

G. Everett Sinor, Jr.
Attorney at Law

March 11, 2016

Ms. Sharla Dillon
Dockets and Records Manager
Tennessee Regulatory Authority
Andrew Jackson Building
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

RE: *Filing of Responses to Discovery Requests & Letter*

DELIVERY BY UNITED STATES FIRST CLASS MAILS AND ELECTRONIC MAIL

Dear Ms. Dillon:

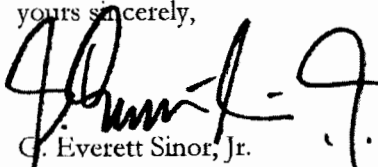
Please find enclosed herewith an original and four (4) copies of the following:

1. The Response of Laurel Hills Water System in Receivership to the Consumer Advocate and Protection Division of the Attorney General and Reporter's Office First Discovery Request, for filing in Docket No. 16-00012;
2. The Response of Laurel Hills Water System in Receivership to the Consumer Advocate and Protection Division of the Attorney General and Reporter's Office Second Discovery Request, for filing in Docket No. 16-00012; and,
3. A letter from Robert E. Moore, Jr., Chief Operations Officer of Receivership Management, Inc., the Court Appointed Receiver for Laurel Hills Water System in Receivership, for filing in Docket Nos. 12-00077 and 15-00118.

Should you have any questions, please do not hesitate to contact me.

Thanking you for your consideration of this matter, I am,

yours sincerely,



G. Everett Sinor, Jr.
Attorney at Law

Enclosure

cc: Shiva K. Bozarth, Esq.
Donald Scholes, Esq. and Benjamin Gastel, Esq.
Melanie Davis, Esq.
Vance Broemel, Esq.
Roger York, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:

PETITION OF LAUREL HILLS WATER
SYSTEM IN RECEIVERSHIP FOR
APPROVAL OF ADJUSTMENT OF ITS
RATES AND CHARGES

)
)
) Docket No. 16-00012
)
)
)

**RESPONSE OF LAUREL HILLS WATER SYSTEM IN RECEIVERSHIP TO
THE CONSUMER ADVOCATE AND PROTECTION DIVISION OF THE ATTORNEY
GENERAL & REPORTER'S OFFICE FIRST DISCOVERY REQUEST**

COMES NOW, the petitioner, Laurel Hills Water System in Receivership, and provides this response to the Consumer Advocate and Protection Division of the Attorney General and Reporter's Office First Discovery Request. In response to said request, Laurel Hills Water System in Receivership would respond as follows:

DISCOVERY RESPONSES

1. Paragraph 10 of the *Order Appointing Receiver* provides as follows:

The compensation of the Receiver, counsel, clerks and assistants and all expenses of taking possession of Laurel Hills' water system and conducting the proceeding (hereinafter "Receivership fees and costs") shall be submitted monthly, shall be approved by the Court and shall be paid out of the funds or assets of Laurel Hills' water system, if such funds are available. If, through the progression of the Receivership, funds or assets of Laurel Hills' water system are not available to pay Receivership fees and costs, then those fees and costs will be taxed as courts costs to be paid by the Authority to the Receiver. In such instance(s), the Receiver will present the Receivership fees and costs to the Court for approval as a request for interim taxing of costs while simultaneously invoicing the Receivership fees and costs to the Authority, who will pay the Receivership fees and costs upon approval of the Court. The Authority reserves the ability to recoup amounts so paid if later there are assets or funds available for such recoupment.

Has the receiver received any payment from the TRA after the Chancery Court for Cumberland County issued an order approving the payment of fees and expenses with those fees and costs to be taxed to the TRA? If so, list the amounts paid.

RESPONSE: No.

2. When the receiver agreed to take on this receivership, did he believe that the Tennessee Regulatory Authority ("TRA") would pay your receivership fees and costs if the receivership did not have sufficient assets? If yes, please state the basis of that belief and provide all documents, if any, relied upon in forming that belief.

RESPONSE: The receiver, Receivership Management, Inc. (hereinafter the "Receiver"), understood that its fees and expenses would be paid out of the funds or assets of the Laurel Hills water system, if such funds were available. If such funds were not available, the Receiver understood that the TRA would be taxed for those fees and expenses on an interim basis, with the TRA having the ability to "recoup amounts so paid if later there are assets or funds available for such recoupment". The Receiver relied solely on the *Order Appointing Receiver*, para. 10, to inform its understanding on this point, specifically, the language quoted in discovery request number 1, *supra*.

3. Describe the Receiver's attempts to gain ownership and control of the entire LHWS—with specific references to the water tower and the parcel where it sits—and attempts to obtain an irrevocable license agreement to operate LHWS.

RESPONSE: Counsel for the Receiver transmitted a letter to counsel for Laurel Hills, dated November 11, 2015, in which the Receiver indicated to Laurel Hills that it believed Laurel Hills had failed to fulfill its obligations under the Settlement Agreement, specifically referencing the water tower and parcel, and the irrevocable license. A copy of said November 11, 2015 letter is attached hereto as Exhibit A and is incorporated herein by reference. The Receiver and its counsel have communicated with the TRA concerning its

belief that Laurel Hills has failed to fulfill its obligations under the Settlement Agreement. In both of its reports to the Cumberland County Chancery Court, the Receiver has reported to said Court that it believes that Laurel Hills has failed to fulfill its obligations under the Settlement Agreement.

4. Did the Settlement Agreement and Release ("Settlement Agreement") between Laurel Hills Condominiums Property Owners Association ("Laurel Hills") and the TRA Party Staff provide that Laurel Hills should obtain a license for all pipes and pumps as well as effectuate the transfer of the water tower and water tower parcel? If so, was the Settlement Agreement successful in obtaining the license and transfer?

RESPONSE: Objection. Calls for a legal conclusion and the Settlement Agreement speaks for itself. Without waiving such objection, the Receiver will respond to the request. The Receiver understands that the Settlement Agreement provides that "Laurel Hills shall procure an irrevocable license from the current registered title holder to ensure that the lines, pipes, pump station, and other water system-related assets have a valid property right to remain in the locations where they are found on the Effective Date." Settlement Agreement, p.4. The Receiver further understands that the Settlement Agreement provides that "Laurel Hills shall effectuate the transfer of the water tower and water tower parcel located on Renegade Mountain from the current title holder to the Receiver ...", but subject to certain conditions and a reverter clause. Settlement Agreement, pp. 4-5. Counsel for the Receiver transmitted a letter to counsel for Laurel Hills, dated November 11, 2015, in which the Receiver indicated to Laurel Hills that it believed Laurel Hills had failed to fulfill its obligations under the Settlement Agreement, specifically, the two (2) areas listed in this discovery request. An entity that is neither a party to this matter nor the receivership action in Cumberland County Chancery Court, Moy Toy, LLC, has just recently conveyed rights in the water tower and the parcel upon which it sits, to the Receiver. The Receiver

understands that an irrevocable license has been procured by Laurel Hills that conveyed license rights to Laurel Hills regarding the Laurel Hills water system's lines, pipes, pump station and other water system-related assets.

5. Admit or deny that there exists a quitclaim deed between Moy Toy, LLC, ("Moy Toy") and RMI, dated February 3, 2016. If admitted provide the quitclaim deed and state when and where the quitclaim deed was recorded (include book and page number).

RESPONSE: Admitted, although the Receiver did not receive the quitclaim deed with the complete, proper exhibit until March 2, 2016.¹ The quitclaim deed is attached hereto as Exhibit B and is incorporated herein by reference. The quitclaim deed was mailed to the Cumberland County Register of Deeds office on March 3, 2016, but has not been received back stamped as yet, and thus the Receiver does not currently know what book and page number it has been filed at.

6. Refer to the quitclaim deed in Request 5, above. The "Property" described therein was previously conveyed to Moy Toy by warranty deed. Explain why RMI received only a quitclaim deed from Moy Toy.

RESPONSE: Objection. The Receiver would not be in a position to understand Moy Toy, LLC's reasons or explanation for conveying the "Property" via a quitclaim deed as opposed to some other kind of deed. Without waiving such objection, the Receiver would answer that it does not have any such explanation.

¹ Counsel for the Receiver received a quitclaim deed, dated February 3, 2016, from the TRA on February 25, 2016. Upon review, it was discovered that the "Sketch of Deed for Water Tank Site" was not included with the original quitclaim deed provided to the Receiver, even though said "Sketch of Deed for Water Tank Site" had been included with the foreclosure deed when Moy Toy, LLC foreclosed on the property in 2014. This was brought to the attention of a representative of Moy Toy, LLC, who permitted the Receiver to include said "Sketch of Deed for Water Tank Site" with the quitclaim deed on March 2, 2016.

7. Refer to the quitclaim deed in Request 5, above. Admit or deny that the water tower itself is included in the "Property" conveyed to RMI. If admitted, indicated the corresponding provision in the quitclaim deed.

RESPONSE: Objection. Calls for a legal conclusion and the quitclaim deed speaks for itself. Without waiving such objection, the Receiver will respond to the request. Admitted. The phrase "with the hereditaments and appurtenances thereto appertaining ..." would appear to convey Moy Toy, LLC's interest in the water tower to the Receiver. This is language that is consistent with the language contained in the warranty deed (in lieu of foreclosure) in which Moy Toy, LLC foreclosed on the "Property"², and is also consistent with the language contained in the warranty deed which initially conveyed the "Property" to Laurel Hills Condominiums Property Owners Association from Moy Toy, LLC.³ This language is inconsistent with the language contained in the "Deed of Trust, Assignment of Leases and Rents and Security Agreement"; there, the phrase used is "together with all buildings, structures and improvements now or hereafter located thereon ... all easements, rights-of-way and other rights appurtenant thereto or used in connection therewith ... all other tenements, hereditaments and appurtenances thereon and other property interests of Granter therein ...".⁴

8. With respect to the "Property" defined in the quitclaim deed in Request 5, above, please provide:

- a. A survey of the Property;
- b. Copies of all title policies and/or commitments affecting the Property;
- c. Copies of all deeds affecting the Property;

² Filed with the Cumberland County Register of Deeds in Book 1427, Pages 58-62.

³ Filed with the Cumberland County Register of Deeds in Book 1363, Pages 809-14.

⁴ Filed with the Cumberland County Register of Deeds in Book 1404, Pages 259-67.

- d. Copies of all deeds of trust or promissory notes affecting the Property;
- e. Copies of any and all other restraints and/or conditions on the Property and/or the use thereof; and
- f. Copies of all financing documents affecting the Property beginning with the conveyance of the Property to Moy Toy.

RESPONSE: Objection. The request is overbroad and no response can adequately be developed by the Receiver. Without waiving the objection, the Receiver will endeavor to respond. Copies of all such documents in the possession of the Receiver are attached hereto as collective Exhibit C and are incorporated herein by reference. However, the Receiver wishes to reiterate that it cannot possibly be in possession of all such documents.

9. Page 1 of the quitclaim deed in Request 5 states, "The Property shall be used for water utility purposes only." Page 2 of the quitclaim deed in Request 5 reserves for Moy Toy "the right of an easement to install and maintain an antenna and supporting appurtenances on top of the water now located on the Property and any replacement thereof." With respect to these restrictions, explain:

- a. Whether these restrictions are consistent with the *First Addendum to Settlement Agreement and Release* that was approved in Docket 12-00077;
- b. How these restrictions affect the Receiver's use of the water tower for the LHWS; and
- c. The effect of these restrictions on Cumberland County's involvement with LHWS.

RESPONSE: Objection. Calls for a legal conclusion and the Settlement Agreement and quitclaim deed speak for themselves. Without waiving such objection, the Receiver will respond to the request. The first restriction contained in the quitclaim deed referenced in this request would appear to be consistent with the Settlement Agreement, in that the

Settlement Agreement states that the deed shall contain “a reverter clause for the parcel to revert to the current title holder if the water tower or any replacement thereof is not used for water utility purposes or if the parcel ceases to be used as part of the Renegade Mountain Water System for utility purposes.” Settlement Agreement, p. 4. The second restriction contained in the quitclaim deed referenced in this request would appear to be in conflict with the Settlement Agreement, in that the Settlement Agreement does not appear to permit Moy Toy, LLC to reserve “the right of an easement to install and maintain an antenna and supporting appurtenances on top of the water tower now located on the Property and any replacement thereof.”⁵ The restrictions contained in the quitclaim deed appear to prevent the use of the water tower for any purpose, save “water utility purposes”, and appear to prevent any use other than “as part of the Renegade Mountain Water System.” The other conditions and restrictions contained in the quitclaim also impact the ability of the Receiver to use the system and maintain the water tank parcel. The Receiver has no knowledge as to the effect these restrictions have on Cumberland County’s involvement with LHWS.

