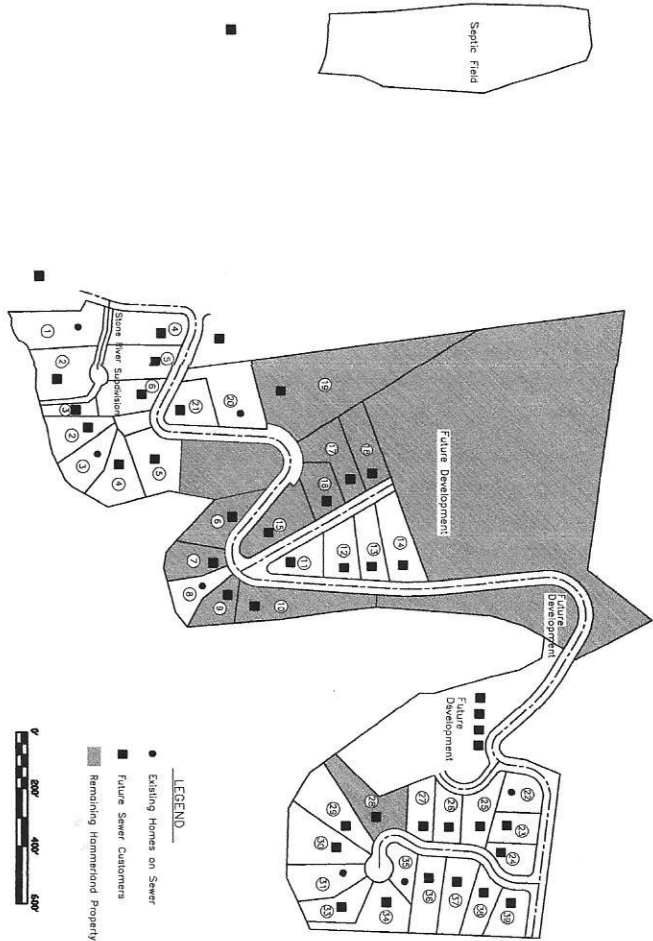


TABLE OF ORGANIZATION  
HAMMERLAND UTILITIES, INC.



**ITEM 5**

**CUSTOMER MAP**



SHEET: **BOUNDARY SURVEY** NUMBER: **1 of 1**

**L. I. SMITH & ASSOCIATES, INC.**  
**SURVEYORS - ENGINEERS**

202 North Caldwell Street  
 Paris, Tennessee 38242  
 731-644-1001 FAX 731-644-8077

1000 Lebanon Pike, Suite 105  
 Memphis, Tennessee 38118  
 901-251-7400 FAX 901-251-8590

Website: [www.lisouth.com](http://www.lisouth.com)

DESIGNED BY: D. WOOD CHECKED BY: F. YOUNG DATE: 5/12/15

PROJECT: RIVER TRACE

THIS DRAWING SHALL BE CONSIDERED NEGLIGENT AND INACCURATE FOR THE PURPOSES OF THE ENGINEER OR SURVEYOR.

REVISIONS		
NO.	DESCRIPTION	DATE
© 2015 L. I. SMITH & ASSOCIATES, INC.		
<small>           ALL INFORMATION AND DATA HEREON IS THE PROPERTY OF L. I. SMITH &amp; ASSOCIATES, INC. IT IS TO BE USED ONLY FOR THE PROJECT AND NOT FOR ANY OTHER PURPOSE. NO PART OF THIS DRAWING IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT PERMISSION IN WRITING FROM L. I. SMITH &amp; ASSOCIATES, INC. THE USER OF THIS DRAWING SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE DATA AND INFORMATION PROVIDED HEREON. THE USER OF THIS DRAWING SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE DATA AND INFORMATION PROVIDED HEREON. THE USER OF THIS DRAWING SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE DATA AND INFORMATION PROVIDED HEREON.         </small>		

## RIVER TRACE SEWER MAP RIVER TRACE DRIVE STEWART COUNTY, TN

**ITEM 8**

**LETTERS REQUESTING SERVICE**

CONSENT IN LIEU OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS  
HAMMERLAND, INC.

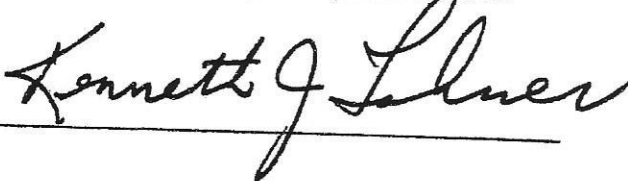
The undersigned, constituting the Board of Directors of Hammerland, Inc., A Tennessee corporation (the "Corporation"), in lieu of holding a special meeting of the Board of Directors, do hereby consent to the adoption of and do hereby adopt the following Resolution by written consent pursuant to the General Corporation Law of The State of Tennessee:

RESOLVED, that Hammerland, Inc., the "Developer", agrees that Hammerland Utilities, Inc. will be the "Operator" of the sewage treatment plant that will service River Trace II subdivision, is hereby approved and accepted;

FURTHER RESOLVED, that any officer of the Corporation is authorized to execute said Contract and all other documents of conveyance in connection therewith.

This consent may be executed in counterparts, each of which constitute an original  
And all of which together shall constitute one and the same document.

Dated as of the 14th day of September 2015.

  
\_\_\_\_\_

***Danny Kesterson  
278 River Trace Drive  
Dover, TN 37058***

April 2, 2015

To whom it may concern:

Please be advised the designated sewer service provider for the Stonew River subdivision is Hammerland Utilities, Inc., which services River Trace II subdivision as well.

Sincerely,

*Danny Kesterson*

Danny Kesterson  
Developer

DK/pb

March 21, 2016

Hammerland, Inc.  
6471 E. Antioch Road  
Buchanan, TN 38222

RE: Sewer Service

Dear Sirs:

Thank you for the update regarding the building of the new sewer plant at River Trace II. I am looking forward to the new plant providing service to the lots I am developing in the Stoney River Subdivision.

Please keep me informed of the progress.

Sincerely,



Danny Kesterson

DK/pb

March 22, 2016

Hammerland, Inc.  
6471 E. Antioch Road  
Buchanan, TN 38222

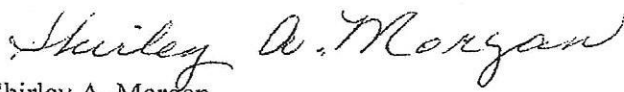
RE: Sewer Service

Dear Pam:

It was nice speaking with you the other day. Thank you for keeping me updated regarding the building of the new sewer plant at River Trace II. I am looking forward to the new plant providing service to the property I own on River Trace Drive. I understand that only one tap is available to me.

