

BUTLER | SNOW

July 7, 2023

Electronically Filed in TPUC Docket
Room July 7, 2023 at 1:09 p.m.

VIA ELECTRONIC FILING

Hon. Herbert H. Hilliard, Chairman
c/o Ectory Lawless, Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

RE: *Application of Limestone Water Utility Operating Company, LLC, for Authority to Sell or Transfer Title to the Assets, Property and Real Estate of a Public Utility, Shiloh Falls Utilities, Inc. and for a Certificate of Public Convenience and Necessity*
TPUC Docket No. 21-00055

Dear Chairman Hilliard:

Please find enclosed Limestone Water Utility Operating Company, LLC's responses to the requests from the Consumer Advocate Division, dated May 16, 2023.

The original and four (4) hard copies will follow. Please feel free to reach out to me if you have any further questions.

Sincerely,

BUTLER SNOW LLP



Katherine Barnes

cc: Russ Mitten, Limestone Water Utility Operating Company
Vance Broemel, Consumer Advocate Division
Karen H. Stachowski, Consumer Advocate Division

*The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201*

KATHERINE B. BARNES
615.651.6797
katherine.barnes@butlersnow.com

*T 615.651.6700
F 615.651.6701
www.butlersnow.com*

BUTLER SNOW LLP

July 7, 2023

VIA EMAIL

Karen Stachowski, Esq.
Deputy Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202
Karen.Stachowski@ag.tn.gov

RE: *Application of Limestone Water Utility Operating Company, LLC, for Authority to Sell or Transfer Title to the Assets, Property and Real Estate of a Public Utility, Shiloh Falls Utilities, Inc. and for a Certificate of Public Convenience and Necessity*
TPUC Docket No. 21-00055

Dear Ms. Stachowski:

We appreciate the opportunity to meet with the Consumer Advocate Division (“CAD”) recently to discuss your May 16, 2023 letter regarding the above-referenced docket. Specifically, we discussed the requirement in the Stipulation and Settlement Agreement (“Settlement Agreement”) that Limestone submit, for Commission review and approval prior to closing, all accounting entries related to the acquisition.¹ As Limestone expressed during our meeting, other than the balance sheets and general ledger filed with Limestone’s Compliance Report on April 19, 2023, no accounting entries related to the acquisition exist, and therefore could not be filed prior to closing. The lack of such accounting entries is due to Shiloh Falls’ lack of sufficient staff and information to fulfill Limestone’s request for that data. Therefore, there were no accounting entries for Limestone to file prior to closing.

The CAD also requested certain documents and information that would give the CAD an opportunity to assess the initial Shiloh Falls entries made on Limestone’s books. Although these requested documents and information are not required by the Settlement Agreement or Order, Limestone is voluntarily providing the responses below in the spirit of cooperation and good faith. Please see the following:

- a. Provide a Balance Sheet and Income Statement of Shiloh Falls immediately prior to closing;*

Response: The Company requested this information from Shiloh Falls and has been notified that the prior owner did not and does not have the staff or sufficient information

¹ *Stipulation and Settlement Agreement*, p. 5, TPUC Docket No. 21-00055 (Aug. 23, 2022).

to produce the financial statements of Shiloh Falls immediately prior to closing. The documentation provided in the acquisition docket as well as the compliance filings made by the Company are the entirety of the documentation held regarding the financials of Shiloh Falls.

- b. *Have the initial entries made to account 353; Sewer – Land and Land Rights been made based upon the market value of Land? Describe how the initial value of land associated with the Shiloh properties was determined and provide support for the initial accounting entries recorded to account 353.000;*

Response: The entries made to 353; Sewer-Land and Land rights are made based upon closing cost, the land value from the previous owner's 2020 Annual Report, as well as Valbridge land appraisal allocations per the attached.

- c. *Provide the support for the approximate \$175k balance of Accumulated CIAC Amortization recorded on the books of Limestone as part of the acquisition accounting; and*

Response: The CIAC balance from the seller's 2020 Annual report was \$193,881, and the Accumulated Amortization CIAC on the seller's 2020 annual report was \$161,568; we then calculated the amortization from the end of 2020, through purchase date to be \$13,970 and added that to the sellers 2020 balance.

- d. *Identify the amount paid for the "approved" expenditures to reimburse the seller for soil sampling and other costs related to TDEC compliance. Please cite the reference in the initial Sales Agreement provided to TPUC which supports such payments. Further, indicate how such costs were accounted for.*

Response: Limestone paid \$79,064 of reimbursements to the seller for the design of the spray fields. There is no such reference in the Sales Agreement. It was booked to account 105.002, Construction in Progress- Engineering, as this work was not complete at the time of purchase.

Sincerely,

BUTLER SNOW LLP



Katherine Barnes

cc: Russ Mitten, Limestone Water Utility Operating Company
Vance Broemel, Consumer Advocate Division



Valbridge
PROPERTY ADVISORS

Appraisal Report

Shiloh Falls
Hwy 57 and Holiday Hill Lane
Counce, Hardin County, Tennessee 38326

Report Date: 08-25-2021



FOR:

Central States Water Resources
Mr. Todd Thomas
Vice-President
500 Northwest Plaza Drive, Suite 500
St. Ann, Missouri 63074

**Valbridge Property Advisors |
New Orleans**

2030 Dickory Avenue, Suite 200
New Orleans, LA 70123
504.541.5100 phone
504.541.5107 fax
valbridge.com

Valbridge File Number:
LA01-20-0128.000



2030 Dickory Avenue, Suite 200
New Orleans, LA 70123
504.541.5100 phone
504.541.5107 fax
valbridge.com

08-25-2021

Arthur L. Schwertz MAI
504.541.5101
aschwertz@valbridge.com

Mr. Todd Thomas
Vice-President
Central States Water Resources
500 Northwest Plaza Drive, Suite 500
St. Ann, Missouri 63074

RE: Appraisal Report
Shiloh Falls
Hwy 57 and Holiday Hill Lane
Counce, Hardin County, Tennessee 38326

Dear Mr. Thomas:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located the east side of Hwy 57 and west side of Holiday Hill Lane and is further identified as tax parcel numbers 155 043.04. The subject property's fee simple parcel consists of a total of 5.27-acres or 229,561-square-feet. The easements housing the collection pipes consist of 10.19 acres. The subject of this appraisal is the fee simple parcel and easements housing the Shiloh Falls Wastewater Treatment System and its collection pipes.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

The client in this assignment is Central States Water Resources and the intended user of this report is Central States Water Resources and no others. The sole intended use is for regulatory filings. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- The appraiser was unable to locate any documents definitively specifying the location or width of the utility easements. However, a visual inspection of the neighborhood indicates the presence of sewer lines near the street frontage and it has been assumed for purposes of this analysis that they lie within a 10' utility easement.

Hypothetical Conditions:

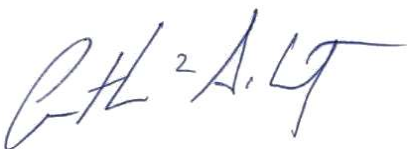
- This appraisal is predicated on the hypothetical condition that the property is unimproved and ready for development.

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusions

Component	As Is	As Is
Value Type	Market Value	Market Value
Property Rights Appraised	Easement	Fee Simple
Effective Date of Value	August 20, 2021	August 20, 2021
Value Conclusion	\$355,000	\$459,000

Respectfully submitted,
Valbridge Property Advisors | New Orleans



Arthur L. Schwartz, MAI
Senior Managing Director
Tennessee Certified General
Real Estate Appraiser #5810

Table of Contents

Cover Page	
Letter of Transmittal	
Table of Contents	i
Summary of Salient Facts	ii
Aerial and Front Views.....	iii
Location Map	iv
Introduction.....	1
Scope of Work	3
City and Neighborhood Analysis	5
Site Description	8
Subject Photographs.....	12
Highest and Best Use.....	13
Land Valuation.....	14
Exposure Time and Marketing Period	20
General Assumptions and Limiting Conditions	21
Certification – Arthur L. Schwartz.....	26
Addenda	27
Glossary	28
Qualifications	35
Qualifications of Arthur L. Schwartz, MAI	36
Valbridge Property Advisors Information / Office Locations	42

Summary of Salient Facts

Property Identification

Property Name	Shiloh Falls
Property Address	Hwy 57 and Hoilday Hill Lane Counce, Hardin County, Tennessee 38326
Latitude & Longitude	35.033195, -88.22865
Tax Parcel Number	155 043.04
Property Owner	Shiloh Falls Utilities Inc.

Site

Zoning	None (None)
FEMA Flood Map No.	47071C0340E
Flood Zone	X
Easement Land Area	444,080 square feet
Fee Simple Land Area	229,561 square feet

Valuation Opinions

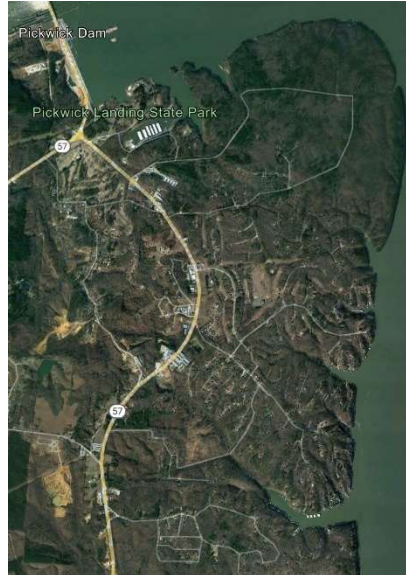
Highest & Best Use - As Vacant	Single family residential
Reasonable Exposure Time	Less than 12 months
Reasonable Marketing Time	Less than 12 months