10. Admit or deny that there exists an irrevocable license agreement between Moy Toy and Laurel Hills Condominium Property Owners Association (“Laurel Hills POA”), dated February 3, 2016. If admitted, provide the license agreement. If you recorded this license agreement, state when and where it was recorded (include book and page number).

RESPONSE: Admitted. A copy of the irrevocable license agreement is attached hereto as Exhibit D and is incorporated herein by reference. This irrevocable license

⁵ The quoted language is from the Quitclaim Deed referenced in Request 5 in which Moy Toy, LLC conveys water tower parcel rights to the Receiver. It should be noted that the Settlement Agreement does not refer specifically to Moy Toy, LLC; rather, the Settlement Agreement refers to “the current title holder” of “the water tower and water tower parcel located on Renegade Mountain”. *Settlement Agreement*, p. 4.

agreement was mailed to the Cumberland County Register of Deeds on March 10, 2016, but, to the Receiver's knowledge, has not yet been recorded in said office.

11. Refer to the license agreement in Request 10, above. State whether Laurel Hills POA has transferred its license to RMI. If such transfer has occurred, provide all documents evidencing this transfer.

RESPONSE: No such transfer has occurred.

12. Explain whether the TRA and Laurel Hills POA have now properly fulfilled all transfers of property rights included in the *Settlement Agreement and Release* and *First Addendum to the Settlement Agreement and Release* approved in TRA Docket 12-00077. Identify all deficiencies.

RESPONSE: Objection. Calls for a legal conclusion and the Settlement Agreement (with first addendum) speaks for itself. Without waiving such objection, the Receiver will endeavor to respond to the request. The Receiver does not believe that all of the provisions in the Settlement Agreement respecting the transfer of property rights have been fulfilled. Laurel Hills has not transferred title to all assets on Schedule A of the Settlement Agreement, as required by Section II, para (d) of said agreement. As pointed out in an earlier response, the second restriction contained in the quitclaim deed referenced in request 9 would appear to be in conflict with the Settlement Agreement, in that the Settlement Agreement does not appear to permit Moy Toy, LLC to reserve "the right of an easement to install and maintain an antenna and supporting appurtenances on top of the water tower now located on the Property and any replacement thereof."⁶ The Receiver does not believe that these two (2) apparent violations of the Settlement Agreement prevent it from merely operating the Laurel Hills water system as it currently exists, as neither

⁶ *Id.*

apparent violation impairs the Receiver's water system use rights. However, the legal issues surrounding the property rights of the different components of the Laurel Hills water system are frustrating the efforts of the Receiver, and have delayed the ability of the Receiver to develop a plan for the eventual disposal of the receivership estate properties.

13. If there are deficiencies in response to Request 12, above, explain what is necessary for the Receiver to gain ownership and control of the entire LHWS—with specific references to the water tower and the parcel where it sits—and to obtain an irrevocable license agreement to operate LHWS, and assess whether the Receiver will be able to gain and obtain such.

RESPONSE: Objection. Calls for a legal conclusion and the Settlement Agreement (with first addendum) speaks for itself. Further, the Receiver cannot possibly know what steps other parties will take in order to enable the Receiver to “gain and obtain such”. Without waiving such objection, the Receiver will respond to the request. The Receiver understands that a bill of sale conveying title to all assets listed on Schedule A of the Settlement Agreement, and a quitclaim deed comporting with the Settlement Agreement, would alleviate the identified deficiencies. The Receiver has no knowledge whether it will “be able to gain and obtain such”.

14. If there are deficiencies in response to Request 12, above, and the Receiver does not gain ownership and control of the entire LHWS or obtain an irrevocable license agreement to operate LHWS, how long will you be able to provide water service?

RESPONSE: Objection. The question is overbroad and contains terms that are not heretofore defined which would require the Receiver to make assumptions about what is being requested. Without waiving such objection, the Receiver will endeavor to respond to the request. The Receiver would state that if it does not have the ability to own, control and use the water system assets to revitalize the water system and operate the water

system as designed, the receivership will not succeed. Having said that, neither of the two (2) identified alleged deficiencies listed in the Receiver's response to request 12 would appear to prevent the Receiver from operating the Laurel Hills Water System in its current state at this time. Even with those deficiencies, the Laurel Hills Water System in Receivership should be able to provide water service in perpetuity in receivership to current customers barring interference from a third party, a catastrophic failure of the system, an Act of God or some unforeseeable incident that prevents the Receiver from operating the water system.⁷ However, as indicated in response to request 12, the legal issues surrounding the property rights of the different components of the Laurel Hills water system are frustrating the efforts of the Receiver, and have delayed the ability of the Receiver to develop a plan for the eventual disposal of the receivership estate properties.

15. Please state the total amount of expenses for any work performed to date on behalf of LHWS that relates to gaining ownership and control of the entire LHWS or obtaining an irrevocable license agreement to operate LHWS.

RESPONSE: Objection. The request is so indefinite that it is impossible to ascertain what of the Receiver's expenses would "relate[] to gaining ownership and control of the entire LHWS or obtaining an irrevocable license agreement to operate LHWS." Without waiving such objection, the Receiver will endeavor to respond to the request. A substantial amount of time was expended by counsel for the Receiver at the Cumberland County Register of Deeds office right after the institution of the receivership to ascertain ownership interests in the Laurel Hills water system, but that work is not included in the expense figure, at is presumed such work would have had to have been performed at any

⁷ It should be noted that there is concern over the right of the Receiver to expand the water system in order to bring on newer customers. The legal rights granted to the Receiver thus far do not appear to contemplate an expansion of the water system.

rate. However, an e-mail was sent to Compliance Counsel for the Tennessee Regulatory Authority on October 28, 2015, soon after the institution of the receivership, identifying some of the legal issues surrounding the Laurel Hills Water System, including ownership of the water tower and parcel, and seeking more information on such legal issues. Composition of that e-mail took approximately 1 hour. Counsel for the Receiver spent approximately 6.2 hours in November (Mr. Sinor's 11/3/2015, 11/4/2015, 11/9/2015 and 11/11/2015 billings) related to preparing the November 11, 2015 letter regarding the ownership and control of the water tower and parcel and irrevocable license. Work was performed by counsel for the Receiver in preparation of both reports filed with the Cumberland County Chancery Court, but it is impossible to ascertain what percentage of that time related to issues involving the titling of the water tower and parcel, and the irrevocable license. As for specific conversations and discussions concerning water tower and parcel and irrevocable license issues, counsel for the Receiver estimates that approximately 4.4 hours has been expended on matters relating to the water tower, parcel and irrevocable license.⁸ The Receiver's Chief Operations Officer, Mr. Moore, spent approximately 3.75 hours in November (Mr. Moore's 11/3/2015 and 11/9/2015 billings) related to preparation of the November 11, 2015 letter regarding the ownership and control of the water tower and parcel and irrevocable license. Work was performed by Mr. Moore in preparation of both reports filed with the Cumberland County Chancery Court, but it is impossible to ascertain what percentage of that time related to issues involving the proper titling of the water tower and parcel, and the irrevocable license. As for specific conversations and discussions concerning water tower and parcel and irrevocable license

⁸ Reviewing Mr. Sinor's invoices, notes and recollections—11/24/2015 (1.0 hrs. est.), 12/7/2015 (0.7 hrs. est.), 1/15/2016 (0.3 hrs. est.), 1/17/2016 (0.1 hrs.), 1/18/2016 (0.3 hrs. est.), 1/19/2016 (0.1 hrs. est.), 1/21/2016 (0.2 hrs. est.), 2/24/2016 (0.5 hrs. est.), 2/25/2016 (0.7 hrs. est.), 2/29/2016 (0.4 hrs. est.), 3/5/2016 (0.1 hrs.).

issues, Mr. Moore estimates that approximately 1.35 hours has been expended on matters relating to the water tower, parcel and irrevocable license.⁹

16. Does the Receiver know of any receiverships that had so few or no assets as to be called a “no-asset receivership?” If so, please explain the nature of a “no-asset receivership.”

RESPONSE: Objection. The term “no-asset receivership” is not defined and thus it is impossible to adequately respond to this request. Without waiving such objection, the Receiver will endeavor to respond to the request. Mr. Moore has been involved in no-asset receiverships concerning securities companies, and certain unlicensed insurance activities where these estates could be defined as “no-asset receiverships”. As understood by the Receiver, the term “no-asset receivership” describes those estates where there are no assets or funds to operate a receivership/no property owned and nothing to liquidate.

17. Does the Receiver know of any no-asset receiverships where the State of Tennessee, or an agency thereof, has sought the appointment of a receiver and where the administrative costs of the receivership were paid by the State of Tennessee, or an agency thereof? If so, describe such cases, including but not limited to, receiverships managed by, or using employees of, a state agency such as the Department of Commerce and Insurance.

RESPONSE: Yes. The cases of which the Receiver is aware most often involve unlicensed securities issuers or brokers where all funds had been spent and no assets were retained by the subject entities. The costs of these receiverships were paid from a fund created by the Tennessee Department of Commerce and Insurance and/or the Tennessee General Assembly to address no-asset receiverships. Prior to that fund’s establishment, if

⁹ Reviewing Mr. Moore’s invoices, notes and recollections—12/7/2015 (0.25 hrs. est.), 12/17/2015 (0.4 hrs.), 1/17/2016 (0.1 hrs. est.), 1/18/2016 (0.3 hrs. est.), 1/19/2016 (0.1 hrs. est.), 2/24/2016 (0.1 hrs. est.), 2/29/2016 (0.1 hrs. est.).

receivership estate's assets were not sufficient to refund the department, the Receiver understands that those costs went unreimbursed to the state.

18. Does the Receiver know of any legal bar to the TRA acting as a no-asset receiver?

RESPONSE: Objection. Calls for a legal conclusion. Without waiving such objection, the Receiver will respond to the request. The Receiver knows of no legal bar to the TRA acting as a no asset receiver.

19. Please identify by name all witnesses you may call to testify in this Docket.

RESPONSE: David Foster, Joe Shirley, Mike McClung, Phillip Geittner, Rob Schwerer, John Moore, Wendell Harkelroad, Barry Field, Everett Bolin, MC Deck, Gerald Williams, Darryl McQueen, Robert E. Moore, Jr., Billy Spaulding, Terry Stephens.

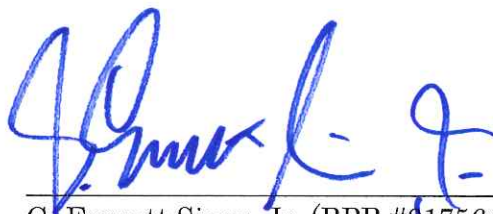
DATED: March 11, 2016.

Respectfully submitted,

Laurel Hills Water System in Receivership

By: 

Robert E. Moore, Jr. (BPR #013600)
Chief Operations Officer
Receivership Management Inc.
1101 Kermit Drive, Suite 735
Nashville, Tennessee 37217
615.370.0051 (Phone)
615.373.4336 (Facsimile)
rmoore@receivermgmt.com (Email)
*Court Appointed Receiver for
Laurel Hills Water System*

A handwritten signature in blue ink, appearing to read "G. Everett Sinor, Jr.", positioned above a horizontal line.

G. Everett Sinor, Jr. (BPR #017564)

Attorney at Law

Counsel for Receivership Management, Inc.

3504 Robin Road

Nashville, Tennessee 37204

615.969.9027 (Phone)

Everett.Sinor@gmail.com

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing Response to the Consumer Advocate's First Discovery Request has been served upon the parties hereto and the other persons listed below, at:

Shiva K. Bozarth, Esq.
Chief of Compliance
Counsel for Tennessee Regulatory Authority
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

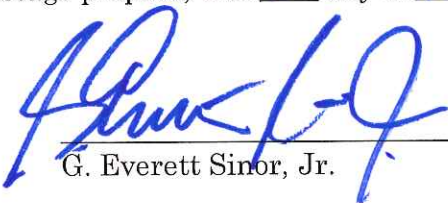
Donald Scholes, Esq.
Benjamin Gastel, Esq.
Branstetter, Stranch & Jennings
Counsel for Laurel Hills Condominiums
Property Owners Association
223 Rosa L. Parks Boulevard, Suite 200
Nashville, Tennessee 37203

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

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

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

via the United States Mails, postage prepaid, this 11th day of March, 2016.



G. Everett Sinor, Jr.

Receivership Management, Inc.