Thanks for your help and please keep me informed.

Sincerely,

  
Shirley A. Morgan

SAM/pb



← Back to Message Taylor letter for sewer service... 1 / 1

⬇ ⬆ ⬇

March 23, 2016

Hammerland, Inc.  
6471 E. Antioch Road  
Buchanan, TN 38222

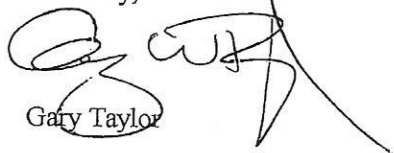
RE: Sewer Service

Dear Sirs:

Thank you for the update regarding the building of the new sewer plant at River Trace II. I am looking forward to the new plant providing service to the lot I own off River Trace Drive.

Please keep me informed of the progress.

Sincerely,

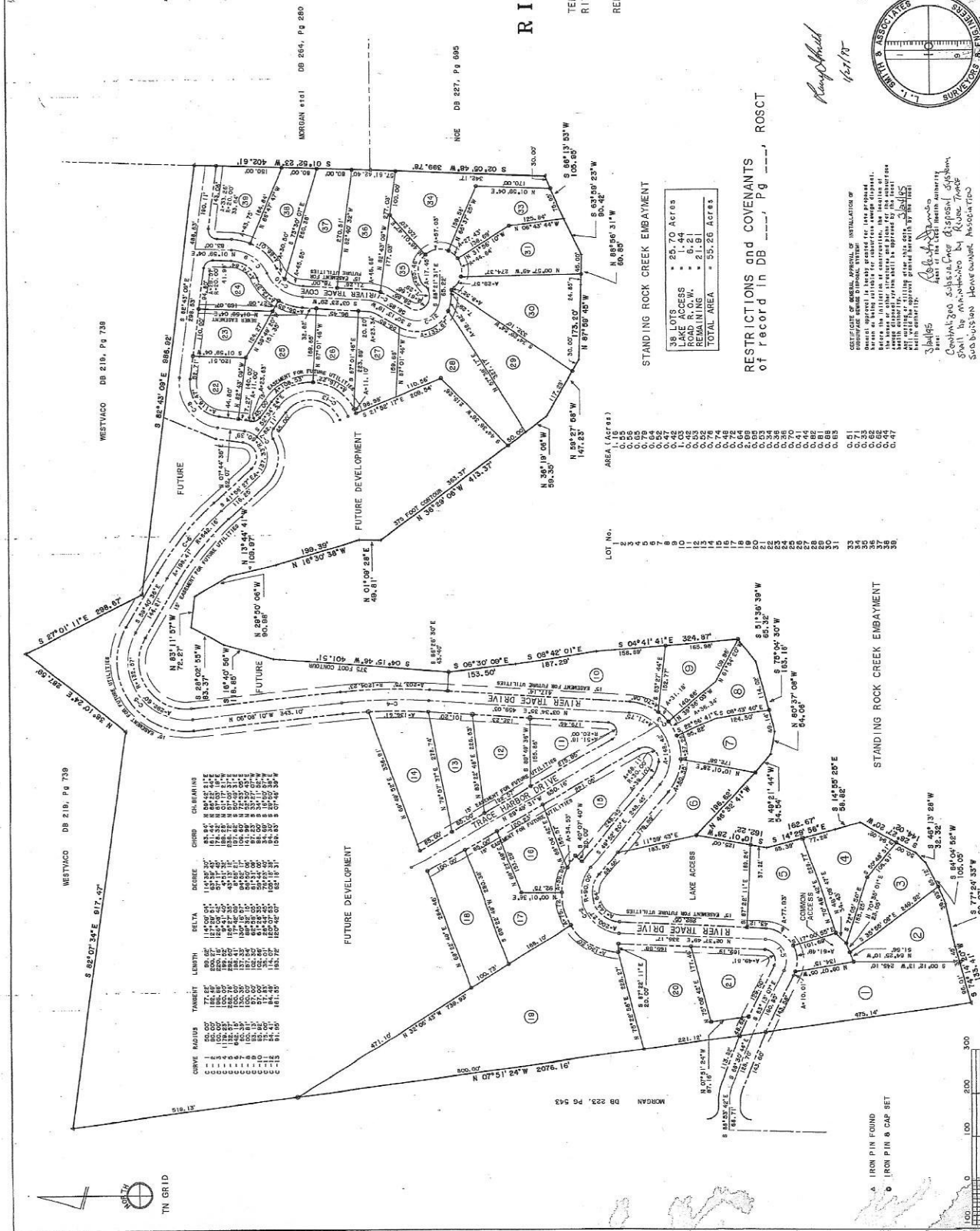
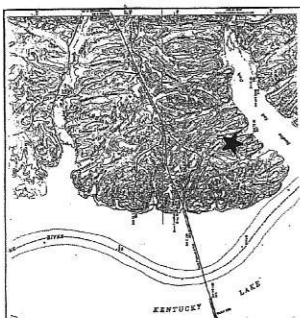