Value Conclusions

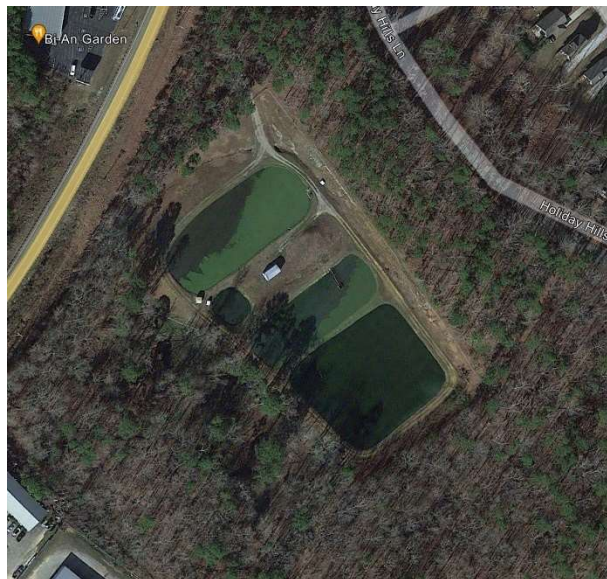
Component	As Is	As Is
Value Type	Market Value	Market Value
Property Rights Appraised	Easement	Fee Simple
Effective Date of Value	August 20, 2021	August 20, 2021
Value Conclusion	\$355,000	\$459,000

Aerial and Front Views

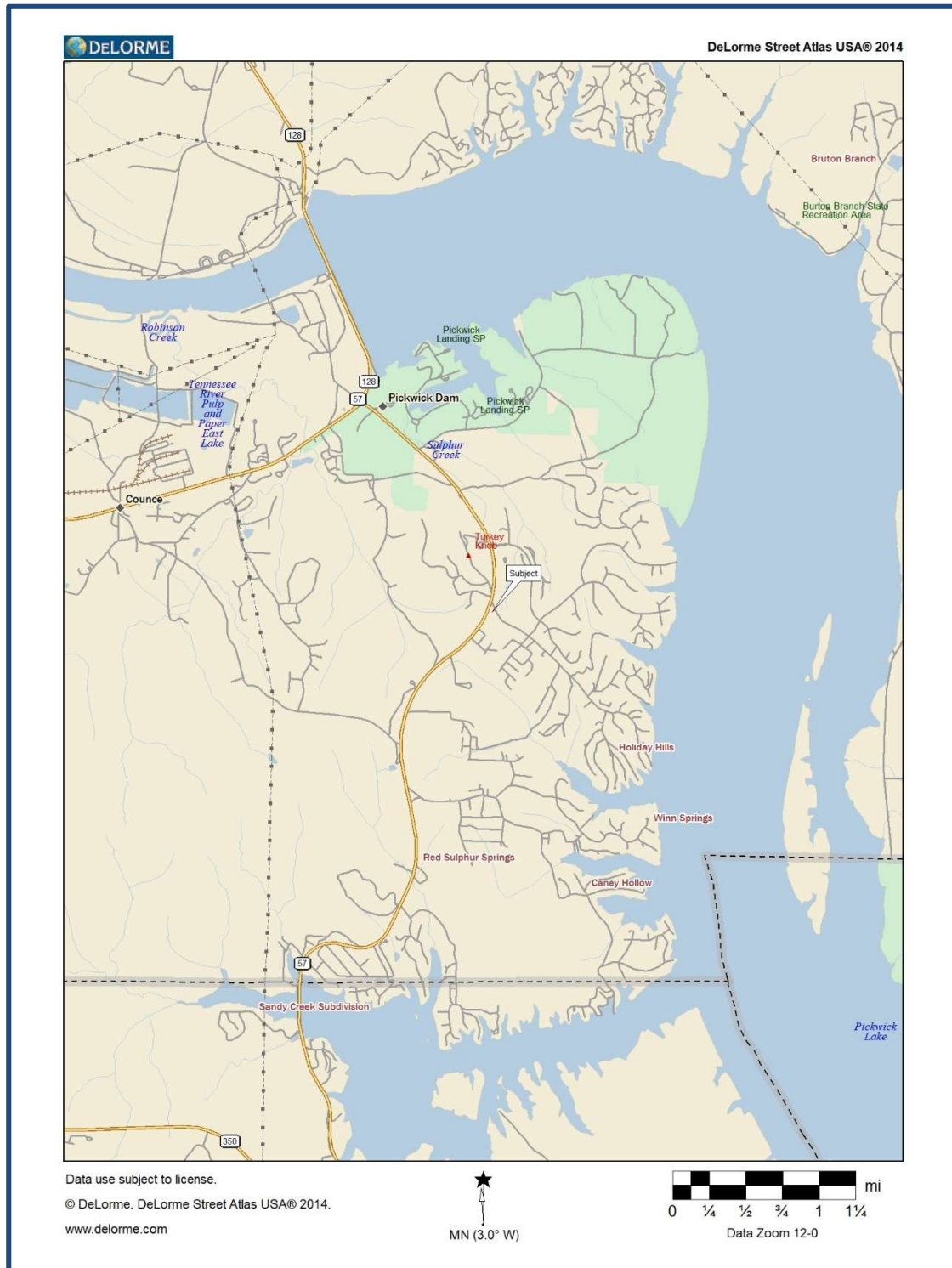
AERIAL VIEW



SUBJECT VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Central States Water Resources and the sole intended user of this report is Central States Water Resources. Under no circumstances shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report:

- i. The borrower(s) on any loans or financing relating to or secured by the subject property,
- ii. Any guarantor(s) of such loans or financing; or
- iii. Principals, shareholders, investors, members or partners in such borrower(s) or guarantors.

Intended Use of the Appraisal

The sole intended use of this report is for regulatory filings.

Real Estate Identification

The subject property is located at Hwy 57 and Holiday Hill Lane, Counce, Hardin County, Tennessee 38326. The subject property is further identified by the tax parcel number 155 043.04.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was a utility property.

Use of Real Estate as Reflected in this Appraisal

The opinion of value for the subject as is reflects use as a utility property.

Ownership of the Property

According to Public Records, title to the subject property is vested in Shiloh Falls Utilities Inc..

History of the Property

Ownership of the subject property has not changed within the past three years.

Analysis of Listings/Offers/Contracts

The subject is not currently listed for sale or under contract for sale..

Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*

- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.”¹*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date of value. Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Easement Interest	August 20, 2021
As Is Market Value of the Fee Simple Interest	August 20, 2021

We completed an appraisal inspection of the subject property on 08-20-2021.

Date of Report

The date of this report is 08-25-2021.

List of Items Requested but Not Provided

- All information requested has been provided,

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- The appraiser was unable to locate any documents definitively specifying the location or width of the utility easements. However, a visual inspection of the neighborhood indicates the presence of sewer lines near the street frontage and it has been assumed for purposes of this analysis that they lie within a 10' utility easement.

Hypothetical Conditions

- This appraisal is predicated on the hypothetical condition that the property is unimproved and ready for development.

¹ Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via county records.
- Economic Characteristics - Economic characteristics of the subject property were identified via information provided by the client, market surveys, discussions with market participants, and our database, as well as a comparison to properties with similar locational and physical characteristics.
- Physical Characteristics - The subject was physically identified via a general inspection of the property by the appraisers via a review of aerial photographs.

Extent to Which the Property Was Inspected

We inspected the subject on 08-20-2021.

Type and Extent of Data Researched

We researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. We also interviewed people familiar with the subject market/property type.

Type and Extent of Analysis Applied (Valuation Methodology)

We observed surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on that highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. One or more of these approaches are used in all estimations of value.

- Sales Comparison Approach - In the Sales Comparison Approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Direct Capitalization: Land Residual Method - The Land Residual Methodology involves estimating the residual net income to the land by deducting from total potential income the portion attributable to the improvements, assuming development of the site at its highest and best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.

- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as Discounted Cash Flow Analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to a present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All of these approaches to value were considered. We assessed the availability of data and applicability of each approach to value within the context of the characteristics of the subject property and the needs and requirements of the client. Based on this assessment, we relied upon the Sales Comparison Approach. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

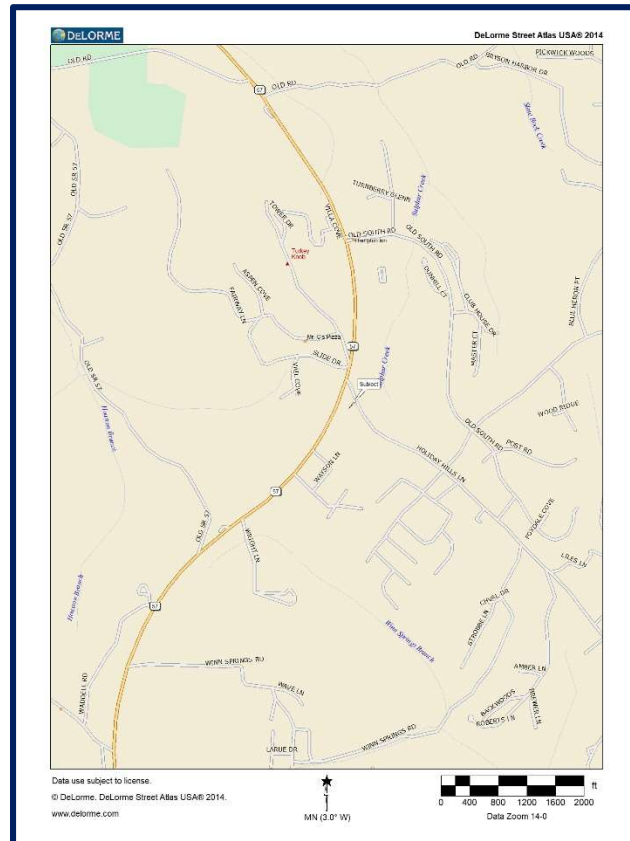
We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in Counce in Hardin County, Tennessee. The area of Counce is characterized by rural residential and second homes (i.e. camps).

Neighborhood Location and Boundaries

The subject neighborhood is located in the area known as the Pickwick Dam area of Counce. The area is semi-rural in nature. Specific boundaries for the neighborhood are difficult to conclude. A reasonable definition of the area is a considered to be a three-mile radius around the subject.

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. Major travel and commuter routes within the area of the subject property include Tennessee Highways 128 and 57. Access to the area is considered average.

Neighborhood Land Use

The subject neighborhood is located in an area with primarily rural residential land uses. An approximate breakdown of the development in the area is as follows:

LAND USES

Developed	40%
<i>Residential</i>	80%
<i>Retail</i>	10%
<i>Office</i>	5%
<i>Industrial</i>	5%
Vacant	60%
Total	100%

Demographics

The following table depicts the area demographics in Counce within a one-, three-, and five-mile radius from the subject.