783 Old Hickory Blvd., Suite 255 Brentwood, TN 37027 (615) 370-0051 Fax (615) 373-4336

November 11, 2015

Benjamin A. Gastel, Esq.
Branstetter, Stranch & Jennings
Attorneys at Law
The Freedom Center
223 Rosa L. Parks Drive, Suite 200
Nashville, Tennessee 37203

RE: *TRA/Laurel Hills Settlement Agreement Fulfillment*

VIA ELECTRONIC MAIL & UNITED STATES FIRST CLASS MAILS

Dear Mr. Gastel:

I write this letter on behalf of Receivership Management, Inc. [hereinafter RMI]. As you know, RMI is the court appointed receiver for the Laurel Hills Condominiums Property Owners Association [hereinafter Laurel Hills], having been so appointed by Chancellor Thurman on October 26, 2015 in his Order Appointing Receiver [hereinafter the 10/26/15 Order Appointing Receiver].

In reviewing the Tennessee Regulatory Authority's [hereinafter the TRA] Order Approving Petition to Adopt Settlement Agreement and Release, as Amended by the First Addendum [hereinafter the 9/25/15 TRA Order], as well as the settlement agreement it exhibits [hereinafter the Settlement Agreement], there appear to be obligations imposed upon Laurel Hills that have not been fulfilled. These include the following:

1. an obligation delineated on page 4 of the 9/25/15 TRA Order, requiring Laurel Hills to transfer to RMI "legal title to ... 5) the water storage tank located on Renegade Mountain; subject to restrictions". This is required by the Settlement Agreement on page 3, Section II, paragraphs (d) and (g), and page 10, Schedule A, paragraph 5, as well as the First Addendum; and,
2. an obligation delineated on page 4 of the 9/25/15 TRA Order, requiring Laurel Hills to "obtain an irrevocable license to ensure that the lines, pipes, pump stations, and other water system-related assets have a valid property right to remain where they are located ...". This is required by the Settlement Agreement on page 4, Section II, paragraph (f).

I would remind Laurel Hills that it has a duty, under the 9/25/15 TRA Order, the Settlement Agreement, as well as the 10/26/15 Order Appointing Receiver, to cooperate to its fullest extent

EXHIBIT

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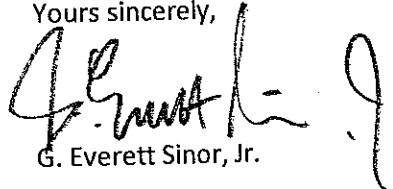
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with RMI in the administration of the receivership estate, including providing access to all documents and other information relating to the operation of the Laurel Hills Water System. It also includes an obligation to "execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the basis and intent of [the Settlement Agreement] (required by Section VI of the Settlement Agreement on page 7).

RMI will be making a report to Chancellor Thurman of its activities pursuant to the 10/26/15 Order Appointing Receiver. At that time, RMI intends to report to the Chancellor the progress that has been made on these items, and Laurel Hills' compliance with fulfilling its obligations as agreed upon by the TRA and Laurel Hills.

Thank you for your consideration of this matter, and please feel free to contact myself (615.969.9027) or Robert E. Moore, Jr. at RMI's offices, if you have any questions or would like to discuss any aspect of the matters raised in this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read "G. Everett Sinor, Jr.", with a stylized flourish at the end.

G. Everett Sinor, Jr.

cc: The Honorable Shiva Bozarth, Chief Counsel for Compliance, TRA
Robert E. Moore, Jr., RMI

OWNER/RESPONSIBLE TAXPAYER:
RECEIVESHIP MANAGEMENT, INC.
783 Old Hickory Boulevard – Suite 255
Brentwood, TN 37027-4508

Map 141, Parcel 056.01

THIS INSTRUMENT PREPARED BY:
Tennessee Valley Title Insurance Co.
800 S. Gay Street, Suite 1700
Knoxville, TN 37929
File No. 96729 (JHH)

QUITCLAIM DEED

THIS INDENTURE made this 3rd day of February, 2016, between MOY TOY, LLC, a Tennessee limited liability company, Grantor, and RECEIVERSHIP MANAGEMENT, INC., a Tennessee corporation, as Receiver of Laurel Hills Water System, Grantee:

WITNESSETH:

THAT SAID GRANTOR, for in and in consideration of the sum of Ten and No/100 (\$10.00) Dollars, and other good and valuable consideration, to it in hand paid by said Grantee, the receipt of which is hereby acknowledged, has bargained, sold, remised, released and **QUITCLAIMED**, and does by these presents sell, remise, release and **QUITCLAIM** unto Grantee, all of Grantor's right, title and interest in and to the following described premises (the "Property"), to-wit:

(SEE PROPERTY DESCRIPTION ON EXHIBIT "A" ATTACHED HERETO
AND MADE A PART HEREOF)

BEING the same property conveyed to Moy Toy, LLC, by Warranty Deed (In Lieu of Foreclosure) from Laurel Hills Condominiums Property Owners Association, dated February 25, 2014, and recorded in Book 1427, page 58, in the Cumberland County Register's Office.

and all the estate, right, title and interest of Grantor therein, with the hereditaments and appurtenances thereto appertaining, hereby releasing all claims therein to the said Grantee, its successors and assigns forever.

Restrictions

This conveyance is made subject to the following restrictions which shall run with the land:

1. The Property shall be used for water utility purposes only. If the water tower now located on the Property or any replacement thereof is abandoned, ceases to be used for water utility purposes (provided the Grantee is not obligated to utilize the water

Page 1 of 4



tower in its current condition for utility operations until it is reconditioned and connected to the water system), or ceases to be used as part of the Renegade Mountain Water System, title to the Property shall automatically revert to Grantor or its designated successor or assign.

2. Grantee shall maintain the Property, keeping any grass regularly mowed and landscaping trimmed and neat.

3. No building or structure unrelated to utility purposes or required for the support and maintenance of the water tower located on the Property or its replacement shall be permitted.

4. No chain link or barbed wire fencing shall be permitted on the Property.

5. The water tower now located on the Property and any replacement thereof and any buildings or structures related to the support and maintenance of the water tower or its replacement shall be regularly maintained by Grantee. If the Grantee has the water tower repainted or constructs utility related buildings or structures then they shall be painted colors that are neutral and in harmony with other structures in the Renegade Mountain development. Repainting shall be done in coordination with Grantor so as to allow for the installation, preservation or repainting of signage on the water tower as set out below.

Reservation of Rights and Easements

Grantor, for itself and its successors and assigns, hereby reserves the right of an easement to install and maintain an antenna and supporting appurtenances on top of the water tower now located on the Property and any replacement thereof. This easement shall include a right of ingress and egress over the Property to access the antenna. The antenna shall be of such design and construction as Grantor in its sole discretion shall determine.

In addition, Grantor, for itself and its successors and assigns, reserves an easement to install and maintain lighting to illuminate the water tower now located on the Property and any replacement thereof as well as an easement to keep and maintain a sign with the name "Renegade Mountain" or any successor name of the Renegade Mountain development thereon.

Whenever in this instrument a pronoun is used it shall be construed to represent either singular or plural, as the case may demand.

IN WITNESS WHEREOF, the said Grantor has caused this instrument to be executed as of the day and year first above written.

Moy Toy, LLC, a Tennessee limited liability company,

By: Renegade Florida, Limited, Managing Member

By: Renegade Florida Management, LLC,
General Partner

By: [Signature]
Phillip G. Guettler, Managing Member

STATE OF FLORIDA

COUNTY OF ST. LUCIE

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, PHILLIP G. GUETTLER, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the Managing Member of a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker to execute this instrument on behalf of the maker.

WITNESS my hand and official seal at office this 3rd day of February, 2016.

My Commission Expires:

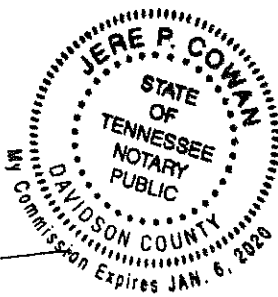


[Signature]
Notary Public

I hereby swear or affirm that the actual consideration of this transfer is
\$ 50.00. Affiant [Signature]

Subscribed and sworn to before me this 29th day of February, 2016.

My Commission
Expires:
1/6/2020



[Signature]
Notary Public

EXHIBIT "A"

Being a tract of land located in the Fourth District of Cumberland County, Tennessee, and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

BEGINNING at the northwest corner of Woodridge Condo Phase 1 as shown in Plat Book 9, at page 185; said point being on the easterly right-of-way line of Renegade Mountain parkway as shown in PB 2, at Pg 90, Revised in PB 9, at Pg 191, at the office of the Register of Deeds, Cumberland County, Tennessee;

Thence northeasterly along said easterly right-of-way line, being a curve to the right, having a radius of 137.18 feet, thru a central angel of 63 deg. 19 min. 00 sec., 151.60 feet;

Thence North 68 deg. 51 min. 47 sec. East, 45.17 feet;

Thence South 59 deg. 50 min. 18 sec. East, 62.16 feet;

Thence South 70 deg. 02 min. 32 sec. East, 48.11 feet;

Thence South 34 deg. 36 min. 48 sec. West, 129.83 feet;

Thence North 43 deg. 05 min. 21 sec. West, 57.01 feet;

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

RENEGADE MOUNTAIN Sketch of Deed for Water Tank Site

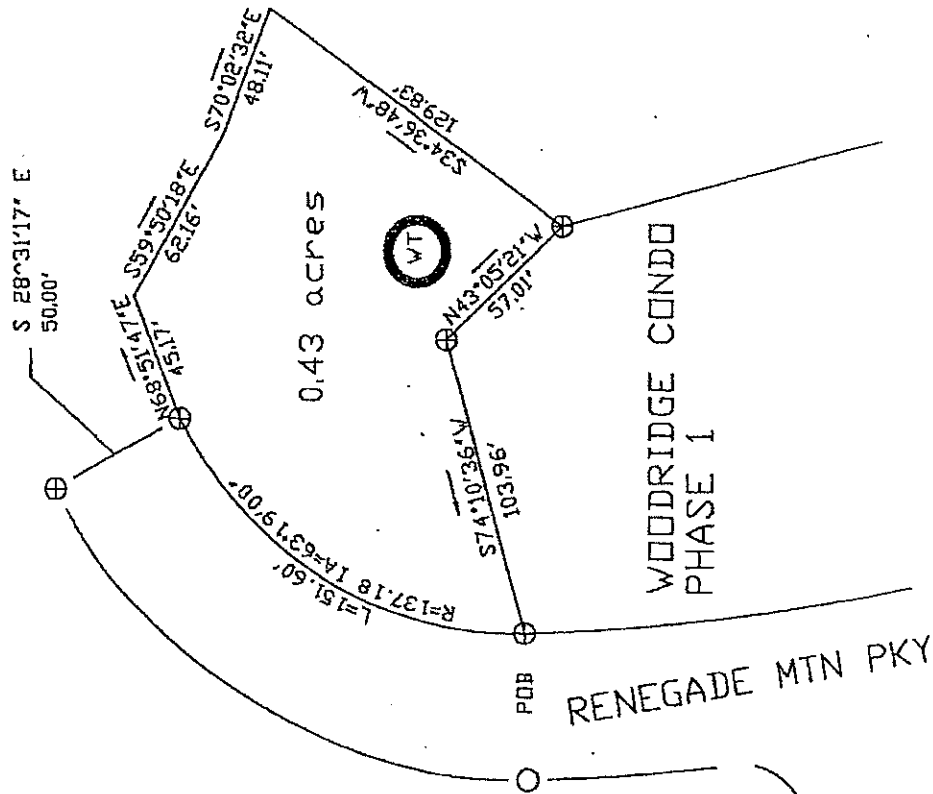
TENNESSEE GRID COORDINATE



SCALE IN FEET

31.00 PORTION 2

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



BK/PG: 1427/58-62

14003077



5 PGS:AL-DEED	
BATCH: 79048	
03/24/2014 - 12:56:47 PM	
VALUE	200000.00
MORTGAGE TAX	0.00
TRANSFER TAX	740.00
RECORDING FEE	25.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	768.00

STATE OF TENNESSEE, CUMBERLAND COUNTY
JUDY GRAHAM SWALLOWS
REGISTER OF DEEDS

PROMISSORY NOTE

\$400,000.00

June 13, 2011

FOR VALUE RECEIVED, LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION, a Tennessee nonprofit corporation (hereafter referred to as "Maker"), promises to pay, upon demand, to the order of MOY TOY, LLC, a Tennessee limited liability company (hereinafter referred to as "Lender"), the principal sum of Four Hundred Thousand Dollars (\$400,000.00), together with interest on the unpaid principal balance outstanding from time to time from the date of this Note, until paid in full, at the rate of six and one-half (6.5%) percent per annum.