Gary Taylor

GT/pb

**ITEM 11**

**PLATS**



# STONEY RIVER SUBDIVISION

OWNER/DEVELOPER: DANNY KESTERSON  
278 RIVER TRACE DRIVE  
DOVER, TN 37058

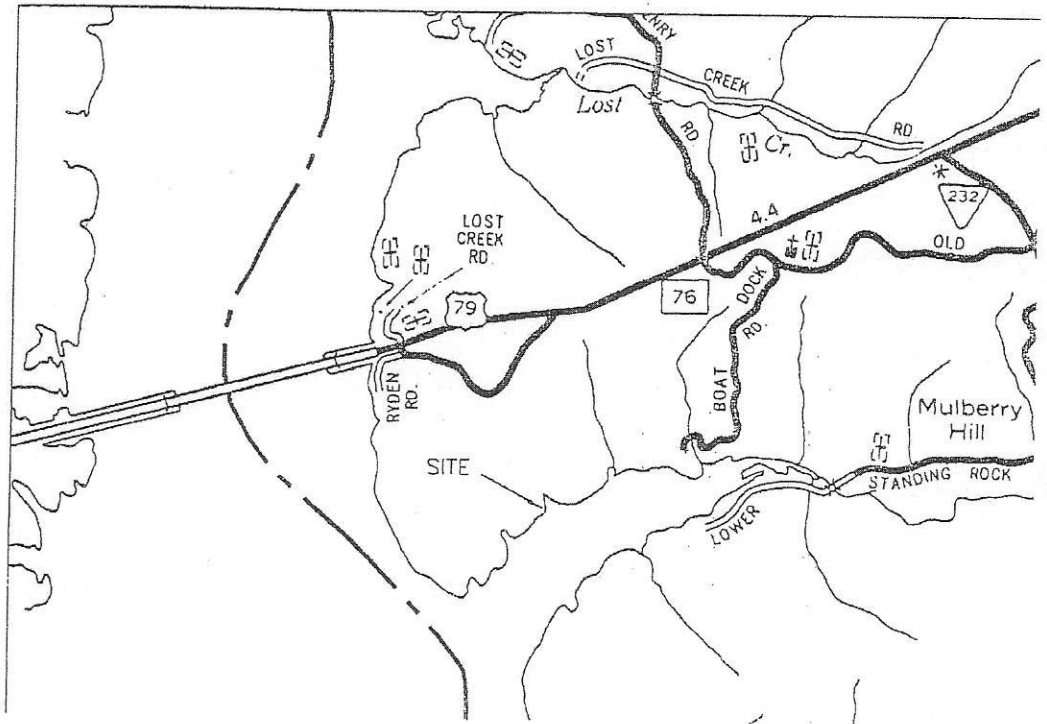
TENTH CIVIL DISTRICT  
STEWART COUNTY, TENNESSEE

SOURCE OF TITLE: DEED BOOK 246, PAGE 846  
RECORD BOOK 52, PAGE 438

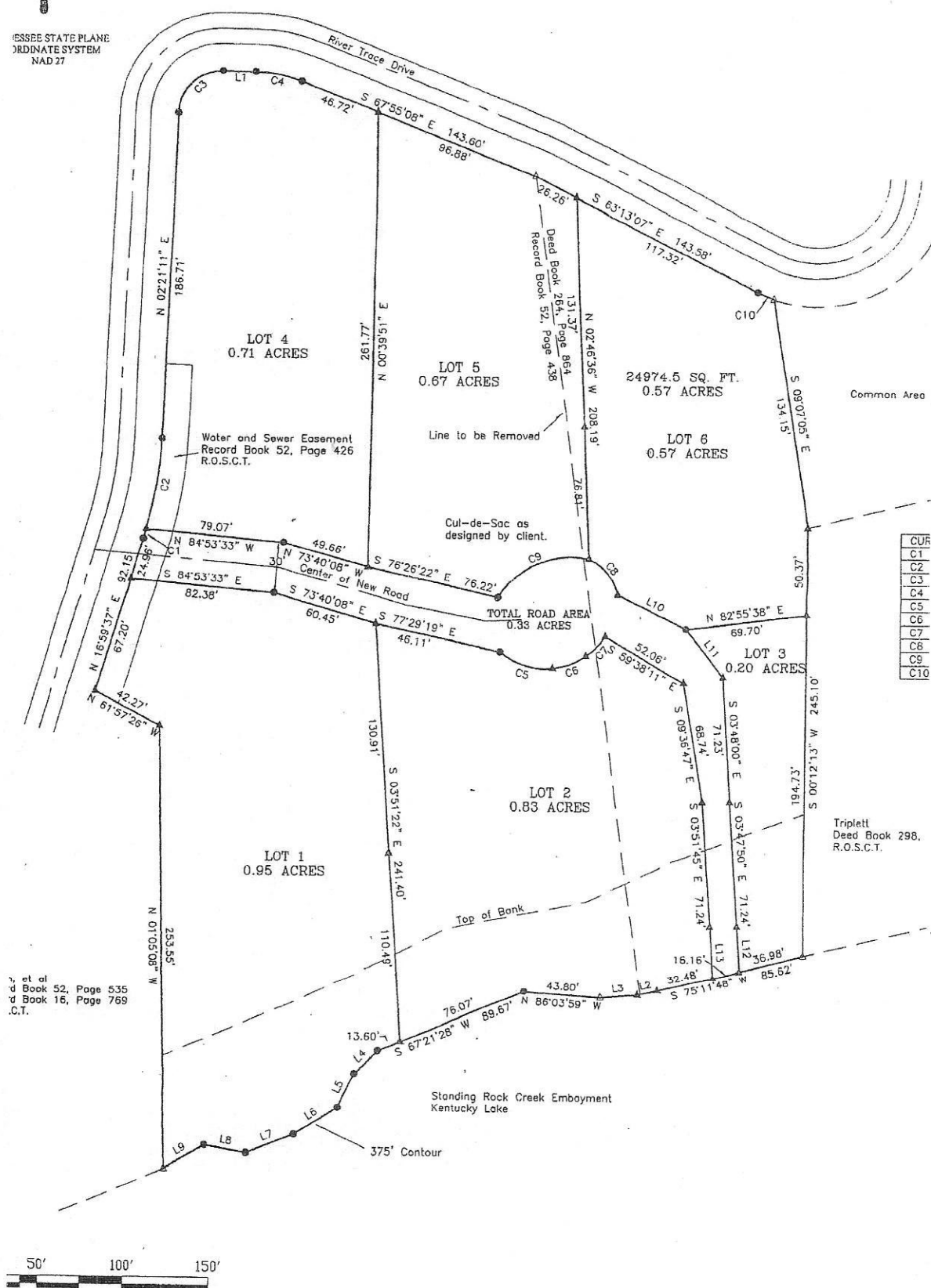
TAX MAP 110, PARCEL 6

TOTAL AREA = +/- 4.26 ACRES

NOTE: THIS PROPERTY IS SUBJECT TO ANY AND ALL  
EASEMENTS, COVENANTS, OR RESTRICTIONS,  
EITHER WRITTEN OR UNWRITTEN.



H	CHORD BEARING
	N 16°27'24" E
	N 08°54'41" E
	N 46°06'18" E
	S 78°42'13" E



**ITEM 15**

**CAPITAL FINANCING STATEMENT**

**CONSENT IN LIEU OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS  
ELMHURST CHICAGO STONE, INC.**

The undersigned, constituting the Board of Directors of Elmhurst Chicago Stone, Inc.,  
An Illinois corporation (the "Corporation"), in lieu of holding a special meeting of the  
Board of Directors, do hereby consent to the adoption of and do hereby adopt the following  
Resolution by written consent pursuant to the General Corporation Law of The State of Illinois:

RESOLVED, the Corporation agrees to fund the RiverTrace II sewer project on behalf of  
Hammerland, Inc. and/or Hammerland Utilities, Inc. by incremental, non-interest bearing loans to  
cover any and all deficits up to \$250,000.