Neighborhood Demographics

Radius (Miles)	1 Mile	3 Mile	5 Mile
Population Summary			
2010 Population	389	1,512	2,404
2021 Population Estimate	410	1,567	2,433
2026 Population Projection	409	1,557	2,402
Annual % Change (2021 - 2026)	-0.1%	-0.1%	-0.3%
Housing Unit Summary			
2010 Housing Units	388	1,896	2,908
% Owner Occupied	39.4%	31.6%	32.7%
% Renter Occupied	8.5%	7.3%	7.1%
2021 Housing Units	420	2,027	3,068
% Owner Occupied	37.4%	29.8%	30.5%
% Renter Occupied	9.8%	8.3%	8.0%
2026 Housing Units	427	2,059	3,117
% Owner Occupied	36.8%	29.5%	30.0%
% Renter Occupied	9.4%	7.8%	7.5%
Annual % Change (2021 - 2026)	0.6%	0.4%	0.3%
Income Summary			
2021 Median Household Income Estimate	\$59,876	\$55,221	\$52,714
2026 Median Household Income Projection	\$65,288	\$59,321	\$55,893
Annual % Change	1.8%	1.4%	1.2%
2021 Per Capita Income Estimate	\$43,038	\$39,110	\$35,070
2026 Per Capita Income Projection	\$48,985	\$44,435	\$39,571
Annual % Change	2.6%	2.6%	2.4%

Source: ESRI (ArcGIS)

(Lat: 35.033195, Lon: -88.22865)

Within a three-mile radius, the reported population is 1,567 with a projected growth rate of approximately -0.1% annually. There are 2,027 housing units within that three-mile radius. The growth

rate is expected to be 0.4% annually. Most of the housing is tenant-occupied. Our research indicates that property values in the area are stable.

Within a three-mile radius, the median household income is \$55,221. Looking ahead, annual household income growth is projected at **1.4%** per year. The average income figures suggest that the inhabitants are within the middle income brackets.

Nuisances & External Obsolescence

Neighborhood properties have adequate levels of maintenance. No adverse or unfavorable factors were observed.

Neighborhood Life Cycle

Most neighborhoods are classified as being in four stages: **growth, stability, decline, and renewal**. Overall, the subject neighborhood is in the stable stage of its life cycle.

Site Description

The subject site is located the east side of Hwy 57 and west side of Holiday Hill Lane. The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	5.27 Acres or 229,561 SF
Fee Simple Land Area:	5.27 Acres or 229,561 SF
Easement Land Area:	10.19 Acres or 444,080
Shape:	Irregular
Topography:	Level
Drainage:	Adequate
Utilities:	All are available

Flood Zone Data

Flood Map Panel/Number:	47071C0340E
Flood Map Date:	06-16-2006
Portion in Flood Hazard Area:	100.00%
Flood Zone:	X

Flood Zone X is described as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Flood Insurance is not usually require in this zone.

Flood Zone AE is

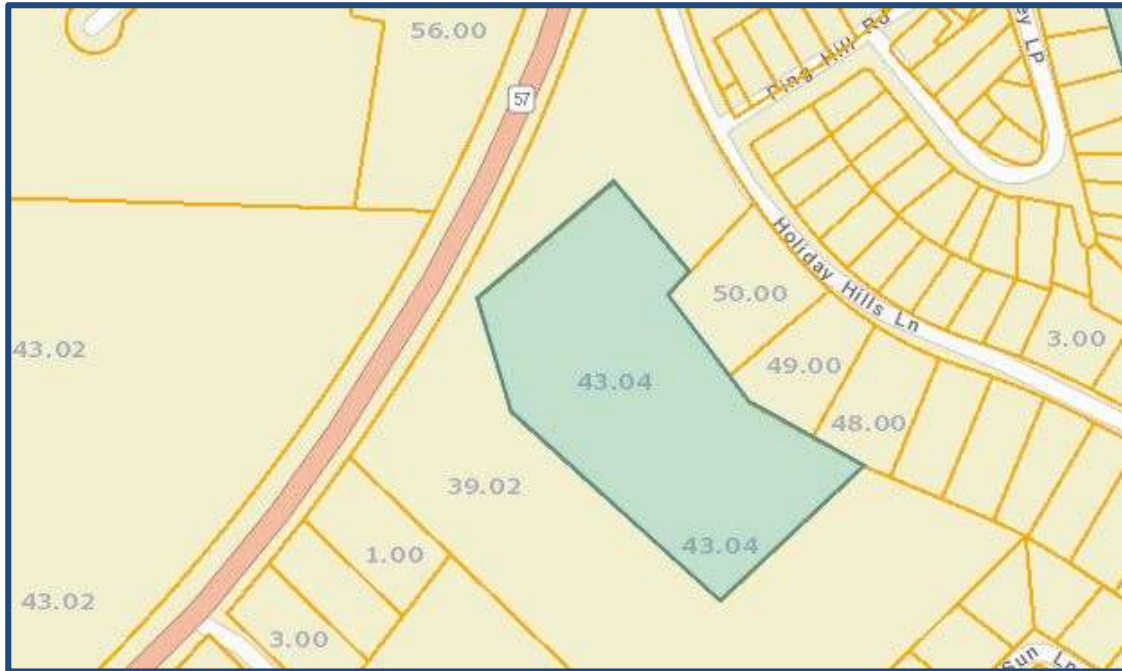
Adjacent Land Uses

North:	Residential
South:	Residential
East:	Residential
West:	Residential

Zoning Designation

Zoning Jurisdiction:	None
Zoning Classification:	None, None

TAX/PLAT MAP

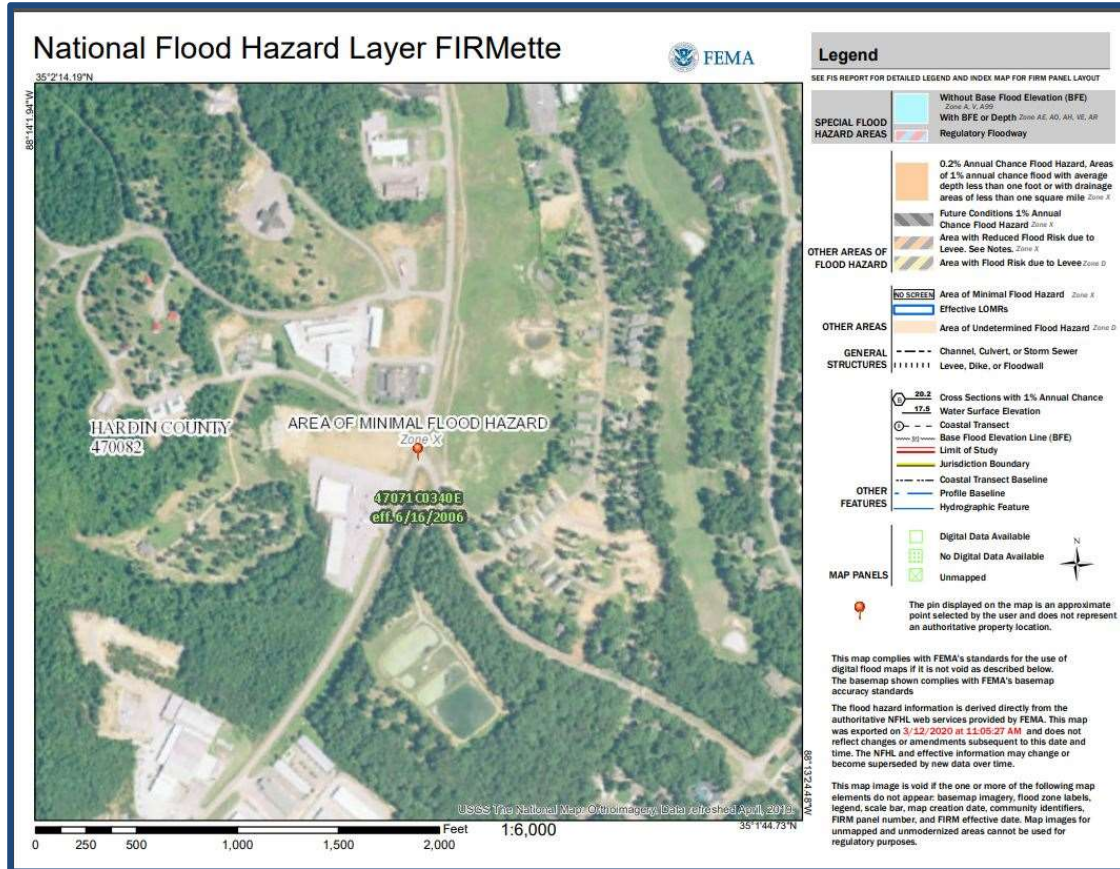


SERVICE AREA MAP

SHILOH FALLS SERVICE AREA



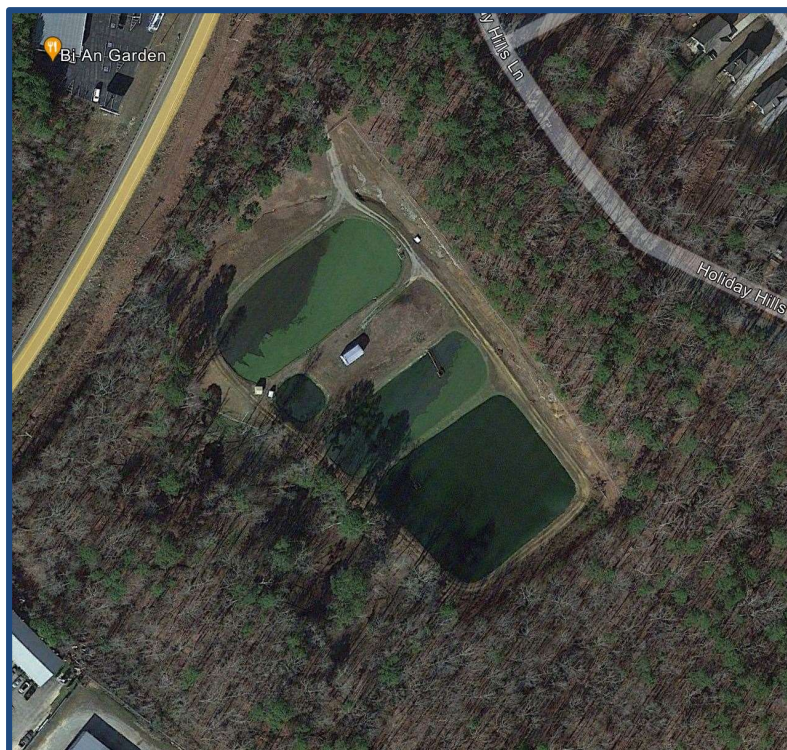
FLOOD MAP



Subject Photographs



Typical Easement Area



Aerial View of Treatment Plant

Highest and Best Use

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Analysis of Highest and Best Use As Though Vacant

The primary determinants of the highest and best use of the property As Though Vacant are the issues of (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is not zoned but the County Government controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature which would adversely impact development with the legal permitted uses.