Principal and interest shall be due upon demand. If not sooner paid, the Note shall mature on June 14, 2023, (the "Maturity Date"), at which time the entire unpaid principal balance together with all accrued interest not previously paid shall be due and payable in full.

The principal balance of this Note along with accrued interest hereunder can be prepaid at any time and from time to time, in whole or in part, at the option of Borrower, without premium or penalty. All payments under this Note (including prepayments) shall be made to Lender at Box 78, Moy Toy Road, Crab Orchard, TN 37723, or at such other place as the Lender may designate in writing. All payments hereunder (including prepayments) shall be applied first to fees, advancements, costs, expenses and other charges due under this Note, next to accrued but unpaid interest and then to the reduction of principal hereunder.

Maker does hereby severally waive, demand, presentment, demand for payment, protest, notice of protest, non-payment and dishonor except as specifically provided for herein, and consents that the time of payment of this Note may be extended, renewed, or modified, from time to time upon the mutual consent of Lender and Maker, and further agrees that the security for this Note or any portion thereof may from time to time be modified, adjusted or released in whole or in part without affecting the liability of any parties liable or becoming liable for the payment of this Note.

The occurrence of any one or more of the following shall be an event of default under this Note causing Maker to be in default under this Note, to-wit: (i) the failure of Maker to make any payment of interest, principal or principal and interest under this Note on demand; or (ii) a breach or failure of Maker to perform any of the other terms, provisions or conditions of this Note and to cure such breach or failure to perform or observe within ten (10) days after Maker is notified of such breach or failure to perform or observe in writing by Lender. Upon default under this Note, Lender may: (i) declare all of the remaining principal and accrued interest due on this Note, to be due, payable and collectible without regard to the Maturity Date of this Note upon delivery of written notice to Maker, and (ii) cancel or terminate any right, privilege, or conveyance, including easement rights, exclusive or non-exclusive granted to Maker by Lender under any written instrument, (iii) repossess and take control over the water system being sold by Lender to Maker this date, (iv) exercise its rights under any Deed of Trust or other security agreement which Lender may require of Maker, and/or (v) exercise any and all rights Lender may have under law or equity. Should it become necessary in the opinion of Lender to employ counsel to collect or enforce, or to protect the

EXHIBIT

tabbles

C

security for this Note, Maker agrees to pay all costs, charges, disbursements and reasonable attorney's fees incurred by Lender in collecting payment of this Note or enforcing its rights.

No delay, failure or forbearance on the part of Lender in exercising any right, power, privilege or remedy under the Note shall affect such right, power or remedy to be deemed to be a waiver of the same or any part thereof. Additionally, any single or partial exercise of any right, power, privilege or remedy under this Note or any failure to exercise the same in any incidence shall not preclude Lender from any further or future exercise thereof or the exercise of any other right, power, privilege or remedy under this Note.

The terms of this Note are severable. If any portion, or the application of any provision, shall be declared invalid or unenforceable, then all other provisions and all other applications of such provisions shall remain in full force and effect, and in no way be impaired.

At the option of Lender, and upon demand therefore, this Note shall be secured by a Deed of Trust and Security Agreement (the "Deed of Trust"), and executed by Maker in favor of Lender under which the property identified in the Deed of Trust shall be and the same pledged as security for this Note.

**LAUREL HILLS CONDOMINIUMS
PROPERTY OWNERS ASSOCIATION,
a Tennessee nonprofit corporation,**

BY:


MICHAEL MCCLUNG, President of the Board

OWNER/RESPONSIBLE TAXPAYER:
Laurel Hills Condominiums Property
Owners Association
17 Mount Laurel Drive
Crab Orchard, TN 37723

THIS INSTRUMENT PREPARED BY:
Robert V. Schwerer, Esquire
Hayskar, Walker, Schwerer,
Dundas & McCain, P.A.
P.O. Box 3779
Fort Pierce, FL 34948

WARRANTY DEED

THIS INDENTURE made as of the 1st day of May, 2011, between **MOY TOY, LLC**, a Tennessee limited liability company, First Party, and **LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION**, a Tennessee nonprofit corporation, Second Party:

WITNESSETH:

THAT SAID FIRST PARTY, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS, and other good and valuable consideration, then in hand paid by said Second Party, the receipt of which is hereby acknowledged, have granted, bargained, sold and conveyed, and do by these presents grant, bargain, sell and convey unto Second Party, the real property described as follows:

**(SEE PROPERTY DESCRIPTION ON EXHIBIT "A" ATTACHED
HERETO AND MADE A PART HEREOF)**

with the hereditaments and appurtenances thereto appertaining, hereby releasing all claims therein, including homestead. **TO HAVE AND TO HOLD** the same unto the Second Party, its successors and assigns forever.

AND said First Party, for themselves and their successors and assigns, do hereby covenant with Second Party, its successors and assigns, that they are lawfully seized in fee simple of the premises above conveyed and has full power, authority and right to convey the same, and that said premises are free from all encumbrances and that they will forever warrant and defend the said premises and the title thereto against the lawful claims of all persons whosoever; provided, however, this conveyance is made subject to the matters set forth on Exhibit "B" attached and 2011 taxes, which Second Party assumes and agrees to pay.

Whenever in this instrument a pronoun is used it shall be construed to represent either singular or plural, or the masculine, feminine or neuter gender, as the case may demand.

This document may be executed in counterparts which together constitute one original document.

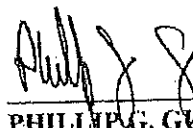
mail
(2 of 2)

IT IS EXPRESSLY UNDERSTOOD AND AGREED by and between the First Party and the Second Party that the said property herein described shall only be used for utility purposes and title thereto and the improvements constructed thereon shall revert to the First Party on ninety (90) days prior written notice of violation of the use covenant set out above.

IN WITNESS WHEREOF, the said First Party hereunder has caused this instrument to be executed as of the day and year first above written.

MOY TOY, LLC

BY:



PHILLIP G. GUETTLER, Managing
Member of Renegade Florida Management,
LLC, as General Partner of Renegade
Florida, Limited, Managing Member of
Moy Toy, LLC

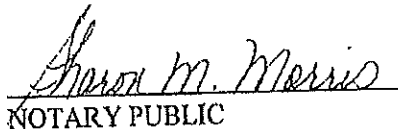
**STATE OF FLORIDA
COUNTY OF ST. LUCIE**

Before me, a Notary Public in and for said County and State aforesaid, personally appeared Phillip G. Guettler, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be the Managing Member of Renegade Florida Management, LLC, as General Partner of Renegade Florida, Limited, Managing Member of Moy Toy, LLC, a Tennessee limited liability company, and that he in such capacity executed the foregoing instrument for the purpose therein contained, by signing the name of the company.

WITNESS my hand and official seal at office this 03/07 day of May, 2011.



SHARON M. MORRIS
MY COMMISSION # DD 991175
EXPIRES: July 31, 2014
Bonded Thru Budget Notary Services



NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES: July 31, 2014

STATE OF FLORIDA ^{TN}
COUNTY OF ST. LUCIE ^{KNOX}

I hereby swear or affirm that the actual consideration or true value of this transfer, whichever is greater, is \$ 400,000 =

[Signature]
Affiant

Subscribed and sworn to before me this 13th JUNE day of May, 2011.

[Signature]
NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES: 3/8/15

RADNESSEE



RENEGADE MOUNTAIN

LEGAL DESCRIPTION
WATER TANK SITE

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

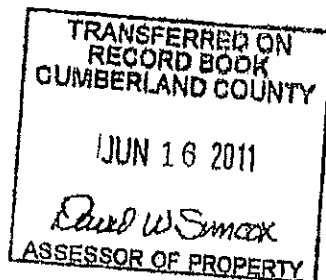
Beginning at the Northwest corner of Woodridge Condo Phase 1 as shown in Plat Book 9 at Page 185; Said Point being on the Easterly Right-of-Way Line of Renegade Mountain Parkway as shown in PB 2 at Pg 90, Revised in PB 9 at Pg 191, at the office of the Register of Deeds, Cumberland County, Tennessee;

Thence Northeasterly along said Easterly Right of way Line, being a curve to the right, having a radius of 137.18 feet, thru a central angle of 63° 19' 00", 151.60 feet;

Thence, N 68°51'47" E, 45.17 feet; Thence, S 59°50'18" E, 62.16 feet;

Thence, S 70°02'32" E, 48.11 feet; Thence, S 34°36'48" W, 129.83 feet;

Thence, N 43°05'21" W, 57.01 feet; Thence, S 74°10'36" W, 103.96 feet; to the Point of Beginning of the herein described Water Tank Site Tract. (Containing 0.43 Acres more or less). A Portion of Map 141, Parcel 031.00 and a Portion of Map 141, Parcel 056.00.



BK/PG: 1363/809-814

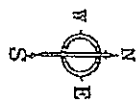
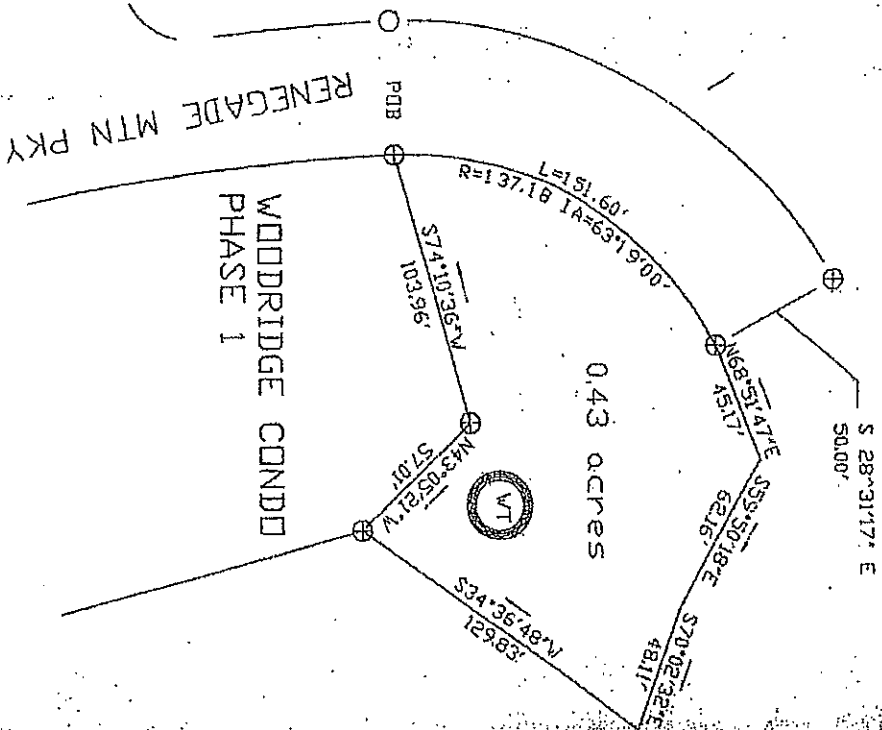
11006183

6 PGS: AL - DEED	
ADRIA BATCH: 49576	
06/14/2011 - 09:46:00 AM	
VALUE	400000.00
MORTGAGE TAX	0.00
TRANSFER TAX	1480.00
RECORDING FEE	30.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	1513.00

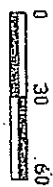
STATE OF TENNESSEE, CUMBERLAND COUNTY
JUDY GRAHAM SWALLOWS
REGISTER OF DEEDS

EXHIBIT "A"

RENEGADE MOUNTAIN Sketch of Deed for Water Tank Site



TENNESSEE GRID COORDINATE



SCALE IN FEET

3100(PORTION)

CUMBERLAND GARDENS ACQ. CORP.
D.B. 311, Pg. 384

03

EXHIBIT "B"

1. Title to that portion of the premises, if any located within the bounds of any cemetery, together with the right of ingress and egress thereto and the rights of interment and sepulcher.
2. Reservation of minerals and mining rights of subject property of record in Deed Book 31, page 426, in the Cumberland County Register's Office.
3. Reservation of minerals and mining rights of record in Deed Book 31, pages 445, in the Cumberland County Register's Office.
4. Rights and privileges granted William E. Evans, et al, by instrument of record in Misc. Book 81, page 377, in the Cumberland County Register's Office.
5. Reservation of minerals and mining rights of record in Deed Book 261, page 49, in the Cumberland County Register's Office.
6. Right-of-way for a road 16 feet, more or less, wide, running southwest through the above land to the salting ground as described in Deed Book 66, page 168, in the Cumberland County Register's Office.
7. Reservation of minerals and mining rights of record in Deed Book 71, page 41, in the Cumberland County Register's Office.
8. Easement for ingress and egress in favor of the Cumberland County Playhouse, Inc., dated June 20, 1994, of record in Deed Book 470, page 388, in the Cumberland County Register's Office.
9. Title to the minerals underlying the property described in Exhibit A hereof.
10. Agreement between Cumberland Point Condominium Property Owners Association and Cumberland Gardens Acquisition Corporation for an easement for the operation of a sewer plant dated March 19, 1999, of record in Deed Book 1047, page 1651, in the Cumberland County Register's Office.
11. The right, if any, of others to use for road purposes so much of subject property as lies in any roadway.
12. Matters depicted or disclosed by plat recorded in Plat Book 10, page 419, in the Cumberland County Register's Office.
13. Covenants and restrictions as set forth in Deed Book 124, page 5, as amended in Deed Book 347, page 76, in the Cumberland County Register's Office.
14. Amended and Restated Declaration of Amended Covenants and Restrictions of record in Book 1212, page 1224, in the Cumberland County Register's Office.
15. By-Laws of Renegade Community Club recorded in Book 1212, page 1290, in the Cumberland County Register's Office.
16. Judgment filed against Renegade Resort, LLC, Renegade Mountain Community Club, LKM Group, LLC, Larry McMeans and Joe Wucher, in favor of Eagle's Nest, LLC a/k/a Eagle's Nest of Nevada, LLC, recorded in Book 1237, page 1641, in the Cumberland County Register's Office.