FURTHER RESOLVED, that any officer of the Corporation is authorized to execute said  
Contract and all other documents of conveyance in connection therewith.

This consent may be executed in counterparts, each of which constitute an original  
And all of which together shall constitute one and the same document.

Dated as of the 1st day of December, 2015.



---

JEFF BROWN  
VICE PRESIDENT  
ELMHURST-CHICAGO STONE CO.

**ITEM 16**

**CONTRACTOR'S PERFORMANCE BOND**



Contractors  
Bond

To be Submitted  
later

**ITEM 22**

**LETTER CONCERNING ACCOUNTING METHODS**

December 1, 2015

To Whom it may concern:

Please be advised that Hammerland, Inc. is familiar with the Uniform System of Accounting chart of accounts.

We will have a staff person locally to oversee the day to day operations with monthly financial reporting and oversight by Kathleen Finckle, Comptroller.

Financial statements for Hammerland, Inc. for 2012, 2013, 2014 are not available.

Warmest regards,



JEFF BROWN

ECMUNST - CHICAGO STORE COMPANY

**ITEM 24**

**REVISED FINANCIAL STATEMENTS**

Annual      Income      and      Expenses

ITEM	Existing	Initial Monthly	End of 1st Year	2nd Year	3rd Year	4th Year	5th Year
Users	7	7	9	11	13	15	17
Sold Lots	27	27	27	27	27	27	27
Access Fee	\$15.00/mo	\$ 405.00	\$ 4,860.00	\$ 4,860.00	\$ 4,860.00	\$ 4,860.00	\$ 4,860.00
Residential Service	\$50.00/mo.	\$ 350.00	\$ 5,400.00	\$ 6,600.00	\$ 7,800.00	\$ 9,000.00	\$ 10,200.00
Surcharge/ bedroom - 3+	\$5.00/mo	\$ 35.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00
Misc. Income (est)		\$ 160.00	\$ 160.00	\$ 160.00	\$ 260.00	\$ 260.00	\$ 260.00
Sales Tax (10%)		\$ 72.00	\$ 1,084.00	\$ 1,214.00	\$ 1,344.00	\$ 1,464.00	\$ 1,584.00
Subtotal-Income		\$ 862.00	\$ 11,924.00	\$ 13,358.00	\$ 14,784.00	\$ 16,104.00	\$ 17,424.00
Expenses		\$ 1,185.00	\$ 15,144.00	\$ 15,144.00	\$ 15,144.00	\$ 15,144.00	\$ 15,144.00
Loss			\$ (3,220.00)	\$ (1,784.00)	\$ (360.00)	\$ 960.00	\$ 2,280.00
Tap Fee	\$5,500.00/ea.		(\$11,000.00)	(\$11,000.00)	(\$11,000.00)	(\$11,000.00)	(\$11,000.00)

Operating Loan of      \$ 20,000.00  
Loss Over First 5 years is \$13,880.00

ProForma Statement of Operating Cost for First Five Years

<u>ITEM</u>	<u>MONTHLY</u> <u>COST</u>	<u>YEARLY</u> <u>COST</u>	<u>5 YEAR</u> <u>COST</u>
Contract Operator	\$ 300.00	\$ 3,600.00	\$ 18,000.00
Billing & Accounting	\$ 300.00	\$ 3,600.00	\$ 18,000.00
Electricity	\$ 75.00	\$ 900.00	\$ 4,500.00
Miscellaneous	\$ 15.00	\$ 180.00	\$ 900.00
Bond & Insurance	\$ 250.00	\$ 3,000.00	\$ 15,000.00
Sales Tax	\$ 62.00	\$ 744.00	\$ 3,720.00
Lawn Maintenance (16 times/yr)	\$ 100.00	\$ 1,200.00	\$ 6,000.00
Mowing Drip Field (twice/yr)	\$ 60.00	\$ 720.00	\$ 3,600.00
System O&M	\$ 100.00	\$ 1,200.00	\$ 6,000.00
Subtotal - Operations	\$ 1,262.00	\$ 15,144.00	\$ 75,720.00
Reserve - Major Repairs (to \$20,000)	\$ 200.00	\$ 2,400.00	\$ 12,000.00
Pump Replacement Reserve (to \$3500)	\$ 100.00	\$ 1,200.00	\$ 6,000.00
Subtotal - Reserves	\$ 300.00	\$ 3,600.00	\$ 18,000.00
TOTALS	\$ 1,562.00	\$ 18,744.00	\$ 93,720.00

An Analysis for Projected Growth for First Five Years

	<u>Existing Users</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Plus 1 Annually	7	8	9	10	11	12
Plus 2 Annually		9	11	13	15	17

**ITEM 25**

**GUARANTEE OF O&M FUNDS**



# TENNESSEE REGULATORY AUTHORITY

## PUBLIC UTILITY SERVICE PROVIDER'S SURETY BOND

Bond #:106111696

DUPLICATE ORIGINAL

**WHEREAS**, Hammerland Utilities, Inc. ("Principal") is a wastewater public utility and holds a Certificate of Public Convenience and Necessity ("CCN") granted by the Tennessee Regulatory Authority, an agency of the State of Tennessee, for the provision of wastewater utility services in Tennessee; and

**WHEREAS**, under the provisions of Title 65, Chapter 4, Section 201(e) of the Tennessee Code Annotated, as amended, and Tenn. Comp. R. & Regs. Chapter 1220-4-13, the Principal is required to file this bond to secure the payment of any monetary obligation imposed in any enforcement proceeding brought under Title 65 Chapter 2, 4 and 5 of the Tennessee Code Annotated, or Tenn. Comp. R. & Regs. Chapter 1220-4-13, by or on behalf of the Tennessee Regulatory Authority (the "TRA"); and

**WHEREAS**, Traveler's Casualty and Surety Company of America ("Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in Tennessee pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 201 of the Tennessee Code Annotated and Tenn. Comp. R. & Regs. Chapter 1220-4-13;

**NOW THEREFORE, BE IT KNOWN**, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 201(e) and Tenn. Comp. R. & Regs. Chapter 1220-4-13 in the full amount of **Twenty Thousand Dollars and 00/100's (\$20,000.00)** lawful money of the United States of America to be used for the full and prompt payment of any monetary obligation imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 Chapters 2, 4 and 5 of Tennessee Code Annotated, or Tenn. Comp. R. & Regs. Chapter 1220-4-13, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 09/04/2014 and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed **Twenty Thousand Dollars and 00/100's (\$20,000.00)**. The Surety may cancel this bond by giving sixty (60) days advance written notice of such cancellation to the Tennessee Regulatory Authority and the Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

### PRINCIPAL

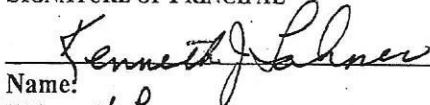
Hammerland Utilities, Inc.