Financially Feasible

The probable use of the site for residential subdivision development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is marginally financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for single family residential use.

Conclusion of Highest and Best Use As Though Vacant

The conclusion of the highest and best use As Though Vacant is for single family residential use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an owner-operator.

Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

The process of developing the sales comparison approach consists of the following analyses: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject site.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per usable square foot.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Comparable Sales Data

To obtain and verify comparable sales of vacant land properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database.

We included five sales in our analysis, as these sales were judged to be the most comparable to develop an indication of market value for the subject property.

The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject.

Land Sales Summary

	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID	1560089	1560084	1560078	1560076	1560068
Property Name					
Sale Status	Closed	Closed	Closed	Closed	Closed
Location	Wild Fern Lane	Coastview Lane, Lakeshore Lane and Sunnyview Point	Strobbe Lane, Highway 57,	Viewpoint Cove	Vantage Point
	Counce, Tennessee	Counce, Tennessee	Counce, Tennessee	Counce, Tennessee	Counce, Tennessee
Tax ID	162C A 025.00 000	162K D 023.00 000, 162K D 022.00 000, 162F A 003.00 000	162G E 011.00 000, 162 039.08 000	162F C 012.00 000	155J D 010.00.000

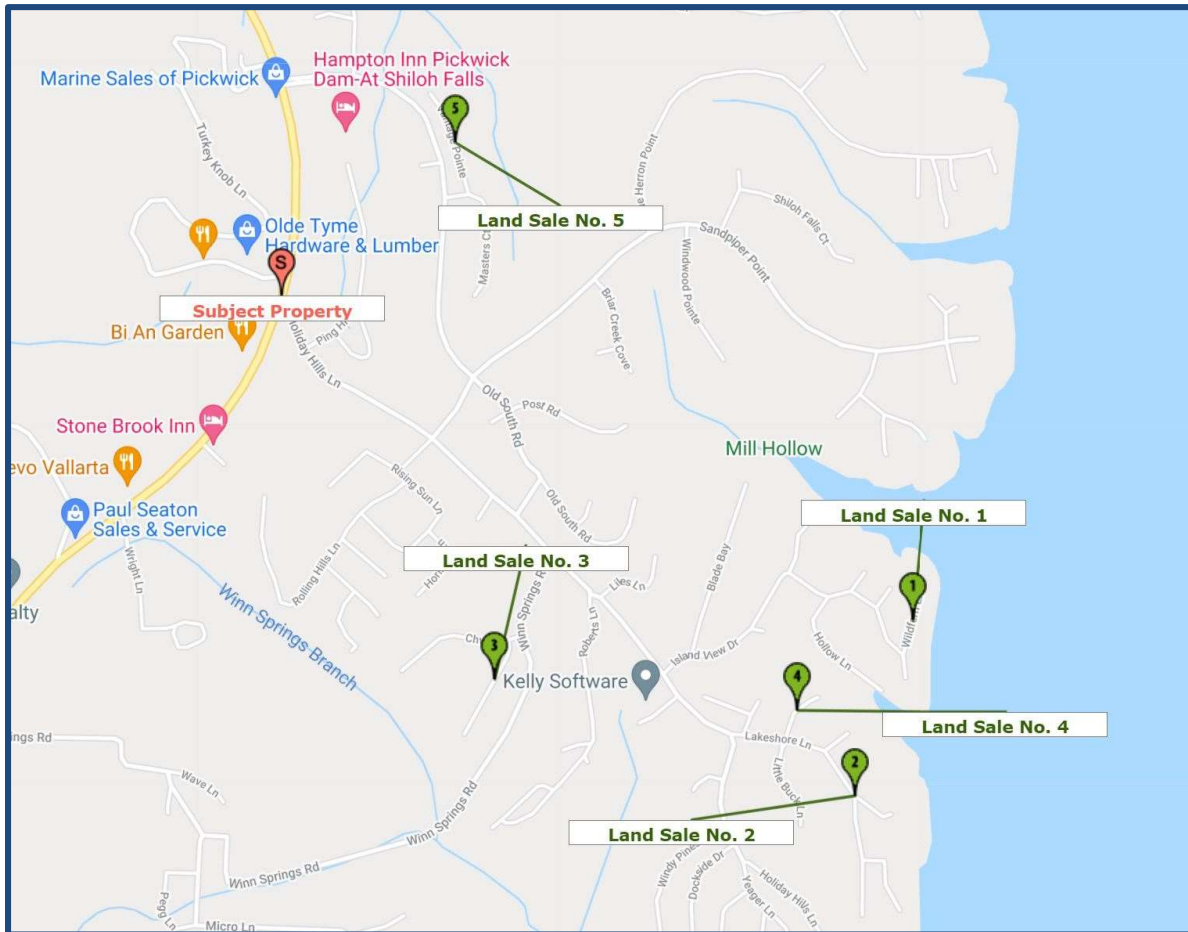
Sales Data

Date of Sale	10/12/2020	6/4/2020	8/16/2021	1/29/2021	3/16/2020
Sales Price	\$225,000	\$360,000	\$35,000	\$112,500	\$13,500
Price/Usable Square Foot	\$7.77	\$2.66	\$1.02	\$1.51	\$2.80
Grantor	Joy Sharpe and Will Wilkerson	Jean M, and Tommy Ray Hinton and David B.Robbins Etal	Robert M. Wood III	Lincoln A R Hodges	Glendon Lee Barber
Grantee	John W. barrett	Mary J. and Paul E. Lucchesi Sr. Trustees	Luke Harmon	Epm Investments LLC	J B Latimer
Recording Number	Book 746/Page 432	Book 733/Page 676	Book 775/Page 204	Book 756/Page 640	Book 728/Page 267
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale	Typical	Typical	Typical	Typical	Typical

Physical Characteristics

Usable Land Area (Sq. Ft.)	28,962	135,242	34,217	74,488	4,830
Gross Land Area (Sq. Ft.)	28,962	135,242	34,217	74,488	4,830
Flood Zone	AE, X	X, AE	X	X	X
Topography	Wooded	Wooded	Wooded	Wooded	Wooded
Shape	Irregular	Rectangular	Irregular	Irregular	Rectangular
Utilities	All are available	All are available	All are available	All are available	All are available
Corner Exposure	Interior	Interior	Interior	Interior	Interior
Access/Visibility	Average/Average	Average/Average	Average/Average	Average/Average	Average/Average

COMPARABLE SALES MAP



Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Elements of Comparison	
Real Property Rights Conveyed	Adjustments for differences in property rights appraised.
Financing Terms	Comparable properties are adjusted for differences between a transaction's financing terms and those assumed in the valuation of the subject property - e.g. seller financing, loan assumption, non-market terms.
Conditions of Sale	Comparable properties are adjusted for differences in the motivations of either the buyer or a seller in the transaction. In the instant case, Sale 1 was acquired by adjoining property owners which overpaid to maintain a buffer between their properties requiring a downward adjustment..
Expenditures After Purchase	Comparable properties can be adjusted for any additional investment required to make the property salable – e. g. costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to remediate environmental contamination and/or costs to occupy or stabilize the property.
Market Conditions	Comparable properties can be adjusted for changes in market conditions because of inflation, deflation, fluctuations in supply and demand, or other factors.
Location	Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject.
Size	The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. An adjustment of 5% per doubling was utilized to account for the various size differences.
Shape /Depth	This element address variance in utility due to shape and/or depth. No adjustments are warranted.
Corner Exposure	Tracts featuring corner influence typically command higher prices in the market place, as opposed to interior locations. As the subject includes both corner and interior lots, no adjustments are warranted.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

LAND SALES ADJUSTMENT GRID

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1560089	1560084	1560078	1560076	1560068
Date of Value & Sale	August-21	October-20	June-20	August-21	January-21	March-20
Unadjusted Sales Price		\$225,000	\$360,000	\$35,000	\$112,500	\$13,500
Usable Square Feet	229,561	28,962	135,242	34,217	74,488	4,830
Unadjusted Sales Price per Usable Sq. Ft.		\$7.77	\$2.66	\$1.02	\$1.51	\$2.80
Transactional Adjustments						
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjusted Sales Price		\$7.77	\$2.66	\$1.02	\$1.51	\$2.80
Financing Terms	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>
Adjusted Sales Price		\$7.77	\$2.66	\$1.02	\$1.51	\$2.80
Conditions of Sale	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjustment		-40.0%	-	-	-	-
Adjusted Sales Price		\$4.66	\$2.66	\$1.02	\$1.51	\$2.80
Expenditures after Sale						
Adjusted Sales Price		\$4.66	\$2.66	\$1.02	\$1.51	\$2.80
Market Conditions Adjustments						
Elapsed Time from Date of Value		<i>0.85 years</i>	<i>1.21 years</i>	<i>0.01 years</i>	<i>0.56 years</i>	<i>1.43 years</i>
Market Trend Through	August-21	-	-	-	-	-
Analyzed Sales Price		\$4.66	\$2.66	\$1.02	\$1.51	\$2.80
Physical Adjustments						
Location	<i>Hwy 57 and Hoilday Hill Lane</i>	<i>Wild Fern Lane</i>	<i>Coastview Lane, Lakeshore Lane and Sunnyview Point</i>	<i>Strobbe Lane, Highway 57,</i>	<i>Viewpoint Cove</i>	<i>Vantage Point</i>
	<i>Counce, Tennessee</i>	<i>Counce, Tennessee</i>	<i>Counce, Tennessee</i>	<i>Counce, Tennessee</i>	<i>Counce, Tennessee</i>	<i>Counce, Tennessee</i>
Adjustment		-	-	-	-	-
Size	<i>229,561 sf</i>	<i>28,962 sf</i>	<i>135,242 sf</i>	<i>34,217 sf</i>	<i>74,488 sf</i>	<i>4,830 sf</i>
Adjustment		-15.0%	-4.0%	-14.0%	-9.0%	-28.0%
Floodplain	<i>X</i>	<i>AE, X</i>	<i>X, AE</i>	<i>X</i>	<i>X</i>	<i>X</i>
Adjustment		-	-	-	-	-
Net Physical Adjustment		-15.0%	-4.0%	-14.0%	-9.0%	-28.0%
Adjusted Sales Price per Usable Square Foot		\$3.96	\$2.56	\$0.88	\$1.37	\$2.01