PROMISSORY NOTE

\$400,000.00

June 13, 2011

FOR VALUE RECEIVED, LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION, a Tennessee nonprofit corporation (hereafter referred to as "Maker"), promises to pay, upon demand, to the order of MOY TOY, LLC, a Tennessee limited liability company (hereinafter referred to as "Lender"), the principal sum of Four Hundred Thousand Dollars (\$400,000.00), together with interest on the unpaid principal balance outstanding from time to time from the date of this Note, until paid in full, at the rate of six and one-half (6.5%) percent per annum.

Principal and interest shall be due upon demand. If not sooner paid, the Note shall mature on June 14, 2023, (the "Maturity Date"), at which time the entire unpaid principal balance together with all accrued interest not previously paid shall be due and payable in full.

The principal balance of this Note along with accrued interest hereunder can be prepaid at any time and from time to time, in whole or in part, at the option of Borrower, without premium or penalty. All payments under this Note (including prepayments) shall be made to Lender at Box 78, Moy Toy Road, Crab Orchard, TN 37723, or at such other place as the Lender may designate in writing. All payments hereunder (including prepayments) shall be applied first to fees, advancements, costs, expenses and other charges due under this Note, next to accrued but unpaid interest and then to the reduction of principal hereunder.

Maker does hereby severally waive, demand, presentment, demand for payment, protest, notice of protest, non-payment and dishonor except as specifically provided for herein, and consents that the time of payment of this Note may be extended, renewed, or modified, from time to time upon the mutual consent of Lender and Maker, and further agrees that the security for this Note or any portion thereof may from time to time be modified, adjusted or released in whole or in part without affecting the liability of any parties liable or becoming liable for the payment of this Note.

The occurrence of any one or more of the following shall be an event of default under this Note causing Maker to be in default under this Note, to-wit: (i) the failure of Maker to make any payment of interest, principal or principal and interest under this Note on demand; or failure of Maker to perform any of the other terms, provisions or conditions of this Note; or failure of Maker to perform or observe within ten (10) days after written notice to Maker, and (ii) cancel or terminate any rights, exclusive or non-exclusive granted to M. repossess and take control over the water system exercise its rights under any Deed of Trust or other of Maker, and/or (v) exercise any and all rights Lender becomes necessary in the opinion of Lender to employ

TRISH - IN QUICK BOOK
- Since we
never established
a note, since we
didn't make a payment
THIS SHOULD
BE IN Notes PAYABLE
for the TAX Return
Mike

THIS INSTRUMENT PREPARED BY:
Joseph H. Huie, Attorney
CROLEY, DAVIDSON & HUIE, PLLC
800 S. Gay Street, Suite 1500
Knoxville, TN 37929
File No. 96729-1

PARTIAL RELEASE

ALLEGHENY ENTERPRISES PARTNERSHIP declares that it is the true and lawful owner and holder of the indebtedness secured by a Deed of Trust, Assignment of Leases and Rents and Security Agreement from Moy Toy, LLC, a Tennessee limited liability company, to Joseph H. Huie, Trustee, dated October 12, 2010, and recorded in Book 1351, page 2113, as amended by Spreader Agreement dated October 12, 2010, and recorded in Book 1351, page 2150, both in the Cumberland County Register's Office, to which instruments reference is hereby made, and for a valuable consideration in hand paid, does hereby release the lien of said instruments as to the following described property, but no further or otherwise:

(SEE PROPERTY DESCRIPTION ON EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF)

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed this 26 day of May, 2011.

Allegheny Enterprises Partnership

By: [Signature]

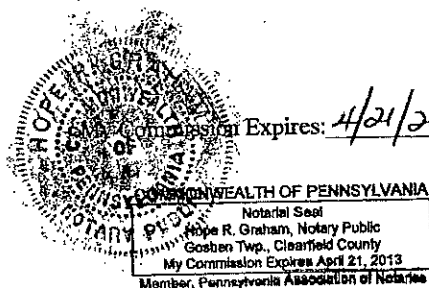
Title: General Partner

STATE OF Pennsylvania

COUNTY OF Clearfield

PERSONALLY appeared before me, the undersigned authority, a Notary Public in and for said County and State, Thomas R. Lanzer, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the General Partner of ALLEGHENY ENTERPRISES PARTNERSHIP, the within named bargainor, a Pennsylvania general partnership, that he as such General Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by himself as General Partner

WITNESS my hand and official seal at office this 26th day of May, 2011.



Hope R. Graham
Notary Public

BK/PG: 1363/807-808

11006182

2 PGS: AL - PARTIAL RELEASE	
ADRIA BATCH: 49576	
06/14/2011 - 09:46:00 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

STATE OF TENNESSEE, CUMBERLAND COUNTY
JUDY GRAHAM SWALLOWS
REGISTER OF DEEDS

mas
Laurel Hills
Condominiums
POA
17 Mt. Laurel Dr.
Crab Orchard, TN
37723
(1 of 2)

RENEGADE MOUNTAIN

LEGAL DESCRIPTION
WATER TANK SITE

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

Beginning at the Northwest corner of Woodridge Condo Phase 1 as shown in Plat Book 9 at Page 185; Said Point being on the Easterly Right-of-Way Line of Renegade Mountain Parkway as shown in PB 2 at Pg 90, Revised in PB 9 at Pg 191, at the office of the Register of Deeds, Cumberland County, Tennessee;

Thence Northeasterly along said Easterly Right of way Line, being a curve to the right, having a radius of 137.18 feet, thru a central angle of 63° 19' 00", 151.60 feet;

Thence, N 68°51'47" E, 45.17 feet; Thence, S 59°50'18" E, 62.16 feet;

Thence, S 70°02'32" E, 48.11 feet; Thence, S 34°36'48" W, 129.83 feet;

Thence, N 43°05'21" W, 57.01 feet; Thence, S 74°10'36" W, 103.96 feet; to the Point of Beginning of the herein described Water Tank Site Tract. (Containing 0.43 Acres more or less). A Portion of Map 141, Parcel 031.00 and a Portion of Map 141, Parcel 056.00.

EXHIBIT "A"

OWNER/RESPONSIBLE TAXPAYER:
Moy Toy, LLC
3227 Renegade Mountain Parkway
Crab Orchard, TN 37723
Map 141, Parcel 056.01

THIS INSTRUMENT PREPARED BY:
Joseph H. Huie, Attorney
Crowley, Davidson & Huie, PLLC
800 S. Gay Street, Suite 1700
Knoxville, TN 37929

WARRANTY DEED
(In Lieu of Foreclosure)

THIS INDENTURE made this 25th day of February, 2014 between LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION, a Tennessee nonprofit corporation, First Party, and MOY TOY, LLC, a Tennessee limited liability company, Second Party:

WITNESSETH:

THAT SAID FIRST PARTY, for and in consideration of the sum of ONE AND NO/100 (\$1.00) DOLLARS, and other good and valuable consideration, to it in hand paid by said Second Party, the receipt of which is hereby acknowledged, have granted, bargained, sold and conveyed, and does by these presents grant, bargain, sell and convey unto Second Party, the real property described as follows:

(SEE PROPERTY DESCRIPTION ON EXHIBIT "A" ATTACHED
HERETO AND MADE A PART HEREOF)

THIS CONVEYANCE is made subject to any and all applicable restrictions, easements, and building setback lines as are shown in the records of the Cumberland County Register's Office.

with the hereditaments and appurtenances thereto appertaining, hereby releasing all claims to homestead and dower therein.

TO HAVE AND TO HOLD the same unto the Second Party, its successors and assigns forever.

THIS IS AN ABSOLUTE CONVEYANCE, the First Party having sold said land to the Second Party for a fair and adequate consideration, such consideration, in addition to that above recited, being partial satisfaction of the obligations secured by the Deed of Trust executed by LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION, a Tennessee nonprofit corporation, to JOSEPH H. HUIE, Trustee for MOY TOY, LLC, a Tennessee limited liability company, recorded March 5, 2013, and recorded as Instrument No. 13002597 (BK/PG: 1404/259-267), in the Cumberland County Register's Office.

THIS CONVEYANCE is made as a result of a request that the Second Party accept this deed in partial satisfaction of the debt owed by the First Party to the Second Party; that this deed is the First Party's free and voluntary act; that at the time of making this deed, the First Party believes that the actual consideration or true value of this transfer stated below represents a fair market value of the property so deeded; that this deed is not given as a preference against any other creditors of the First Party; that the First Party in executing and delivering this deed to the Second Party was not acting under any duress, undue influence, misapprehension or misrepresentation by the Second Party, or the agent or attorney or any other representative of the grantee in this deed; and that it is the intention of the First Party to convey, and by this deed, the First Party does convey, to the Second Party all of its right, title and interest absolute in and to the property described in this deed.

Whenever in this instrument a pronoun is used it shall be construed to represent either singular or plural, as the case may demand.

IN WITNESS WHEREOF, the said First Party hereunder has executed this instrument the day and year first above written.

WITNESSES:

LAUREL HILLS CONDOMINIUMS
PROPERTY OWNERS ASSOCIATION,

BY:

MICHAEL MCCLUNG, President

Print Name: Robert V. SeHurra

Judith A. Sullivan

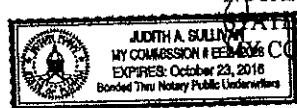
Print Name: Judith A. Sullivan

STATE OF FLORIDA
COUNTY OF ST. LUCIE

Personally appeared before me, the undersigned authority, a Notary Public, in and for State and County aforesaid, MICHAEL MCCLUNG, President of LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION, who is personally known to me or who produced _____ as identification, and who acknowledged that he executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal this 25th day of February, 2014.

Judith A. Sullivan
NOTARY PUBLIC



STATE OF FLORIDA AT LARGE

COMMISSION EXPIRES 10/23/2016

St. Lucie Co, FL.

I hereby swear or affirm that the actual consideration or true value of this transfer, whichever is greater, is \$ 200,000.00 *OK - [Signature]*

Subscribed and sworn to before me this 25th day of February, 2014.

Judith A. Sullivan
NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES: 10/23/2016



RENEGADE MOUNTAIN

LEGAL DESCRIPTION
WATER TANK SITE

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

Beginning at the Northwest corner of Woodridge Condo Phase 1 as shown in Plat Book 9 at Page 185; Said Point being on the Easterly Right-of-Way Line of Renegade Mountain Parkway as shown in PB 2 at Pg 90, Revised in PB 9 at Pg 191, at the office of the Register of Deeds, Cumberland County, Tennessee;

Thence Northeasterly along said Easterly Right of way Line, being a curve to the right, having a radius of 137.18 feet, thru a central angle of $63^{\circ} 19' 00''$, 151.60 feet;

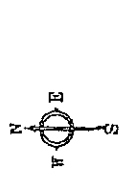
Thence, N $68^{\circ} 51' 47''$ E, 45.17 feet; Thence, S $59^{\circ} 50' 18''$ E, 62.16 feet;

Thence, S $70^{\circ} 02' 32''$ E, 48.11 feet; Thence, S $34^{\circ} 36' 48''$ W, 129.83 feet;

Thence, N $43^{\circ} 05' 21''$ W, 57.01 feet; Thence, S $74^{\circ} 10' 36''$ W, 103.96 feet; to the Point of Beginning of the herein described Water Tank Site Tract. (Containing 0.43 Acres more or less). A Portion of Map 141, Parcel 031.00 and a Portion of Map 141, Parcel 056.00.