Name of Wastewater Public Utility

6471 E. Antioch Road. Buchanan, TN 38222

Address of Principal

SIGNATURE OF PRINCIPAL



Name:

Title: V.P.

### SURETY

Traveler's Casualty and Surety Company of America

Name of Surety

1 Tower Square, Hartford, CT 06183

Address of Surety

SIGNATURE OF SURETY AGENT



Name: William Redinger

Title: Attorney-In-Fact

Address of Surety Agent:

Assurance Agency, Ltd.

1750 E. Golf Road

Schaumburg, IL 60173

**THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 201, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AND TENN. COMP. R. & REGS. CHAPTER 1220-4-13. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)**

**TRAVELERS****POWER OF ATTORNEY**

Farmington Casualty Company  
 Fidelity and Guaranty Insurance Company  
 Fidelity and Guaranty Insurance Underwriters, Inc.  
 St. Paul Fire and Marine Insurance Company  
 St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company  
 Travelers Casualty and Surety Company  
 Travelers Casualty and Surety Company of America  
 United States Fidelity and Guaranty Company

Attorney-In Fact No. 226623

Certificate No. 005811046

**KNOW ALL MEN BY THESE PRESENTS:** That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Donna M. Tyler, Hina Azam, Karen E. Bogard, William Reidinger, Donna Wright, Joseph Halleran, Matthew V. Buol, and Rebecca R. Alves

of the City of Schaumburg, State of Illinois, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 21st day of February, 2014.

Farmington Casualty Company  
 Fidelity and Guaranty Insurance Company  
 Fidelity and Guaranty Insurance Underwriters, Inc.  
 St. Paul Fire and Marine Insurance Company  
 St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company  
 Travelers Casualty and Surety Company  
 Travelers Casualty and Surety Company of America  
 United States Fidelity and Guaranty Company



State of Connecticut  
 City of Hartford ss.

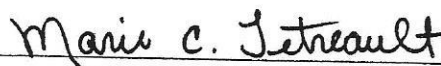
By: 

Robert L. Raney, Senior Vice President

On this the 21st day of February, 2014, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.  
 My Commission expires the 30th day of June, 2016.



  
 Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 4TH day of September, 2014

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

Kevin E. Hughes  
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at [www.travelersbond.com](http://www.travelersbond.com). Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE

COUNTY OF Henry

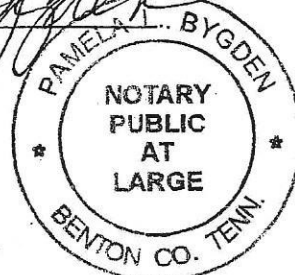
Before me, a Notary Public of the State and County aforesaid, personally appeared Kenneth J. Lahner with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of Hammerland Utilities, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 14<sup>th</sup> day of November, 2014.

My Commission Expires:

August 25, 2016

Pamela Bygden  
Notary Public



ACKNOWLEDGMENT OF SURETY

STATE OF Illinois

COUNTY OF Kane

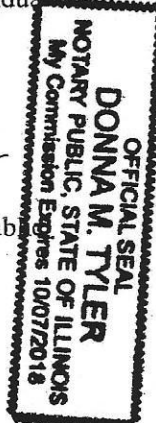
Before me, a Notary Public of the State and County aforesaid, personally appeared William Reidinger with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of Traveler's Casualty and Surety Company of America the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this 4<sup>th</sup> day of September, 2014.

My Commission Expires:

10/07/2014

Donna M. Tyler  
Donna M. Tyler, Notary Pub



APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Name:

Title:

**ITEM 27**

**TARIFF**

TARIFF SHEET  
HAMMERLAND UTILITIES, INC.  
MONTHLY SEWER SERVICE BILLING

Monthly Flat Rate User Charge (For up to three bedroom home)	\$ 50.00
Monthly Surcharge for each added bedroom over three	\$ 5.00
Monthly Access Fee for Lot with sewer service available	\$ 15.00
Tap Fee	\$ 6,500.00
Tap Fee Surcharge for each added bedroom over three	\$ 1,000.00

GENERAL FEES

Deposit (Paid at request for service)	\$ 200.00
Disconnect Fee (either non-payment or voluntary termination of service)	\$ 25.00
Reconnect Fee and Reinstall Pump (Plus all back payments)	\$ 150.00
Returned Check Charge	\$ 30.00
Late Payment Penalty	10.0%

Potable water is provided by individual wells.

**ITEM 28**

**LETTER TO RYE ENGINEERING**

**Hammerland Utilities, Inc.**  
**6471 E. Antioch Road**  
**Buchanan, TN 38222**  
**(731) 642-1399**

April 12, 2015

Rye Engineering, PLC  
4210 West Main Street  
Erin, TN 37061  
Attn: Mr. Michael Wheeler

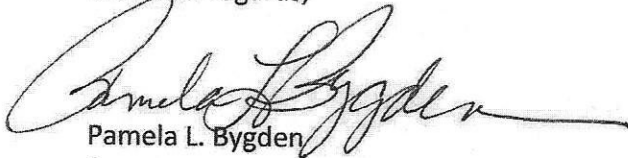
RE: River Trace II Subdivision Sewage Works

Dear Mr. Wheeler:

Thank you for your letter of response dated May 5, 2014. Sewer service for River Trace II shall be provided by Hammerland Utilities, Inc. We recognize the West Stewart Utility District has exclusive rights to provide public water to the area of River Trace II subdivision. We have no interest in providing water service. At this time all our residential units are served by individual water wells.

I thank you for your cooperation in the hope that our two utilities can be of assistance to each other in growth and prosperity.