Conclusion - Primary Site

From the market data available, we used five land sales in competitive market areas which were adjusted based on pertinent elements of comparison. The following table summarizes the unadjusted and adjusted unit prices:

Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Min. Sales Price per Usable Square Foot	\$1.02	\$1.02	\$0.88
Max. Sales Price per Usable Square Foot	\$7.77	\$4.66	\$3.96
Median Sales Price per Usable Square Foot	\$2.66	\$2.66	\$2.01
Mean Sales Price per Usable Square Foot	\$3.15	\$2.53	\$2.16

Based on the adjusted prices and the most comparable sale, a unit value for the subject property is near the middle of the adjusted range, or \$2.00 per usable square foot. Thus, the estimated "Across the Fence Value" of the Fee Simple Interest in the subject easements is calculated to be \$888,000.

Valuation of the Fee Simple Area

Based on the adjusted prices and the most comparable sale, a unit value for the subject property is near the middle of the adjusted range, or \$2.00 per usable square foot. Thus, based upon the assumptions, reasoning and comparable data discussed herein, the estimated "Market Value" of the subject Fee Simple area is calculated as follows:

Calculation of Fee Simple Value

Site Area	Unit Value	Market Value
229,561 Square Feet X	\$2.00	= \$459,000

Valuation of the Easement

The use to which the subject easements will be put to is for underground water and sewer pipes. As such, little or no surface improvements will be possible, but access across the surface will be allowed. It is my opinion, therefore, that such an easement will encumber approximately 40% of the ownership rights in the subject.

Thus, based upon the assumptions, reasoning and comparable data discussed herein, the estimated "Market Value" of the subject easements is calculated as follows:

Calculation of Easement Value

Site Area	Unit Value	Market Value of Fee	Easement Use	Indicated Value of Easement
444,080 square feet X	\$2.00 PSF	= \$888,000	X 40%	\$355,000

Exposure Time and Marketing Period

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of less than 12 months and less than 12 months, respectively, are considered reasonable and appropriate for the subject property.

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | New Orleans will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | New Orleans is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | New Orleans and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | New Orleans.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

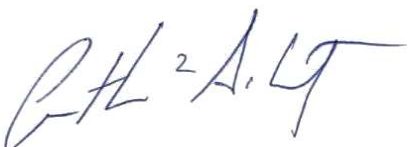
28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | New Orleans both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | New Orleans and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | New Orleans or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | New Orleans for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | New Orleans shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | New Orleans. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | New Orleans and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | New Orleans harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | New Orleans in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by VPA of South Louisiana, Inc.. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.
41. The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

Certification – Arthur L. Schwartz

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. **Arthur L. Schwartz has personally inspected the subject property.**
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



Arthur L. Schwartz, MAI
Senior Managing Director
Tennessee Certified General
Real Estate Appraiser #5810

Addenda

Glossary

Qualifications

- Arthur L. Schwartz, MAI - Senior Managing Director

Information on Valbridge Property Advisors

Office Locations

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

The date on which the appraisal or review opinion applies. (SVP)

In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

The time a property remains on the market.

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal;

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

Gross leasable area plus all common areas.

For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)

[The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

Lessee and lessor are typically motivated;
Both parties are well informed or well advised, and acting in what they consider their best interests;
Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative

financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

VTAB

Value of the Total Assets of a Business. The value of a going concern (i.e. the business enterprise). (Dictionary)

Qualifications

Qualifications of Arthur L. Schwartz, MAI
Senior Managing Director
Valbridge Property Advisors | South Louisiana



Independent Valuations for a Variable World

State Certifications

Certified General in:
Louisiana
Mississippi
Alabama
Texas
Virginia
California
Arizona
Kentucky
Tennessee
North Carolina
Maryland

Education

Bachelor of Arts
History
Louisiana State University

Contact Details

504-541-5101 (p)
504-541-5107 (f)
aschwartz@valbridge.com (e)

Valbridge Property Advisors |
South Louisiana
2030 Dickory Avenue
Suite 200
New Orleans, LA 70123

www.valbridge.com/south-louisiana

Membership/Affiliations

Member: Appraisal Institute – MAI Designation
Louisiana Chapter President, 2017
Member: Celebration Church Administrative Team (Corporate Secretary)

Appraisal Institute & Related Courses

Continuing education courses taken through the Appraisal Institute and other real estate organizations.

Publications, Seminars Presented, etc.

"Contract or Effective Rent: Finding the Real Rent", Appraisal Institute, Austin, Texas, 2019.

"Contract or Effective Rent: Finding the Real Rent", Appraisal Institute, Baton Rouge, Louisiana, 2016.

"Appraising Commercial and Complex Properties in an Historic Area", Webinar for the Appraisal Institute, 2015.

"The Unique Appraisal: Case Studies in Appraising Special Purpose Properties", AI Connect 2014 (Appraisal Institute's National Meeting), Austin, Texas, 2014.

Schwartz, Arthur L. 2014. "History Lesson", *Valuation Magazine 2nd Quarter, 2014*, 12 – 13.

Huso, Deborah R. 2013. "On the Waterfront", *Valuation Magazine 2nd Quarter, 2013*, 22 – 27. (Contributor)

Experience

Senior Managing Director
Valbridge Property Advisors | South Louisiana (2013-Present)

Vice-President
Argote, Derbes, Graham, Shuffield & Tatje, Inc. (1992-2013)

Appraisal/valuation and consulting assignments include (but not limited to): Single-family, condominium, apartments, vacant land, funeral homes, amphitheaters, live performance theaters, office buildings, hospitals, nursing homes, specialized healthcare, hotels/motels, service stations, retail, industrial plants, warehouses, fractional interest valuations, contaminated properties, special purpose properties (port facilities, nuclear reactor simulator facility, shipyards, etc.), senior residential and healthcare facilities, feasibility studies, market studies, condemnation, construction defects, litigation support, mediations, and review appraisals.

Mr. Schwartz has provided valuation services in a wide variety of complex civil litigation including real estate, land use cases, condemnation, estate matters, property taxation, construction defect, and bankruptcy/creditors matters.

Qualified as an expert witness in Terrebonne, Jefferson, Orleans, and St. Tammany Parishes, Dallas County, Texas, Indiana Board of Tax Review, United States Court of Federal Claims, United States Court for the Eastern District of Louisiana and the United States Bankruptcy Court for the Middle District of Louisiana.

QUALIFICATIONS OF THE APPRAISER (Continued)

ARTHUR L. SCHWERTZ, MAI

Designations, Associations and Professional Awards

- Louisiana Certified General Real Estate Appraiser; License No. G-0932
- Mississippi Certified General Real Estate Appraiser; License No. GA-633
- Alabama Certified General Real Estate Appraiser; License No. G00937
- Texas Certified General Real Estate Appraiser, License No. TX-1337393-G
- California Certified General Real Estate Appraiser, License No. 3005682
- Virginia Certified General Real Estate Appraiser, License No. 400101572
- Arizona Certified General Real Estate Appraiser, License No. 1003038
- North Carolina Certified General Real Estate Appraiser, License No. A8506
- Tennessee Certified General Real Estate Appraiser, License No. 5810
- Kentucky Certified General Real Estate Appraiser, License No. 5470
- Maryland Certified General Real Estate Appraiser, License No. 40034070
- Member of the Appraisal Institute, MAI Certificate No. 12678
- Instructor of the Appraisal Institute
- Secretary, Louisiana Chapter of the Appraisal Institute, 2014
- Treasurer, Louisiana Chapter of the Appraisal Institute, 2015
- Vice-President, Louisiana Chapter of the Appraisal Institute, 2016
- President, Louisiana Chapter of the Appraisal Institute, 2017

Civic Organizations

1982	Eagle Scout, Boy Scouts of America
1983	Vigil Honor Member, Order of the Arrow, Boy Scouts of America
1999 – 2001	Board of Directors, Berean Bible Church, New Orleans, Louisiana
2000 – 2001	Treasurer, Berean Bible Church, New Orleans, Louisiana
2008 – 2010	School Board Chairman, Crescent City Christian School, Metairie, Louisiana.
2008 – Present	Board of Directors, Celebration Church, Metairie, Louisiana
2010 – Present	Corporate Secretary, Celebration Church, Metairie, Louisiana

QUALIFICATIONS OF THE APPRAISER (Continued)

ARTHUR L. SCHWERTZ, MAI

Expert Witness Experience

- Expert Witness, United States Court of Federal Claims
- Expert Witness, United States Bankruptcy Court, Middle and Eastern Districts of Louisiana
- Expert Witness, United States Federal Court, Eastern District of Louisiana
- Expert Witness, Civil District Court for the Parish of Orleans, State of Louisiana.
- Expert Witness, State Civil District Court, Dallas County, State of Texas.
- Expert Witness, Louisiana Tax Commission
- Expert Witness, Circuit Court for the City of Norfolk, Virginia
- Expert Witness, 9th JDC, 23rd JDC and 32nd JDC, State of Louisiana
- Expert Witness, Indiana Board of Tax Review, State of Indiana