EXHIBIT "A"

RENEGADE MOUNTAIN Sketch of Deed for Water Tank Site



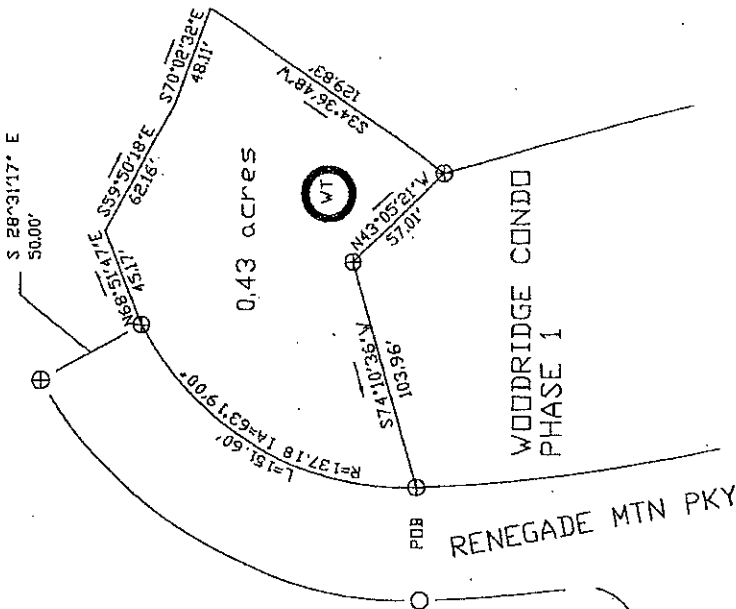
TENNESSEE GRID COORDINATE



SCALE IN FEET

31.0 (PORTION)

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



RENEGADE MTN PKY

WOODRIDGE CONDO
PHASE 1

BK/PG: 1427/58-62
14003077



5 PGS.-AL-DEED	
BATCH: 79048	
03/24/2014 - 12:58:47 PM	
VALUE	200000.00
MORTGAGE TAX	0.00
TRANSFER TAX	740.00
RECORDING FEE	25.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	768.00

STATE OF TENNESSEE CUMBERLAND COUNTY
JUDY GRAHAM SWALLONS
REGISTER OF DEEDS

MAXIMUM PRINCIPAL INDEBTEDNESS
FOR TENNESSEE RECORDING TAX
PURPOSES IS \$400,000.00.

THIS INSTRUMENT PREPARED BY:
Joseph H. Huie, Attorney
CROLEY, DAVIDSON & HUIE, PLLC
800 S. Gay Street, Suite 1700
Knoxville, TN 37929
File No. 130382

DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT

— This instrument secures, among other things, an obligation or obligations incurred for the construction of an improvement on the hereinafter described Land and including the acquisition cost of the Land, and to that extent this instrument constitutes a "construction mortgage", as that term is used in Tenn. Code Ann. § 47-9-334.

— This instrument secures obligatory advances for commercial purposes, as more particularly hereinafter described.

Att. Title Ins. Co.
FOR IN AND CONSIDERATION OF the sum of Ten and No/100ths Dollars (\$10.00) cash in hand paid and the other consideration hereinafter described, including the debt and trust hereinafter provided, LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION, a Tennessee nonprofit corporation (collectively, if more than one, the "Grantor") hereby bargains, sells, transfers, sets over and conveys to JOSEPH H. HUIE of Knox County, Tennessee, and his successors, successors-in-title and assigns as Trustee (the "Trustee"; said term always referring to the Trustee and the successors in trust to the Trustee), all of Grantor's right, title and interest in and to the real property situated in Cumberland County, Tennessee, more particularly described on Exhibit A attached hereto, together with all buildings, structures and improvements now or hereafter located thereon, all equipment, machinery, fixtures, furnishings, goods and personal property of every nature and description now or hereafter located therein or thereon or used in connection therewith, all easements, rights-of-way and other rights appurtenant thereto or used in connection therewith, all rents, issues, profits, revenues, income, accounts, accounts receivable and contract rights therefrom, all other tenements, hereditaments and appurtenances thereon and all other property interests of Grantor therein (collectively the "Property").

TO HAVE AND TO HOLD the Property, with the appurtenances, hereditaments, estate, title and interest thereto belonging, to Trustee forever.

The Property is conveyed subject to the title exceptions, if any, set forth on Exhibit B attached hereto (collectively, if more than one, the "Permitted Exceptions").



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BK/PG: 1404/259-267
13002597

SPCS: AL - TRUST DEED
REGINA BATCH: 68019
03/05/2013 - 10:51:38 AM

VALUE	400000.00
MORTGAGE TAX	457.70
TRANSFER TAX	0.00
RECORDING FEE	45.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	505.70

STATE OF TENNESSEE, CUMBERLAND COUNTY
JUDY GRAHAM SWALLOW
REGISTER OF DEEDS

Grantor covenants that Grantor is lawfully seized and possessed of the Property, has good right to convey it, and that it is unencumbered except for the Permitted Exceptions. Grantor further binds itself and its heirs, representatives and successors to warrant and forever defend the title to the Property to Trustee against the lawful claims of all persons whomsoever, other than claims arising out of the Permitted Exceptions.

Grantor is indebted to MOY TOY, LLC, a Tennessee limited liability company (herein referred to, together with his heirs, successors and assigns, as "Beneficiary"), in the principal amount of FOUR HUNDRED THOUSAND AND NO/100 (\$400,000.00) DOLLARS, which indebtedness is evidenced by one promissory note dated June 13, 2011, payable to the order of Beneficiary (together with any extensions, modifications, renewals and/or replacements thereof, herein referred to collectively as the "Note") in accordance with the terms set forth therein with the final payment being due on May 13, 2023. This conveyance is made in order to secure the payment of (1) the indebtedness evidenced by the Note, principal and all interest thereon, together with any and all extensions, modifications and/or renewals thereof, (2) all sums advanced by Beneficiary to Grantor or expended by Beneficiary for Grantor's account or benefit pursuant to the terms of this deed of trust, with interest thereon as provided herein, and the faithful performance of all terms and conditions contained herein, (3) all costs and expenses, including without limitation reasonable attorney's fees, incurred in collecting the indebtedness secured hereby or in enforcing this deed of trust, and (4) any and all other indebtedness(es) of Grantor to Beneficiary, direct or contingent, however evidenced or denominated, and however or whenever incurred, including without limitation indebtedness(es) incurred pursuant to any previous, present or future commitment of Beneficiary to Grantor, except that the indebtedness secured by this clause (4) shall not include any debt subject to the disclosure requirements of the federal Truth-in-Lending Act if, at the time such debt is created, any legally required disclosure of this security interest as it relates to such debt has not been made.

Grantor agrees to pay all real estate taxes and assessments on the Property promptly as they become due; to keep the improvements on the Property insured for the benefit of Grantor and Beneficiary against damage or loss by fire or other casualty (including hazards presently included in so-called "all-risk" coverage) with a company, in an amount, pursuant to a form of policy and containing a loss payable clause acceptable to Beneficiary and naming Beneficiary as an additional insured; to keep the improvements on the Property in good repair and to permit no waste; to permit Beneficiary to inspect the Property at reasonable times and upon reasonable notice; to permit no default under any senior deed of trust, mortgage or other encumbrance; and not to encumber, pledge, convey, transfer or assign any or all of its interest in the Property without the prior written consent of Beneficiary.

Upon the occurrence of any insurable casualty, Beneficiary shall have the right to adjust, compromise and settle the insurance claim as it sees fit without the necessity for the joinder or approval of Grantor, and Beneficiary in its discretion may apply the net insurance proceeds either to the satisfaction of the indebtedness secured hereby, in such order of priority as Beneficiary shall determine, or to the repair or restoration of the Property pursuant to a disbursement procedure satisfactory to Beneficiary.

Upon any condemnation or other taking of the Property or any part thereof by any authority pursuant to the power of eminent domain, Beneficiary shall be entitled to receive the entire amount awarded or paid for such taking, up to the full amount of the indebtedness secured hereby, which amount awarded or paid is hereby assigned to Beneficiary. Beneficiary's right to receive the amount awarded or paid upon any taking shall not be affected, restricted or in any way impaired by the amount or value of any remaining portions of the Property that may continue to be subject to this deed of trust.

Grantor has no knowledge of (a) the presence of any Hazardous Materials (as hereinafter defined) on the Property; (b) any spill, release, discharge or disposal of Hazardous Materials that has occurred or is presently occurring on, onto or adjacent to the Property; or (c) any spill, release, discharge or disposal of Hazardous Materials that has occurred or is occurring off the Property as a result of any construction on or operation and/or use of the Property. Further, Grantor has no knowledge of any failure of the Property or its intended use to comply with all applicable local, state and federal environmental laws, regulations, rules, guidelines, ordinances and administrative and judicial orders and rulings relating to the generation, recycling, use, reuse, sale, storage, handling, transport, treatment and disposal of any Hazardous Materials, including but not limited to the Tennessee Hazardous Waste Management Act, as amended, T.C.A. §§68-46-101 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601, et seq., the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§1801, et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§6901, et seq., the Clean Air Act, as amended, 42 U.S.C. §§7401 et seq., the Clean Water Act of 1977, as amended, 33 U.S.C. §§1251 et seq., and the publications, rules and regulations adopted and/or promulgated pursuant to said laws (collectively the "Applicable Law"). Grantor hereby agrees to indemnify and hold Trustee, Beneficiary and Beneficiary's officers, directors, agents, employees, affiliates and representatives harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits, investigations, regulatory proceedings and other proceedings, and all costs and expenses (including but not limited to attorney's fees), incurred in connection therewith, arising directly or indirectly from or out of, or in any way connected with (a) the presence of any Hazardous Materials on the Property or on any other real property now or hereafter securing payment of the indebtedness evidenced by the Note; (b) any violation or alleged violation of Applicable Law, whether attributable to events occurring before or after Grantor's acquisition of the Property; or (c) any inaccuracy of the certifications, representations and warranties contained herein. As used herein, "Hazardous Materials" means gasoline, motor oil, fuel oil, waste oil, other petroleum or petroleum-based products, asbestos, polychlorinated biphenyls ("PCBs") and any chemical, material or substance to which exposure is prohibited, limited or regulated by any federal, state, county, local or regional authority or which, even if not so regulated, is known to pose a hazard to health and safety, including but not limited to substances and materials defined or designated as "hazardous substances", "hazardous materials" or "toxic substances" under Applicable Law.

If Grantor fails to comply with any agreement or covenant contained herein, Beneficiary shall have the right, but not the obligation, to comply or cause compliance therewith. Grantor shall reimburse Beneficiary on demand for the costs and expenses, including without limitation reasonable attorney's fees, that Beneficiary incurs in so doing, together with interest thereon at the default rate of interest, if any, provided in the Note; if none, then at the maximum contract rate of interest from time to time permitted by applicable law (in no event to exceed 24% per annum). Until repaid, all sums so advanced shall be part of the indebtedness secured hereby.

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In the event that Beneficiary or Trustee voluntarily or otherwise shall become a party to any suit or legal proceeding to protect the Property or the lien and security title of this deed of trust, or involving the title to or Beneficiary's or Trustee's interest in the Property, Grantor shall indemnify and save harmless Trustee and/or Beneficiary from any and all liability and shall reimburse them for any amounts paid or incurred, including but not limited to all reasonable costs, charges and attorneys' fees, in any such suit or proceeding, together with interest thereon as hereinabove provided, and the same shall be secured by this deed of trust and its payment enforced as if it were part of the original indebtedness secured hereby.