Warmest regards,



Pamela L. Bygden  
Secretary



**ITEM 29**

**FINAL COST ESTIMATE**

## FINAL COST ESTIMATE

Project      Rivertrace WWTP  
                 for Hammerland, Inc.  
                 Stewart County, Tennessee

<u>Proposal</u>	<u>Estimated Price, \$</u>
Mobilization	\$ 50,000.00
Earthwork	\$ 12,500.00
Piping	\$ 15,000.00
Concrete	\$ 40,000.00
Basin	\$ 10,000.00
Equipment	\$ 90,000.00
Media Installation	\$ 25,000.00
Electric, Site	\$ 5,000.00
Control System	\$ 7,500.00
Disinfection Equipment	\$ 7,500.00
Frech Drain/Headwalls	\$ 25,000.00
Clean-up	\$ <u>10,000.00</u>
 <b>TOTAL ESTIMATED PRICE</b>	 <b>\$ 297,500.00</b>

**ITEM 30**

**CONSTRUCTION CONTRACT**

CONTRACT

THIS AGREEMENT made and entered into this the 2<sup>ND</sup> day of April, 2016,  
by and between Utility Inspection Services, Inc. hereinafter called the Contractor,  
and Hammerland, Inc., hereinafter called the Owner, for the work located at River Trace II,  
Stewart County, Tennessee.

WITNESSETH:

That the Contractor, for the consideration hereinafter fully set out, hereby agrees with  
the Owner as follows:

1. Scope of the Work

That the Contractor shall furnish all labor, materials, tools, machinery, and service, to  
complete the construction of a Waste Water Treatment System for River Trace II in  
Stewart County, Tennessee, for the Owner, in the manner and form as provided by the  
Plans, Specifications and Documents attached hereto:

All identified as a Waste Water Treatment System for River Trace II in  
Stewart County, Tennessee, CED Job Number D-202, August 1, 2013,  
as prepared by **C E DESIGNERS, INC.**, Monterey, Tennessee, and shall  
do everything required by this Agreement, Advertisement for Bids,  
General Conditions, Detailed Specifications, Proposal, Payment Bond,  
Performance Bond and Addenda.

2. Time for Commencement and Completion

The Contractor shall commence the work to be performed under this Agreement on written order of the Engineer, and shall fully complete all work hereunder within the following number of consecutive calendar days from and including said date.

Contract I - One hundred fifty (150) calendar days  
for completion of all work.

3. Payments

The Owner hereby agrees to pay to the Contractor for the faithful performance of this Agreement, subject to additions and deductions as provided in the Specifications and Contract Documents, in lawful money of the United States, as follows:

the full sum of Two Hundred Ninety-Seven Thousand Five Hundred Dollars  
and No/100

( \$297,500.00 )

4. Final Estimates

Upon submission by the Contractor of evidence satisfactory to the Owner that all payrolls, material bills, and other cost incurred by the Contractor in connection with the construction of the work have been paid in full, final payment on account of this Agreement shall be made within (60) days after the completion by the Contractor of all work covered by this Agreement, and the acceptance of such work by the Owner.

5. Liquidated Damages

It is mutually agreed between the parties hereto that time is the essence of this Contract, and in the event the construction of the work is not completed within the time herein specified, it is agreed that from the compensation otherwise to be paid to the Contractor, the Owner may retain the sum of One Hundred (\$100.00) Dollars per day for Contract I for each day thereafter, Sundays and Holidays included, that the work remains uncompleted, which sum shall represent the actual damages which the Owner will have sustained per day by failure of the Contractor to complete the work within the time stipulated, and this sum is not a penalty, being the stipulated damage the Owner will have sustained in event of such default by the Contractor.

6. Additional Bond

It is further mutually agreed between the parties hereto that, at any time after the execution of this Agreement and the Surety Bond hereto attached for its faithful performance, the Owner shall deem the surety or sureties upon such bond to be unsatisfactory, or if for any reason such bond ceases to be adequate to cover the performance of the work, the Contractor shall, at his expense, within five days after the receipt of notice from the Owner so to do, furnish an additional bond or bonds in such form and amount, and with such surety or sureties as shall be satisfactory to the Owner. In such event, no further payment to the Contractor shall be deemed to be due under this Agreement until such new or additional security for the faithful performance of the work shall be furnished in manner and form satisfactory to the Owner.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and date first above written in six (6) counterparts, each of which shall, without proof or accounting for the other counterparts, be deemed an original Contract.

Contractor: Utility Inspection Services, Inc.

By: Reg Wood

Title: President

WITNESSES:

Julia Hawkey  
Ralph D. Parres

HAMMERLAND, INC.

By: Camela L. Beyden

Title: Secretary

WITNESSES:

[Signature]  
Angie [Signature]

\*\*\*\*\*

**ITEM 31**

**CONTRACTOR'S TENNESSEE LICENSE**



# State of Tennessee

BOARD FOR LICENSING CONTRACTORS

CONTRACTOR

UTILITY INSPECTION SERVICES, INC.

9108956

299873

*This is to certify that all requirements of the State of Tennessee  
have been met.*

ID NUMBER: 00059221

LIC STATUS: ACTIVE

EXPIRATION DATE: 05/31/2016

S-CLEANING, INSPECTING &  
PREVENTIVE MAINTENANCE OF  
SANITARY SEWER SYSTEMS;  
\$1,500,000.00



IN-1313

DEPARTMENT OF  
COMMERCE AND INSURANCE

**ADDITIONAL ITEMS**

**A. KATHLEEN FINKLE'S QUALIFICATIONS**

**CONSENT IN LIEU OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS  
HAMMERLAND UTILITIES, INC.**

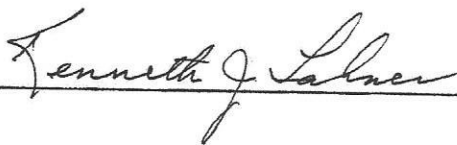
The undersigned, constituting the Board of Directors of Hammerland Utilities, Inc.,  
A Tennessee corporation (the "Corporation"), in lieu of holding a special meeting of the  
Board of Directors, do hereby consent to the adoption of and do hereby adopt the following  
Resolution by written consent pursuant to the General Corporation Law of  
The State of Tennessee:

RESOLVED, that Kathleen Finckle shall replace Charles Simon as Treasurer, effective March 1,  
2015, is hereby approved and accepted;

FURTHER RESOLVED, that any officer of the Corporation is authorized to execute said  
Contract and all other documents of conveyance in connection therewith.

This consent may be executed in counterparts, each of which constitute an original  
And all of which together shall constitute one and the same document.

Dated as of the 1st day of March, 2015.