Court Testimony

- | | |
|------|--|
| 2020 | GIV Green Tree Mall Investor, LLC v. Clark County Assessor, Petition Nos. 10-011-17-1-4-02088-17, 10-011-18-1-4-00149-20 and 10-011-19-1-4-00150-20, Indiana Board of Tax Review, State of Indiana. |
| 2020 | Low Land Investors, LLC, Low Land Construction Co., Inc. v. New Generation Shipbuilding, LLC, Case No. 180743, 32 nd Judicial District for Terrebonne Parish, State of Louisiana (Deposition/Testimony) |
| 2020 | Cella III, LLC v. Jefferson Parish Hospital District No. 2, Civil Action No. EDLA 19-11528, Bankruptcy No. 19-01145, United States District Court for the Eastern District of Louisiana (Deposition/Testimony) |
| 2020 | Elizabeth Sewell, et al v. Sewerage & Water Board of New Orleans, Docket No. 15-4501, Division D-12, Civil District Court, Parish of Orleans, State of Louisiana (Deposition) |
| 2019 | Virginia Natural Gas, Inc. v. Colonna's Ship Yard, Incorporated, Case No. CL18-2169, Circuit Court for the City of Norfolk, State of Virginia (Deposition) |
| 2018 | Jeannette C. Liebman, Wife of/and Paul E. Ramoni, Jr. v. The United States, Docket No. 14-1165, United States Court of Federal Claims (Testimony) |
| 2016 | Appeal of Filmore Parc Apartments v. Orleans Parish Board of Review, Docket Nos. 16-22173-001 and 16-22173-002, Louisiana Tax Commission, State of Louisiana. (Testimony) |
| 2016 | Appeal of Fulton Development (Harrah's Hotel) v. Orleans Parish Board of Review, Docket No. 16-22171-002, Louisiana Tax Commission, State of Louisiana (Testimony) |
| 2016 | Jeannette C. Liebman and Paul E. Ramoni, Jr. v. United States of America, Case No. 14-1165 L, United States Court of Federal Claims (Deposition) |
| 2016 | State of Louisiana, Department of Transportation & Development v. Northport Properties Partnership, Et Al, Docket No. 233,894, 9 th Judicial District, Parish of Rapides, State of Louisiana (Deposition) |
| 2015 | Appeal of Filmore Parc Apartments v. Orleans Parish Board of Review, Docket Nos. 15-22173-018 and 15-22173-019, Louisiana Tax Commission, State of Louisiana. (Testimony) |

QUALIFICATIONS OF THE APPRAISER (Continued)

ARTHUR L. SCHWERTZ, MAI

Court Testimony (Continued)

2015	Doretha Z. Walker et al vs. AMID/Metro Partnership, LLC and City of New Orleans, Docket No. 07-14794, Division H-14, Civil District Court for the Parish of Orleans, State of Louisiana. (Testimony)
2015	Sandra Oubre Sotile, Et Al vs Dooley Oubre, Et Al, Docket No. 110,622, 23 rd Judicial District Court, Ascension Parish, Louisiana (Deposition)
2014	North Shore Lodging, LLC vs Commonwealth Land Title Insurance Company, Case No. 2:2013cv06070, United States Court for the Eastern District of Louisiana (Deposition)
2014	Appeal of Filmore Parc Apartments v. Orleans Parish Board of Review, Docket Nos. 14-22173-003 and 14-22173-004, Louisiana Tax Commission, State of Louisiana. (Testimony)
2014	State Bank of Texas vs. Granbury Hospitality Inc., et al, Cause No. DC-12-06398, 44 th State Civil District Court, Dallas County, State of Texas. (Testimony)
2013	Bruce L. Feingerts v Succession of Doris Feingerts, et al, Adversary Proceeding No. 2011-9918, Civil District Court for the Parish of Orleans, State of Louisiana. (Testimony)
2012	Consolidated Cases of Percy J. Marchand versus Entergy New Orleans, Inc., Docket No. 2009-12695 AND Omar Duncan, Et Al, vs. Entergy New Orleans, Inc., Docket No. 2010-0714 AND Leroy Anthony Vignaud versus Entergy New Orleans, Inc. Docket No. 2010-5566, Division "C" of the Civil District Court for the Parish of Orleans, State of Louisiana. (Deposition)
2011	Pleasant View Development, LLC v Charles Anthony Bonaventure, Gina Bonaventure Porciau, Charles R. St. Romain, and Patin Engineers and Surveyors, Inc., Adversary Proceeding No. 10-1024, United States Bankruptcy Court, Middle District of Louisiana (Testimony)
2011	1522 R.E. Lee Blvd., LLC v. Bank of New Orleans, Civil District Court for the Parish of Orleans, State of Louisiana (Deposition)

Partial List of Appraisal Assignments Completed

Water and Wastewater Systems

Resolve Water, Slidell, LA

Coast Water, Slidell, LA

H2O Water and Wastewater, St. Tammany Parish, LA

Mo-Dad Utilities, Tangipahoa, Livingston, West Baton Rouge,
East Baton Rouge and West Feliciana Parishes, LA

Scientific System, Jacksonville, NC

Center Ridge System, Murray, KY

Blue Creek Utilities, Jacksonville, NC

Delaplain Utilities, Georgetown, KY

River Bluff Wastewater System, River Bluff, KY

The Shoppes at Fremaux (±600,000 square feet), Slidell, LA

Slidell Factory Outlet Mall, Slidell, LA

Southland Mall (±600,000 square feet), Houma, LA

The Plaza (±1,200,000 square feet), New Orleans, LA

Belle Promenade (±750,000 square feet), Marrero, LA

Jax Brewery, New Orleans, LA

River Marketplace Shopping Center, Lafayette, LA

Natchez Mall (±268,857 square feet), Natchez, MS

Bradley Square Mall (568,508 square feet), Cleveland, TN

Major Retail

Green Tree Mall (±443,933 square feet), Clarksville, IN

Northshore Square Mall (±621,192 square feet), Slidell, LA

QUALIFICATIONS OF THE APPRAISER (Continued)

ARTHUR L. SCHWERTZ, MAI

Partial List of Appraisal Assignments Completed (Continued)Healthcare

Gilchrist at Stadium Place, Baltimore, MD
Savoy Medical Center, Mamou, LA
Methodist Hospital, New Orleans, LA
Lakeland Hospital, New Orleans, LA
Shriner's Hospital, Shreveport, LA
Fairway Surgical Hospital, Covington, LA
Southpark Hospital, Lafayette, LA
St. James Parish Hospital, St. James, LA
Green Clinic and Surgery Center, Ruston, LA
Numerous Nursing Homes throughout Louisiana
Lambeth House Assisted Living, New Orleans, LA
O'Connor Hospital, San Jose, CA
St. Louise Regional Medical Center, Gilroy, CA
St. Vincent Medical Center, Los Angeles, CA
Rosewood Assisted Living Facility, Charlottesville, VA

Industrial

Colonna's Shipyard, Norfolk, VA
Signal International Shipyard, Orange, TX
Signal International Shipyard, Mobile, AL
Signal International Shipyard, Port Arthur, TX
Signal International Shipyard, Pascagoula, MS
Bender Shipyard, Mobile, AL
Plastic Infusion Plant, Hammond, LA
UBT Coal Transfer Facility, Davant, LA
Trinity Yachts, Gulfport, MS
Trinity Yachts, New Orleans, LA
Coca-Cola Facility, Thibodaux, LA
LaShip Shipyard, Houma, LA
Dow Chemical Plant, Norco, LA
Port of St. Bernard, St. Bernard, LA
Owensboro Riverport, Owensboro, KY
Toulouse Street Wharf, Port of New Orleans, LA
Mississippi River Dock, Venice, LA
Port of Iberia, New Iberia, LA
Kaiser Site, Port of Greater Baton Rouge, LA

Proposed Port of Cameron, Cameron, LA
Union Tank Car Plant, Alexandria, LA

Entertainment/Leisure

Dixie Landing Amusement Park, Baton Rouge, LA
Blue Bayou Water Park, Baton Rouge, LA
Proposed Aqualand Water Park, Dayton, TX
Saenger Theatre, New Orleans, LA
Orpheum Theatre, New Orleans, LA
Vina Robles Amphitheatre, Paso Robles, CA
House of Blues, New Orleans, LA
The Oaks Golf Course, Pass Christian, MS
Money Hill Golf Course, Abita Springs, LA
Pelican Pointe Golf Course, Gonzales, LA
Colonial Country Club, Harahan, LA
O'Neal Theatres, Louisiana/Mississippi
Antoine's Restaurant, New Orleans, LA
AMC Theatres, Metairie/Hammond/Houma, LA
Southern Belle Casino, St. Francisville, LA
Bayou Marina, Casino and Hotel, Chalmette, LA
Lucky Deuces Casino, Greensburg, LA
Lafitte Harbor Marina, Lafitte, LA
Vinot Marina, New Orleans, LA
River Highlands Marina, Ascension Parish, LA
Kemper Marina, Gulfport, MS
C and M Marina, Lafitte, LA
Cypress Cove Marina, Venice, LA
Starlight Movie Studios, New Orleans, LA

Schools

Clifton L. Ganus Academy, New Orleans, LA
Mt. Carmel Academy, New Orleans, LA
Israel Augustine School, New Orleans, LA
Millerville Academy, Baton Rouge, LA
Louise S. McGhee School, New Orleans, LA
Stuart Hall Academy, New Orleans, LA
Believer's Life Academy, Marrero, LA

QUALIFICATIONS OF THE APPRAISER (Continued)

ARTHUR L. SCHWERTZ, MAI

Partial List of Appraisal Assignments Completed (Continued)Special Purpose Properties

Nuclear Reactor Simulator Facility, St. Francisville, LA
Statewide Economic Obsolescence Study for Hibernia Bank,
State of Louisiana
Mitigation Bank, St. James Parish, LA
Mitigation Bank, Livingston Parish, LA
Mitigation Bank, East Baton Rouge Parish, LA
Elmer's Island, Jefferson Parish, LA
USPS Facilities throughout Louisiana and Mississippi

Multi-Family

Shadowlake Apartments, Harvey, LA
Citrus Creek Apartments, Harahan, LA
Palmetto Creek Apartments, Harahan, LA
The Reserve at Acadiana, Lafayette, LA
Gravier Place Apartments, New Orleans, LA
The Saulet Apartments, New Orleans, LA
Town Oaks Apartments, Shreveport, LA
University Edge Apartments, Hattiesburg, MS
Legacy Condominiums Phase I, Gulfport, MS
Legacy Condominiums Phase II, Gulfport, MS
South Beach Condominiums, Biloxi, MS