As additional collateral for the indebtedness secured hereby, Grantor hereby assigns to Beneficiary all of Grantor's right, title and interest in any and all leases, tenant contracts, rental agreements and similar agreements now or hereafter affecting the Property or any part thereof, together with any and all corresponding rents, issues, profits, revenues, income, accounts, accounts receivable and contract rights (individually a "Lease" and collectively the "Leases"). Without first obtaining Beneficiary's prior written consent, Grantor shall not cancel or modify any such Lease, or accept or permit to be made any prepayment of any rent or fees thereunder, and shall faithfully keep and perform all covenants, conditions and agreements contained in each of said Leases on the part of Grantor and shall at all times do all things necessary to compel performance by each other party to said Leases of all obligations, covenants and agreements by such other party to be performed thereunder. Upon the occurrence of any default hereunder or under any other instrument or document now or hereafter further evidencing, securing or otherwise related to the indebtedness secured hereby, Beneficiary may (1) perform any and all obligations of Grantor under any or all of the Leases and exercise any and all rights of Grantor thereunder, (2) in Grantor's or Beneficiary's name, institute any legal or equitable action that Beneficiary in its sole discretion deems desirable to collect and receive any and all of the rents, issues, profits, revenues and income assigned herein, and (3) collect the rents, issues, profits, revenues and income and any other sums due under the Leases and apply the same, in such order of priority as Beneficiary shall determine in its sole discretion, to all costs and expenses including reasonable attorney's fees incurred in connection with the operation of the Property, all costs and expenses including reasonable attorney's fees incurred in the collection of the indebtedness secured hereby, and any and all unpaid principal of and interest on the indebtedness secured hereby.

With respect to that portion of the Property that is or may be determined to be personal property or fixtures under the Uniform Commercial Code as in effect in the state in which the Property is located (collectively the "UCC Property"), this instrument shall constitute a security agreement as that term is used in said Uniform Commercial Code. Grantor hereby grants to Beneficiary security interest in the UCC Property and any and all proceeds thereof, and agrees that all covenants and obligations of Grantor herein shall apply to the UCC Property. Grantor hereby authorizes Beneficiary to prepare and file for record a financing statement and this deed of trust shall serve as a "fixture filing" as provided in said Uniform Commercial Code. Upon the occurrence of a default hereunder, Beneficiary shall have all the rights and remedies of a secured party under said Uniform Commercial Code, which shall be cumulative with all other rights and remedies of Beneficiary hereunder. Notwithstanding the foregoing, Grantor agrees that the UCC Property shall be deemed a part of the real estate conveyed by this deed of trust for all purposes hereof to the extent permitted by applicable law.

If the indebtedness evidenced by the Note or any extension, modification or renewal thereof is not paid when due, or if there is a breach of any covenant, condition or agreement contained herein or in any other instrument or document now or hereafter further evidencing, securing or otherwise related to the indebtedness secured hereby, or if any other default or event of default shall occur under any other instrument or document now or hereafter further evidencing, securing or otherwise related to the indebtedness secured hereby, or if any proceedings under any bankruptcy, receivership or other insolvency laws are instituted by or against Grantor or any of its property (and in the case of an involuntary proceeding, the same is not dismissed within 30 days of the institution thereof), Trustee may, after giving twenty (20) days' notice of the time, terms and place of sale by three (3) weekly publications in some newspaper published in the county in which the Property is wholly or partially situated, sell the Property at public auction to the highest bidder for cash, for credit on the indebtedness secured, or upon such other terms as Trustee elects, free from equity of redemption, statutory right of redemption, homestead, dower, elective or distributive share and all other exemptions of every kind, which Grantor hereby expressly waives, and execute a deed to the purchaser, whom Grantor will put in immediate possession of the Property. Beneficiary may bid and become the purchaser at any such sale.

In the event of any sale under this deed of trust by virtue of the exercise of the power herein granted, or pursuant to any order in any judicial proceeding or otherwise, the Property may be sold as an entirety or in separate parcels and in such manner or order as Beneficiary in its sole discretion may elect, and one or more exercises of the power herein granted shall not extinguish or exhaust such power until the entire Property is sold or the indebtedness secured hereby is paid in full.

Any sale hereunder may be postponed by Trustee and reset at a later date without additional publication; provided that an announcement to that effect be made at the scheduled place of sale at the time and on the date the sale is set, either originally or by prior announcement of postponement.

In the event of any sale hereunder, Grantor and all persons holding thereunder shall be and become tenants at will of the purchaser, said tenancy to be terminable at the option of the purchaser immediately upon notice from the purchaser.

In the event of such sale, the proceeds shall be applied as follows:

First, to the costs and expenses of executing this trust, including a reasonable commission to Trustee for making the sale, a reasonable attorney's fee for the services of Trustee's attorney, and all costs and attorney's fees incurred in obtaining possession of the Property or enforcing Beneficiary's rights hereunder;

Second, to the payment of the rest of the indebtedness secured hereby, including without limitation the principal of and interest on the indebtedness evidenced by the Note;

Third, the balance, if any, to Grantor or to any other person lawfully thereunto entitled.

No delay or forbearance by Beneficiary in exercising any or all of its rights and/or remedies hereunder or otherwise afforded by law shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder or in the event of any subsequent default hereunder, and all such rights shall be cumulative.

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In the event that this deed of trust shall now or at any time after the date hereof be subordinate to any other encumbrance on the Property, Grantor hereby agrees that the lien and security title of this conveyance shall extend to the entire interest of Grantor in the Property conveyed hereby, and shall extend to the interest of Grantor in the proceeds from any sale of said Property, whether by foreclosure of any such prior encumbrance or otherwise, to the extent any such proceeds exceed the amount necessary to satisfy such prior encumbrance(s). Any trustee or other person conducting any such sale or foreclosure is hereby directed to pay such excess proceeds to Beneficiary to the extent necessary to pay the indebtedness secured hereby in full, notwithstanding any provision of the contrary contained in any prior encumbrance.

If Trustee should decline or refuse, or for any reason be unable, to execute this trust when required to do so, or if, at the option of Beneficiary, Beneficiary wishes to replace Trustee, Beneficiary may nominate a successor having all of the rights and powers herein granted to Trustee by executing an appropriate instrument and, at Beneficiary's option, recording same in the aforesaid Register's Office.

In the event that more than one Trustee is named herein, any one of such Trustees, acting alone, shall have full power to act when action hereunder shall be required, and to execute any conveyance of the Property or any part thereof. In the event that more than one Trustee is named herein and the substitution of a Trustee shall become necessary for any reason, the substitution of one Trustee in the place of those or any of those named herein shall be sufficient. No Trustee shall be required to make oath or give bond in connection with this deed of trust.

All rights and obligations hereunder shall inure to the benefit of, and be binding upon, the heirs, representatives, successors and assigns of Grantor, Trustee and Beneficiary.

The use of the singular number herein shall include the plural, and vice versa, and the masculine, feminine or neuter gender shall include all other genders.

IN WITNESS WHEREOF, Grantor has executed this deed of trust, or has caused this deed of trust to be executed, on the 13 day of March, 2013.

Laurel Hills Condominiums Property Owners
Association

By: 

Michael McClung, President

STATE OF TENNESSEE

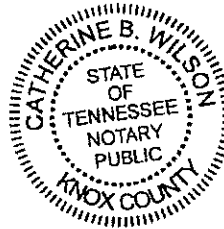
COUNTY OF KNOX

PERSONALLY appeared before me, the undersigned authority, a Notary Public in and for said County and State, MICHAEL McCLUNG, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the President of LAUREL HILLS CONDOMINIUMS PROPERTY OWNERS ASSOCIATION, the within named bargainor, a Tennessee nonprofit corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

WITNESS my hand and official seal at office this 1ST day of MARCH, 2013.

Catherine B. Wilson
Notary Public

My Commission Expires: 7/7/15



THE PREPARER OF THIS DOCUMENT MAKES NO REPRESENTATION AS TO THE STATUS OF THE TITLE TO THE PROPERTY DESCRIBED HEREIN. THIS DEED HAS BEEN PREPARED SOLELY FROM INFORMATION FURNISHED TO THE PREPARER WHO MAKES NO REPRESENTATION WHATSOEVER, OTHER THAN THAT IT HAS BEEN ACCURATELY TRANSCRIBED FROM THE INFORMATION PROVIDED.

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RENEGADE MOUNTAIN

LEGAL DESCRIPTION
WATER TANK SITE

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

Beginning at the Northwest corner of Woodridge Condo Phase 1 as shown in Plat Book 9 at Page 185; Said Point being on the Easterly Right-of-Way Line of Renegade Mountain Parkway as shown in PB 2 at Pg 90, Revised in PB 9 at Pg 191, at the office of the Register of Deeds, Cumberland County, Tennessee;

Thence Northeasterly along said Easterly Right of way Line, being a curve to the right, having a radius of 137.18 feet, thru a central angle of $63^{\circ} 19' 00''$, 151.60 feet;

Thence, N $68^{\circ} 51' 47''$ E, 45.17 feet; Thence, S $59^{\circ} 50' 18''$ E, 62.16 feet;

Thence, S $70^{\circ} 02' 32''$ E, 48.11 feet; Thence, S $34^{\circ} 36' 48''$ W, 129.83 feet;

Thence, N $43^{\circ} 05' 21''$ W, 57.01 feet; Thence, S $74^{\circ} 10' 36''$ W, 103.96 feet; to the Point of Beginning of the herein described Water Tank Site Tract. (Containing 0.43 Acres more or less). A Portion of Map 141, Parcel 031.00 and a Portion of Map 141, Parcel 056.00.

BEING the same property conveyed to Laurel Hills Condominiums Property Owners Association by Warranty Deed from Moy Toy, LLC, dated May 1, 2011, and recorded in Book 1363, page 809, in the Cumberland County Register's Office.

EXHIBIT "A"

EXHIBIT "B"

1. Title to that portion of the premises, if any located within the bounds of any cemetery, together with the right of ingress and egress thereto and the rights of interment and sepulcher.
2. Reservation of minerals and mining rights of subject property of record in Deed Book 31, page 426, in the Cumberland County Register's Office.
3. Reservation of minerals and mining rights of record in Deed Book 31, pages 445, in the Cumberland County Register's Office.
4. Rights and privileges granted William E. Evans, et al, by instrument of record in Misc. Book 81, page 377, in the Cumberland County Register's Office.
5. Reservation of minerals and mining rights of record in Deed Book 261, page 49, in the Cumberland County Register's Office.
6. Right-of-way for a road 16 feet, more or less, wide, running southwest through the above land to the salting ground as described in Deed Book 66, page 168, in the Cumberland County Register's Office.
7. Reservation of minerals and mining rights of record in Deed Book 71, page 41, in the Cumberland County Register's Office.
8. Easement for ingress and egress in favor of the Cumberland County Playhouse, Inc., dated June 20, 1994, of record in Deed Book 470, page 388, in the Cumberland County Register's Office.
9. Title to the minerals underlying the property described in Exhibit A hereof.
10. Agreement between Cumberland Point Condominium Property Owners Association and Cumberland Gardens Acquisition Corporation for an easement for the operation of a sewer plant dated March 19, 1999, of record in Deed Book 1047, page 1651, in the Cumberland County Register's Office.
11. The right, if any, of others to use for road purposes so much of subject property as lies in any roadway.
12. Matters depicted or disclosed by plat recorded in Plat Book 10, page 419, in the Cumberland County Register's Office.
13. Covenants and restrictions as set forth in Deed Book 124, page 5, as amended in Deed Book 347, page 76, in the Cumberland County Register's Office.
14. Amended and Restated Declaration of Amended Covenants and Restrictions of record in Book 1212, page 1224, in the Cumberland County Register's Office.
15. By-Laws of Renegade Community Club recorded in Book 1212, page 1290, in the Cumberland County Register's Office.
16. Judgment filed against Renegade Resort, LLC, Renegade Mountain Community Club, LKM Group, LLC, Larry McMeans and Joe Wucher, in favor of Eagle's Nest, LLC a/k/a Eagle's Nest of Nevada, LLC, recorded in Book 1237, page 1641, in the Cumberland County Register's Office.

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IRREVOCABLE LICENSE AGREEMENT
FOR EXISTING UTILITY PURPOSES

THIS NON-EXCLUSIVE IRREVOCABLE LICENSE AGREEMENT is entered into this 3rd. day of February, 2016, effective as of October 25, 2015 (the "Effective Date"), by and between **MOY TOY, LLC**, a Tennessee limited liability company (hereafter "**MOY TOY**") and **LAUREL HILLS CONDOMINIUM PROPERTY OWNER'S ASSOCIATION**, a Tennessee non-profit corporation, (hereafter "**LAUREL HILLS**").