  
\_\_\_\_\_

## KATHLEEN FINCKLE

7754 Sunset Drive, Elmwood Park, IL 60707

Phone: 630-824-8746

Email: kath1009@yahoo.com

### CORE COMPETENCIES

Supervision Experience  
Value Driven  
Team Player  
Creative Problem Solving

Project Management  
Consultation  
Tax Projections  
Strong Interpersonal Skills

Lead and Mentor  
Computer Literate  
Reporting  
Financial Budgeting

### EXPERIENCE

- Nov 2014 to present      **ELMHURST-CHICAGO STONE CO.** Elmhurst, IL  
**Controller**
- Jan 2014 to Nov 2014      **CALIBRE CPA GROUP PLLC**, Mokena, IL  
National CPA firm (*previously DiGiovanni McLaren & Associates*)  
**Accountant**
- Review and prepare Federal and State tax returns
  - Meet with clients and prepare tax projections
  - Payroll tax Returns, quarterly and annual
  - Annual tax reporting, State and Federal
- Jul 2012 – Jan 2014      **WE CLEAN MAINTENANCE & SUPPLIES, INC.** Bridgeview, IL  
Privately owned WBE Janitorial Service provider  
**Controller**
- Guide financial decisions by establishing, monitoring, and enforcing policies and procedures
  - Protect assets by establishing, monitoring, and enforcing internal controls.
  - Monitor and confirms financial condition by conducting audits; providing information to external auditors.
  - Maximize return, and limits risk on cash by minimizing bank balances; making investments.
  - Prepares budgets by establishing schedules; collecting, analyzing, and consolidating financial data; recommending plans.
  - Achieves budget objectives by scheduling expenditures; analyzing variances; initiating corrective actions.
  - Provide status of financial condition by collecting, interpreting, and reporting financial data.
  - Prepare special reports by collecting, analyzing, and summarizing information and trends.
  - Complies with federal, state, and local legal requirements by studying existing and new legislation; anticipating future legislation; enforcing adherence to requirements; filing financial reports; advising management on needed actions.
  - Maintain financial staff by recruiting, selecting, orienting, and training employees.
  - Maintain financial staff job results by coaching, counseling, and disciplining employees; planning, monitoring, and appraising job results.
  - Protects operations by keeping financial information and plans confidential.
- Dec 2009 – June 2012      **DiGIOVANNI, McLAREN & ASSOCIATES**, Mokena, IL  
Privately owned small firm with high end clientele  
**Accountant**
- Review and prepare Federal and State tax returns
  - Meet with clients and prepare tax projections
  - Payroll tax Returns, quarterly and annual
- Nov 2005 – April 2007      **ALDI, Inc. (U.S. headquarters)**, Batavia, IL  
Privately owned retail grocery store (800+ stores) "Quality products at lowest price".  
**Corporate Finance and Consolidations Manager**
- Supervised staff and monthly consolidation of 18 divisions' financials
  - Responsible for review of quarterly financials to outside investors

- Developed and reviewed budget for US operations
- Forecasted company's financial position
- Directed day-to-day activities of department relating to domestic and foreign planning
- Consulted with executive management on a variety of business, financial and accounting issues

Aug 2002 – May 2005

**LOVELLS**, New York, NY

6<sup>th</sup> largest International Law Firm in the world with offices in major financial and commercial centers across Europe, Asia and the United States

**August 1, 2004 to 2005 - Finance Supervisor**

- Reported directly to Firm's COO and International Financial Controller.
- Lead and managed finance relationship and internal team in New York and provided support to staff in Chicago.
- Managed day-to-day finance operations of the U.S. regional offices; financial planning and reporting, cash management, general and cost accounting, internal audit, budgeting and forecasting
- Liaison with firm's external tax consultants to ensure tax compliance.
- Managed firm's pension and profit sharing plans. Performed annual discrimination testing, and calculate quarterly match and the firm's annual profit sharing contribution.
- Supervised Accounts Payable, Accounts Receivable, Payroll and Billings and Collections.

**August 2002 to July 2004 - Accountant**

- Prepared and record bank deposits, month-end journal entries for all cash receipts and monthly bank reconciliations for firm's various accounts.
- Supported Accounts Payable.
- Assisted in the preparation of the annual budget.
- Liaison with global accounting and finance members of firm to coordinate month-end reporting requirements, monthly partner drawings, and quarterly partner distributions.
- Prepare annual tax returns, including W-2's and 1099's in adherence to IRS tax laws and timelines.
- Present various monthly reports to partners.

1998 – 1999

**SKADDEN ARPS SLATE MEAGHER & FLOM**, New York, NY

*Tax Manager*

- Reviewed state/local sales & use tax returns, property tax returns
- Researched partnership tax issues
- Supervised staff in preparing the law firm's federal and state tax returns

1995 - 1998

**PRICE WATERHOUSE**, New York, NY

*Tax Manager*

**EDUCATION**

**DEPAUL UNIVERSITY**, Chicago, IL

Master of Science in Taxation

**SAINT MARY'S COLLEGE**, South Bend, IN

Bachelor in Business Administration

Major: Accounting

**CERTIFICATION**

Certified Public Accountant – Illinois

**ADDITIONAL ITEMS**

**B. CHANCERY COURT RULING**

IN THE CHANCERY COURT OF THE STATE OF TENNESSEE  
IN AND FOR THE COUNTY OF STEWART AT DOVER

JEFFREY GARTON, and wife,  
JEANNE FAITH-GARTON,

Plaintiffs,

vs.

HAMMERLAND, INC., ET AL

Defendants.

**FILED**  
CHANCERY COURT

NOV 19 2015

8:58 Am  
JANE C. LINK, CLERK & MASTER  
STEWART COUNTY, TN

CH-13-CV-14

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ORDER

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This cause coming to be heard on September 25, 2015, based on Defendant Hammerland's Motion To Lift Restraining Order and due notice having been given to Plaintiffs, and the Court having considered the pleadings, testimony of witnesses and arguments of counsel, finds as follows:

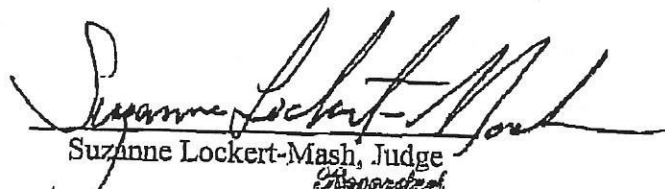
1. A Complaint was filed on January 24, 2013 in which Plaintiffs sought Injunctive Relief related to operation of a subsurface sewage system built around 1985. The Court heard testimony from an expert that the system was built for 18 lots in phase one. The second phase would add 18 more lots and an additional 5 lots of another subdivision; and,
2. Defendant, Hammerland, Inc., is the developer of the River Trace II Subdivision in Stewart County, Tennessee and the owner and operator of the Subsurface Sewage Disposal System (SSDS) serving the development; and,

3. This Court previously issued an Order restraining and enjoining Hammerland, Inc., their respective officers, agents, representatives, employees and successors, and all other persons in active concert and participation with them, from selling or transferring real property owned by Hammerland, Inc., ; and,

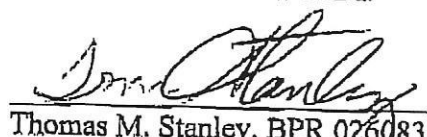
4. That on or about May 14, 2014, Hammerland, Inc., transferred property to Hammerland Utilities, Inc. without an Order of this Court permitting the transfer.