Hotels

Super 7 Motel, Lafayette, LA
Harrah's Hotel, New Orleans, LA
Candlewoods Suites Hotel, Houma, LA
Candlewoods Suites Hotel, Lafayette, LA
Hyatt House Hotel, Columbus, MS
Hampton Inn, Harahan, LA
Hampton Inn, Metairie, LA
Hampton Inn Convention Center, New Orleans, LA
Hampton Inn Uptown, New Orleans, LA
Hampton Inn, Mobile, AL
Courtyard by Marriott, Metairie, LA, Baton Rouge,
Residence Inn, Metairie, LA
Quality Inn, Opelousas, LA

LaQuinta, Slidell, LA
Historic French Market Inn, New Orleans, LA
Wyndham Hotel, Metairie, LA
Holiday Inn Superdome, New Orleans, LA
Hilton Garden Inn, Kenner, LA
Hilton Garden Inn LA

Office Buildings

Xerox Centre, Kenner, LA
Park Tower, Lafayette, LA
Former Stewart Enterprises Building, Metairie, LA
First NBC Building, New Orleans, LA
Executive Plaza, New Orleans, LA
Chase Tower, Houma, LA
Maison Blanche Building, New Orleans, LA
Yenni Office Building, Harahan, LA
Dominion Tower, New Orleans, LA
Elmwood Tower, Harahan, LA
Freeport-McMoran Building, New Orleans, LA
Entergy Building, New Orleans, LA
1250 Poydras Building, New Orleans, LA

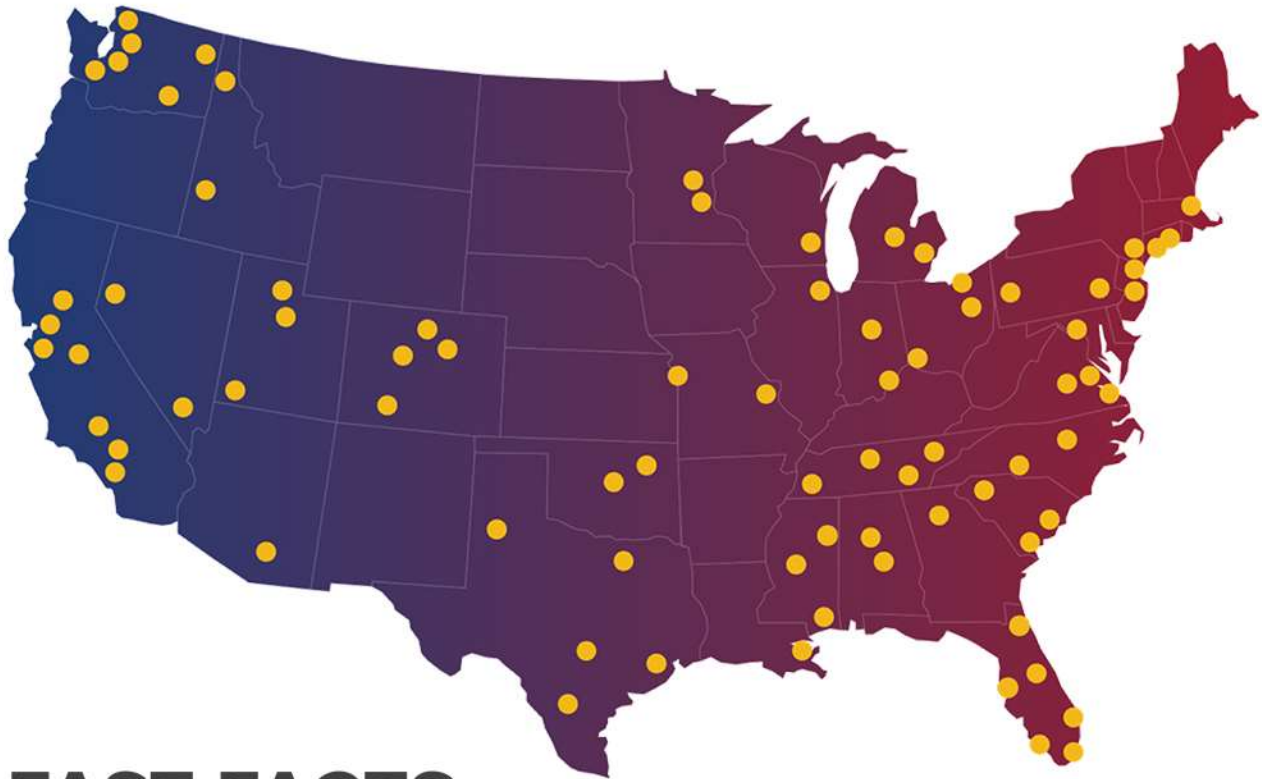
Subdivisions

Ashton Plantation, Luling, LA
Acadiana Subdivision, Marrero, LA
Acadian Villas, Marrero, LA
The Arbors at English Turn, New Orleans, LA
Plantation Acres, Thibodaux, LA
Woodstone Subdivision, Mandeville, LA
Southlake Villages, Kenner, LA
Village Green Subdivision, Harvey, LA
Oak Island Subdivision, New Orleans, LA



Valbridge

PROPERTY ADVISORS



FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent national commercial real estate valuation and advisory services firm in North America.
 - Total number of MAI-designated appraisers: 200+ on staff
 - Total number of office locations: 70+ across U.S.
 - Total number of staff: 675+ strong
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge services all property types, including special-purpose properties.
- Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.
- Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by our local office leaders.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.



Valbridge

PROPERTY ADVISORS

ALABAMA

4732 Woodmere Boulevard
Montgomery, AL 36106
334.277.5077

200 Cahaba Park Circle
Suite 213
Birmingham, AL 35242
205.440.2998

ARIZONA

6061 E. Grant Road
Suite 121
Tucson, AZ 85712
520.321.0000

CALIFORNIA

4915 Calloway Drive
Suite 101
Bakersfield, CA 93312
661.587.1010

1370 N. Brea Boulevard
Suite 255
Fullerton, CA 92835
714.449.0852

2813 Coffee Road
Suite E-2
Modesto, CA 95355
209.569.0450

99 S. Lake Avenue
Suite 21
Pasadena, CA 91101
626.744.0428

3090 Fite Circle
Suite 202
Sacramento, CA 95827
916.361.2509

55 South Market Street
Suite 1210
San Jose, CA 95113
408.279.1520

1306 Higuera Street
San Luis Obispo, CA 93401
805.544.2472

3160 Crow Canyon Place
Suite 245
San Ramon, CA 94583
925.327.1660

COLORADO

7445 E. Peakview Avenue
Centennial, CO 80111
303.443.9600

5345 Arapahoe Avenue
Suite 7
Boulder, CO 80303
303.443.9600

23272 Two Rivers Road
Unit 101
Basalt, CO 81621
970.340.1016

1099 Main Avenue
Suite 311
Durango, CO 81301
970.340.1016

CONNECTICUT

15 Concord Street
Glastonbury, CT 06033
860.246.4806

17 Covewood Drive
Norwalk, CT 06853
203.286.6520

FLORIDA

2240 Venetian Court
Naples, FL 34109
239.514.4646

301 Almeria Avenue,
Suite 350
Coral Gables, FL 33134
305.639.8029

10950 San Jose Boulevard
Jacksonville, FL 32223
844.822.7825

734 Rugby Street
Orlando, FL 32804
844.822.7825

2601 W Horatio Street
Unit 6
Tampa, FL 33609
844.822.7825

2711 Poinsettia Avenue
West Palm Beach, FL 33407
561.833.5331

GEORGIA

2675 Paces Ferry Road
Suite 145
Atlanta, GA 30339
678.644.4853

IDAHO

1459 Tyrell Lane
Suite B
Boise, ID 83706
208.336.1097

1875 N. Lakewood Drive
Suite 100
Coeur d'Alene, ID 83814
208.292.2965

ILLINOIS

566 W. Lake Street
Suite 240
Chicago, IL 60661
312.288.8687

INDIANA

820 Fort Wayne Avenue
Indianapolis, IN 46204
317.687.2747

KANSAS

10990 Quivira Road
Suite 100
Overland Park, KS 66210
913.451.1451

KENTUCKY

9000 Wessex Place
Suite 306
Louisville, KY 40222
502.585.3651

LOUISIANA

2030 Dickory Avenue
Suite 200
New Orleans, LA 70123
504.541.5100

MARYLAND

11100 Dovedale Court
Marriottsville, MD 21104
443.333.5522

MASSACHUSETTS

260 Bear Hill Road
Suite 106
Waltham MA 02451
781.790.5645

MICHIGAN

1420 Washington Blvd.
Suite 301
Detroit, MI 48226
313.986.3313.

MICHIGAN (cont'd)

2127 University Park Drive
Suite 390
Okemos, MI 48864
517.336.0001

MINNESOTA

255 East Kellogg Boulevard
Suite 102A
St. Paul, MN 55101
651.370.1475

MISSISSIPPI

1010 Ford Street
Gulfport, MS 39507
228.604.1900

737 Highway 51
Suite 1C
Madison, MS 39110
601.853.0736

501 Highway 12 West
Suite 150-M
Starkville, MS 39759
662.617.2350

MISSOURI

1118 Hampton Avenue
Suite 208
St Louis, MO 63139
314.255-1323

10990 Quivira Road
Suite 100
Overland Park, KS 66210
913.451.1451

NEVADA

3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702.242.9369

6490 S McCarran Blvd
#51
Reno, NV 89509
775.204.4100

NEW JERSEY

2740 Route 10 West, Suite 204
Morris Plains, NJ 07950
973.970.9333

3500 Route 9 South, Suite 202
Howell, NJ 07731
732.807.3113

NEW YORK

424 West 33rd Street
Suite 630
New York, NY 10001
212.268.1113

NORTH CAROLINA

412 E. Chatham Street
Cary, NC 27511
919.859.2666

5950 Fairview Road, Suite 405
Charlotte, NC 28210
704.376.5400

OHIO

1655 W. Market Street
Suite 130
Akron, OH 44313
330.899.9900

OHIO (cont'd)