WHEREAS, LAUREL HILLS desires permission from **MOY TOY** to enter upon various lands and interests in lands owned or held by **MOY TOY** for utility purposes in connection with the operation of a water system in receivership; and

WHEREAS, LAUREL HILLS has requested that **MOY TOY** grant this Non-Exclusive Irrevocable License to utilize **MOY TOY'S** properties where **LAUREL HILLS'** utilities currently exist; and

WHEREAS, MOY TOY is willing to grant **LAUREL HILLS** this license for the purposes set forth herein, subject to certain terms and conditions, and

WHEREAS, this license agreement is intended to be fully transferable; and

WHEREAS, this Non-Exclusive Irrevocable License is being granted pursuant to that certain Settlement Agreement and Release by and between Laurel Hills Condominiums Property Owners Association, a Tennessee non-profit corporation, and the Tennessee Regulatory Authority, and specifically, the terms and conditions set out in Article II, Paragraph (f) on Page 4 thereof in order to ensure that whatever water lines, pipes, pump stations, and other water system related assets owned by **LAUREL HILLS** have a valid property right to



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remain in the location where they are found on the Effective Date of this license.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are made a part of this Non-Exclusive Irrevocable License Agreement by this reference.

2. **Grant of Permission.** **MOY TOY** hereby gives permission, irrevocable and interminable as hereinafter provided, to **LAUREL HILLS** to enter onto the lands or interests in lands of **MOY TOY** described below for the purpose of using said land for the operation of a water distribution system consisting of all existing water transmission lines, water service lines, water meters, valves, pumping stations, and related appurtenances, all on the terms and conditions herein set forth which **LAUREL HILLS** accepts and promises to comply and abide with.

3. **Description of Property.** The real property of **MOY TOY** that **LAUREL HILLS** is hereby permitted to enter and utilize is described as follows:

Those certain areas within the lands legally described in Exhibit "A", attached hereto, generally reserved as of the date of this license agreement for the location of existing utilities within rights of way, roadways, common areas, utility easements and the like.

4. **Permission Not Exclusive.** This permission is not exclusive to **LAUREL HILLS**, and **LAUREL HILLS** shall have the privilege hereunder only of occupying such portion of the above-described property at such locations where the water system is currently existing.

5. **No Nuisance On Premises.** **LAUREL HILLS** shall not perform or permit any of

LAUREL HILLS' representatives, agents, employees, contractors, successors, assigns, or any other person to perform any disorderly conduct or commit any nuisance on the property or to use the premises in any way so as to interfere with the exercise by the title owner thereof or other licensees or permittees of privileges which MOY TOY has itself or may give to others in the premises, including other utility providers. LAUREL HILLS shall at all times comply with all laws, codes, rules, and regulations, whether federal, state, county, or municipal, relating to or in any way regulating or applicable to LAUREL HILLS' use of the premises.

6. **Indemnification.** LAUREL HILLS shall exercise its privileges hereunder at its own risk. For so long as LAUREL HILLS or its successors or assigns own, operate, or maintain the water distribution system as described in this license, LAUREL HILLS, its representatives, agents, employees, contractors, successors, and assigns shall at all times hereafter, indemnify and hold harmless MOY TOY and its officers, representatives, agents, employees, contractors, successors, and assigns from and against all claims, damages, losses and expenses arising out of or relating to this license or any claim of liability or any other claim involving the water distribution system or arising out of the water distribution system's use of the irrevocable license described above, unless caused by Moy Toy's negligent or willful conduct.

7. **Insurance.** LAUREL HILLS shall at all times maintain policies of insurance in such amounts and for such coverages as are customary in the public utility industry beginning not later than February 28, 2017.

8. **Binding Effect.** All of the covenants, conditions and provisions of this license shall inure to the benefit of and be binding upon the parties hereto and their

respective successors and assigns.

9. **Modifications**. This license may not be modified, except in writing signed by the party against whom such modification is sought to be enforced.


10. **Choice of Law**. This license shall be governed by the laws of the State of Tennessee.

11. **Transferability**. The license herein provided is fully transferable.

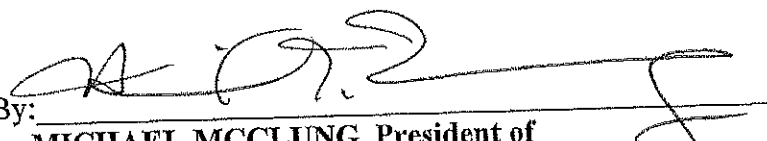
IN WITNESS WHEREOF, the parties hereto have executed this Non-Exclusive Revocable License Agreement as of the day and year first above written.

SIGNATURES ON FOLLOWING PAGE

MOY TOY, LLC, a Tennessee limited liability company,

By 
PHILLIP G. GUETTLER, Managing Member of
RENEGADE FLORIDA MANAGEMENT, LLC,
As General Partner of RENEGADE FLORIDA,
LIMITED, as Managing Member of MOY TOY, LLC


LAUREL HILLS CONDOMINIUM PROPERTY OWNERS' ASSOCIATION

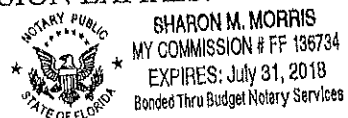
By: 
MICHAEL MCCLUNG, President of
LAUREL HILLS CONDOMINIUM PROPERTY OWNERS
ASSOCIATION, a Tennessee, non-profit corporation.

STATE OF FLORIDA
COUNTY OF ST. LUCIE

Personally appeared before me, the undersigned, a Notary Public of said County and State, Phillip G. Guettler, Managing Member of RENEGADE FLORIDA MANAGEMENT, LLC, as General Partner of RENEGADE FLORIDA, LIMITED, as Managing Member of MOY TOY, LLC, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who acknowledged that the foregoing was executed for the purpose therein contained.

WITNESS my hand and official seal at Fort Pierce, Florida, on this 3rd day of February, 2016.

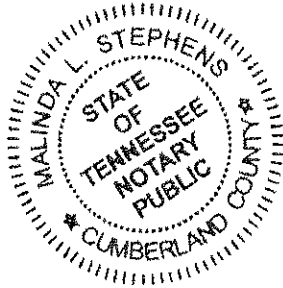

NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES:



STATE OF TENNESSEE
COUNTY OF Cumberland

Personally appeared before me, the undersigned, a Notary Public of said County and State, Michael McClung, President of LAUREL HILLS CONDOMINIUM PROPERTY OWNERS ASSOCIATION, a Tennessee non-profit corporation, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who acknowledged that the foregoing was executed for the purpose therein contained.

WITNESS my hand and official seal at Crossville, TN on this
5th day of February, 2016.



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

EXHIBIT "A"
PROPERTY DESCRIPTION

TRACT 1
(ORIGINAL LODGE TRACT)

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

Beginning at a newly set 1/2" rebar with cap, bearing S 22°51'14" W, 50.03 feet from the Southwesterly corner of lot 1 of block 1 of Renegade Mountain as recorded in Plat Book 2, Page 57, at the Cumberland County Register of Deeds;

Thence, S 22°51'14" W, 197.62 feet to a newly set 1/2" rebar with cap; Thence, S 29°24'40" W, 66.76 feet to a newly set 1/2" rebar with cap; Thence, N 56°51'25" W, 155.04 feet to a newly set 1/2" rebar with cap; Thence, S 67°00'07" W, 189.25 feet to a newly set 1/2" rebar with cap; Thence, S 75°38'12" W, 274.24 feet to a newly set 1/2" rebar with cap; Thence, N 14°21'39" W, 189.20 feet to a newly set 1/2" rebar with cap; Thence, S 86°50'48" W, 303.65 feet to a newly set 1/2" rebar with cap; Thence, N 01°50'17" W, 730.44 feet to a newly set 1/2" rebar with cap on the point of curvature of a circular curve to the right, having a radius of 400.00 feet, a chord bearing of N 45°14'57" E and a chord distance of 585.91 feet; Thence, along the arc of said circular curve 657.46 feet to a newly set 1/2" rebar with cap; Thence, S 87°39'49" E, 281.58 feet to a newly set 1/2" rebar with cap; Thence, South, 513.43 feet; Thence, S 87°39'49" E, 207.19 feet; Thence, S 60°22'55" E, 15.32 feet; Thence, S 02°20'11" W, 211.24 feet to the point of curvature of a circular curve to the left, having a radius of 250.00 feet, a chord bearing of S 28°56'20" E and a chord distance of 296.76 feet; Thence, along the arc of said circular curve 317.71 feet to the Point of Beginning of the herein described Convention Center Site Tract. (Containing 22.18 Acres more or less). A Portion of Map 142, Parcel 31.00.

TRACT 2
(SPORT TRACT)

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

3/3/2016

Begin at the Northwest corner of Lot 413, Block 4-A, as recorded in Plat Book 2, Page 67, at the Cumberland County Register of Deeds, Cumberland County, Tennessee.

Thence, N 58°27'25" W, 54.54 feet; Thence, S 31°32'35" W, 79.36 feet; Thence N 40°42'26" W, 339.88 feet; Thence, N 47°17'34" E, 233.77 feet; Thence, N 61°47'25" E, 119.01 feet; Thence, N 28°04'35" E, 138.72 feet; Thence, N 44°41'20" E, 118.81 feet; Thence, N 53°52'49" E, 151.01 feet; Thence, N 36°12'11" E, 294.01 feet; Thence, East, 1435.37 feet; Thence, South, 361.12 feet; Thence, S 59°59'58" E, 705.33 feet; Thence, East 354.34 feet; Thence, South, 926.67 feet; Thence, West 1444.61 feet; Thence, N 79°45'01" W, 603.86 feet; Thence, S 84°04'59" W, 417.08 feet; Thence, N 01°08'59" E, 383.96 feet; Thence, S 61°51'45" W, 266.41 feet; Thence, N 39°45'39" W, 357.84 feet to the Point of Beginning of the herein described parcel. Containing 88.960 acres, more or less. (Map 142, Portion of Parcel 31.00.

TRACT 3 (WATER TANK SITE)

Being a tract of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as follows:

Beginning at the Northwest corner of Woodridge Condo Phase 1 as shown in Plat Book 9 at Page 185; Said Point being on the Easterly Right-of-Way Line of Renegade Mountain Parkway as shown in PB 2 at Pg 90, Revised in PB 9 at Pg 191, at the office of the Register of Deeds, Cumberland County, Tennessee;

Thence Northeasterly along said Easterly Right of way Line, being a curve to the right, having a radius of 137.18 feet, thru a central angle of 63° 19' 00", 151.60 feet; Thence, N 68°51'47" E, 45.17 feet; Thence, S 59°50'18" E, 62.16 feet; Thence, S 70°02'32" E, 48.11 feet; Thence, S 34°36'48" W, 129.83 feet; Thence, N 43°05'21" W, 57.01 feet; Thence, S 74°10'36" W, 103.96 feet; to the Point of Beginning of the herein described Water Tank Site Tract. (Containing 0.43 Acres more or less). A Portion of Map 141, Parcel 031.00 and a Portion of Map 141, Parcel 056.00.

TRACT 4 (RIGHT OF WAYS IN THE FOLLOWING PLATS OF RENEGADE MOUNTAIN)

Being underlying ownership in the public and/or private Rights of Way tracts of land located in the Fourth District of Cumberland County, Tennessee and being within the bounds of Renegade

3/3/2016

Mountain, formerly Cumberland Gardens Resort, formerly Renegade Resorts, being more particularly described as shown on the following Plats:

BLOCK 1: Recorded in Plat Book 2, page 57, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 2: Recorded in Plat Book 2, page 58, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 2 Revised: Recorded in Plat Book 2, page 89, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 4: Recorded in Plat Book 2, page 69, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 4-A: Recorded in Plat Book 2, page 67, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 5: Recorded in Plat Book 2, page: 68, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 6: Recorded in Plat Book 3, page 5, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby.

BLOCK 7: Recorded in Plat Book 2, page 81, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made.

BLOCK 8: Recorded in Plat Book 2, page 90, as revised in Plat Book 9, page 191, Register's Office, Cumberland County, Tennessee, to which said plats specific reference is hereby made.

BLOCK 9: Recorded in Plat Book 3, pages 51-52, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made. Lot 404 was revised by a plat of record in Plat Book 8, page 289, Register's Office, Cumberland County, Tennessee.

BLOCK 15: Recorded in Plat Book 9, page 188, as revised in Plat Book 9, page 207, Register's Office, Cumberland County, Tennessee, to which said plats specific reference is hereby made.

BLOCK 16: Recorded in Plat Book 9, page 189-190, as revised in Plat Book 9, pages 208-209, Register's Office, Cumberland County, Tennessee, to which said plats specific reference is hereby made.

BLOCK 17: Recorded in Plat Book 10, page 419, Register's Office, Cumberland County, Tennessee, to which said plats specific reference is hereby made.

3/3/2016

ALL THE ABOVE TRACTS 1 THROUGH 4 ARE SUBJECT TO all covenants, restrictions, reservations, and the like, if any, together with all rights and easements heretofore existing.