**IT IS THEREFORE ORDERED**, as follows:

1. Defendant's Motion to lift Restraining Order is denied;
2. Hammerland, Inc., is found in Contempt for violating this Court's Order;
3. Plaintiffs are awarded \$4,500 in attorney's fees;
4. Hammerland Inc., to transfer the subject property from Hammerland Utilities, Inc., back to Hammerland, Inc.;
5. Transfer may be made via QuitClaim Deed.

  
Suzanne Lockert-Mash, Judge  
*Recorder*  
Book E-3 Page 436-437  
Date Nov. 19, 2015  
B. F. M. [Signature] D.C.

APPROVED AS TO FORM:

  
Thomas M. Stanley, BPR 026083  
Post Office Box 4384  
Sevierville, Tennessee 37864  
865-805-3121  
Attorney for Plaintiffs

  
Michael Ainley, BPR 016150  
200 Poplar Street  
Paris, Tennessee 38242  
731-642-0178  
Attorney for Defendants Lake and Hammerland, Inc.



Vol 101  
This document prepared by Attorneys Title & Escrow, A Division of Ainley, Hoover & Hoover  
200 North Poplar Street, Paris, Tennessee 38242.  
This instrument was prepared without the benefit of a Title Opinion or Survey.

## QUITCLAIM DEED

THIS INSTRUMENT made and entered into on this the 29<sup>th</sup> day of September, 2015 by and between **HAMMERLAND UTILITIES, INC.**, ("Grantor"), and **HAMMERLAND, INC.**, a Tennessee Corporation, ("Grantee").

WITNESSETH

FOR AND IN CONSIDERATION of the sum of One dollar (\$1.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Grantor does hereby convey, transfer, remise, release, relinquish and quitclaim unto Grantee, its successors and assigns, all of Grantor's right, title and interest in the property having an address of River Trace Drive, Dover, TN 37058 and being more particularly described as follows:

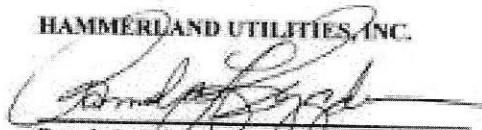
SEE ATTACHED EXHIBIT "A"

TO HAVE AND TO HOLD, all and singular the above-described land and premises, with the appurtenances, unto grantee, its successors and assigns, to the only proper use, benefit, and behoof of grantee, its successors and assigns forever.

THE PARTIES HERETO ACKNOWLEDGE that Attorneys Title & Escrow, A Division of Ainley, Hoover & Hoover, PLLC is not the closing agent for this transaction, pursuant to the provision of Section 6045(c) of the Internal Revenue Code, as amended by the Tax Reform Act of 1986.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed on the date first above written.

**HAMMERLAND UTILITIES, INC.**

  
Pamela L. Bygden, Secretary

VERIFIED  
ASSESSING OFFICER

**ADDITIONAL ITEMS**

**C. AVAILABILITY OF ELECTRIC POWER**

**CE Designers, Inc.**

---

**From:** Lake Associates, Inc., REALTORS [info@lakerealestate.com]  
**Sent:** Wednesday, December 02, 2015 3:31 PM  
**To:** cedesigners@frontiernet.net  
**Subject:** From Electric Company - For Mike  
  
**Importance:** High

---

**From:** Randy Stamps [mailto:rgstamps71@hotmail.com]  
**Sent:** Wednesday, December 02, 2015 3:30 PM  
**To:** info@lakerealestate.com  
**Subject:** Fw:

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**From:** Vennie Jones <VJones@cemc.org>  
**Sent:** Wednesday, December 2, 2015 3:27 PM  
**To:** rgstamps71@hotmail.com  
**Subject:**

Mr. Stamps

This letter is in regard to the River Trace Subdivision, CEMC has electric lines running thru the subdivision and can supply any customer that needs power, I do not know of any hold stops in this area.

Vennie Jones  
CEMC

**ADDITIONAL ITEMS**

**D. CERTIFIED OPERATOR'S CONTRACT**

## INDEPENDENT CONTRACTOR AGREEMENT

This agreement is between Hammerland Utilities, Inc. (the Company), Hammerland, Inc. (the Developer) and Terry Wimberley (The Operator) for the Operator to provide the services for the Company at the facility known as River Trace II Septic system, River Trace Drive, Dover, Tennessee.

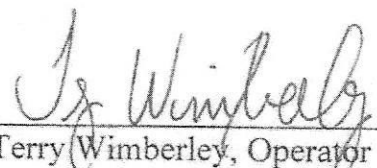
For the contract amount of \$300.00 per month, the Operator will perform the following tasks on a scheduled once monthly basis, commencing when the plant construction has completed and is operating:

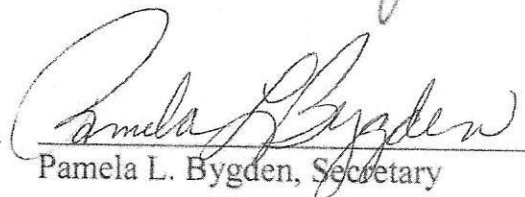
1. Operate the sewage treatment plant
2. Do required tests required by the Tennessee Department of Environment and Conservation.
3. Send reports to the Tennessee Department of Environment and Conservation
4. Perform inspections and report any maintenance issues immediately to the Corporate office

Copies of all test results and correspondence with the State shall be provided to the corporate office located at 6471 E. Antioch Road, Buchanan, Tennessee 38222.

Each party has the right to terminate this agreement with a 60 (sixty) day written notice provided to the other.

Signed by:

  
Terry Wimberley, Operator      3/22/16  
Date

  
Pamela L. Bygden, Secretary      3/22/16  
Date

**ADDITIONAL ITEMS**

**E. REVISED FINANCIAL STATEMENTS**

**IN EXCEL (ELECTRONIC COPY ONLY)**