8291 Beechmont Ave.,
Suite B
Cincinnati, OH 45255
513.785.0820

1422 Euclid Avenue
Suite 616
Cleveland, OH 44115
216.367.9690

OKLAHOMA

5909 NW Expressway
Suite 104
Oklahoma City, OK 73132
405.603.1553

6666 South Sheridan Road
Suite 104
Tulsa, OK 74133
918.712.9992

PENNSYLVANIA

150 S. Warner Road
Suite 440
King of Prussia, PA 19406
215.545.1900

4701 Baptist Road
Suite 304
Pittsburgh, PA 15227
412.881.6080

SOUTH CAROLINA

11 Cleveland Court
Greenville, SC 29607
864.233.6277

920 Bay Street
Suite 26
Beaufort, SC 29902
843.342.2302

1250 Fairmont Avenue
Mt. Pleasant, SC 29464
843.881.1266

TENNESSEE

5205 Maryland Way
Suite 300
Brentwood, TN 37027
615.369.0670

701 Broad Street
Suite 209
Chattanooga, TN 37402
423.285.8435

213 Fox Road
Knoxville, TN 37922
865.522.2424

756 Ridge Lake Blvd
Suite 225
Memphis, TN 38120
901.753.6977

TEXAS

901 Mopac Expressway South
Building 1, Suite 300
Austin, TX 78746
737.242.8585

10210 North Central Expressway
Suite 115
Dallas, TX 75231
214.446.1611

974 Campbell Road
Suite 204
Houston, TX 77024
713.467.5858

2731 81st Street
Lubbock, TX 79423
806.744.1188

TEXAS (cont'd)

9901 IH-10 West
Suite 1035
San Antonio, TX 78230
210.227.6229

UTAH

321 North County Boulevard
Unit D
American Fork, UT 84003
801.492.9328

1100 East 6600 South
Suite 201
Salt Lake City, UT 84121
801.262.3388

20 North Main
Suite 304
St. George, UT 84770
435.773.6300

VIRGINIA

656 Independence Parkway
Suite 220
Chesapeake, VA 23320
757.410.1222

4914 Fitzhugh Avenue
Suite 102
Richmond, VA 23230
757.345.0010

5107 Center Street
Unit 2B
Williamsburg, VA 23188
757.345.0010

WASHINGTON

8378 W. Grandridge Boulevard
Suite 110-D
Kennewick, WA 99336
509.221.1540

25923 Washington Blvd, NE
Suite 300
Kingston, WA 98346
360.649.7300

324 N. Mullan Road
Spokane Valley, WA 99206
509.747.0999

WISCONSIN

12860 W. North Avenue
Brookfield, WI 53005
262.782.7990

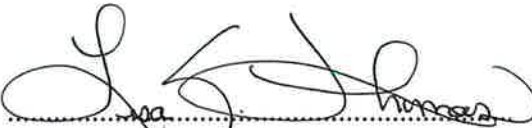

STATE OF TENNESSEE

21-00055

COUNTY OF .HARDIN

We the undersigned LISA S. THOMAS
and _____
of SHILOH FALLS UTILITIES, INC.

on our oath do severally say that the foregoing return has been prepared,
under our direction, from the original books, papers and records of said
utility; that we have carefully examined the same, and declare the same to be
a correct statement of the business and affairs of said utility for the period
covered by the return in respect to each and every matter and thing therein
set forth, to the best of our knowledge, information and belief.


(Chief Officer)

(Officer in charge of accounts)

Subscribed and sworn to before me this...^{6th}
day of...October...2021.....
.....Callianne Cummings.....
Notary Public, Hardin.....Co
My commission will expire...MAY.....
.....17, 2023.....
(Seal)



TABLE OF CONTENTS

AFFIDAVIT - First page of this Report

FINANCIAL SECTION

Identification and ownership.....	F-2
Officers & Managers.....	F-2
Income Statement.....	F-3
Comparative Balance Sheet.....	F-4
Net Utility Plant.....	F-5
Accumulated Depreciation & Amortization of Utility Plant.....	F-5
Capital Stock.....	F-6
Retained Earnings.....	F-6
Proprietary Capital.....	F-6
Long-Term Debt.....	F-6
Taxes Accrued.....	F-7
Payments For Services Rendered By Other Than Employees.....	F-7
Contributions In Aid Of Construction.....	F-8
Additions To Contributions In Aid Of Construction (Credits).....	F-8

WATER SECTION

Water Utility Plant Accounts.....	W-1
Analysis Of Accumulated Depreciation By Primary Account...	W-2
Water Operation & Maintenance Expense.....	W-3
Water Customers.....	W-3
Pumping & Purchased Water Statistics.....	W-4
Sales For Resale.....	W-4
Wells & Well Pumps.....	W-5
Reservoirs.....	W-5
High Service Pumping.....	W-5
Source Of Supply.....	W-6
Water Treatment Facilities.....	W-6
Other Water System Information.....	W-6

SEWER SECTION

Sewer Utility Plant Accounts.....	S-1
Analysis Of Accumulated Depreciation By Primary Account...	S-2
Sewer Operation & Maintenance Expense.....	S-3
Sewer Customers.....	S-3
Pumping Equipment.....	S-4
Service Connections.....	S-4
Collecting Mains, Force Mains, & Manholes.....	S-4
Treatment Plant.....	S-5
Master Lift Station Pumps.....	S-5
Other Sewer System Information.....	S-5

SUPPLEMENTAL FINANCIAL DATA

Rate Base.....	SU-1
Adjusted Net Operating Income.....	SU-1

Name of Respondent		This Report is:		Date of Report	Year of Report
Shiloh Falls Utilities, Inc.		(1) <u> X </u> An Original	(2) <u> </u> A Resubmission	(Mo, Da, Yr) 10/02/2021	12/31/2020
INCOME STATEMENT					
Account Name (a)	Ref Page (b)	Water (c)	Sewer (d)	Other (e)	Total (f)
Gross Revenue:					
Residential		-	38,379	-	38,379
Commercial		-	12,096	-	12,096
Industrial		-	-	-	-
Multi-Family		-	-	-	-
Insurance Recovery		-	1,000	-	1,000
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Gross Revenue		-	51,475	-	51,475
Operation & Maint. Expense	W3/S3	-	44,710	-	44,710
Depreciation Expense	F-5	-	23,222	-	23,222
Amortization Expense		-	(6,463)	-	(6,463)
Other Expense (Please Specify)		-	-	-	-
Other Expense (Please Specify)		-	-	-	-
Taxes Other Than Income	F-7	-	4,962	-	4,962
Income Taxes	F-7	-	-	-	-
Total Operating Expenses		-	66,431	-	66,431
Net Operating Income		-	(14,956)	-	(14,956)
Other Income:					
Nonutility Income		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Other Income		-	-	-	-
Other Deductions:					
Misc. Nonutility Expenses		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Other (Please Specify)		-	-	-	-
Total Other Deductions		-	-	-	-
Net Income		-	(14,956)	-	(14,956)

Name of Respondent		This Report is:	Date of Report	Year of Report
Shiloh Falls Utilities, Inc.		(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
		(2) <input type="checkbox"/> A Resubmission	10/02/2021	12/31/2020
COMPARATIVE BALANCE SHEET				
Account Name (a)	Ref Page (b)	Current Year (c)	Previous Year (d)	
ASSETS				
Utility Plant in Service (101-105)	F5/W1/S1	747,909	744,959	
Accum. Depreciation and Amortization (108)	F5/W2/S2	457,280	434,058	
Net Utility Plant		290,629	310,901	
Cash		(2,152)	1,176	
Customer Accounts Receivable (141)		17,312	11,892	
Other Assets (Please Specify)		0	0	
Other Assets (Please Specify)		0	0	
Other Assets (Please Specify)		0	0	
Other Assets (Please Specify)		0	0	
Total Assets		305,789	323,969	
LIABILITIES AND CAPITAL				
Common Stock Issued (201)	F-6	1,000	1,000	
Preferred Stock Issued (204)	F-6	0	0	
Other Paid-In Capital (211)		553,018	553,018	
Retained Earnings (215)	F-6	(295,723)	(280,767)	
Capital (Proprietary & Partnership-218)	F-6	0	0	
Total Capital		258,295	273,251	
Long-Term Debt (224)	F-6	0	0	
Accounts Payable (231)		14,605	11,338	
Notes Payable (232)		0	0	
Customer Deposits (235)		0	0	
Accrued Taxes (236)		576	604	
Other Liabilities (Please Specify)		0	0	
Other Liabilities (Please Specify)		0	0	
Other Liabilities (Please Specify)		0	0	
Other Liabilities (Please Specify)		0	0	
Other Liabilities (Please Specify)		0	0	
Advances for Construction		0	0	
Contributions In Aid Of Const.-Net (271-2)	F-8	32,314	38,776	
Total Liabilities		47,494	50,718	
Total Liabilities & Capital		305,789	323,969	

Name of Respondent Shiloh Falls Utilities, Inc.		This Report is: (1) <u>X</u> An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 10/02/2021	Year of Report 12/31/2020
NET UTILITY PLANT					
Plant Accounts (101-107) Inclusive (a)		Water (c)	Sewer (d)	Other (e)	Total (f)
Utility Plant in Service (101)		0	747,909	0	747,909
Construction Work in Progress (105)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Other (Please Specify)		0	0	0	0
Total Utility Plant		0	747,909	0	747,909
ACCUMULATED DEPRECIATION AND AMORTIZATION OF UTILITY PLANT					
Account 108 (a)		Water (c)	Sewer (d)	Other (e)	Total (f)
Balance First of Year		0	434,058	0	434,058
Credits During Year:					
Accruals charged to Depreciation Account		0	23,222	0	23,222
Salvage		0	0	0	0
Other Credits (Please Specify):		0	0	0	0
Other Credits (Please Specify):		0	0	0	0
Other Credits (Please Specify):		0	0	0	0
Other Credits (Please Specify):		0	0	0	0
Total Credits		0	23,222	0	23,222
Debits During Year:					
Book/Historical Cost of Plant Retired		0	0	0	0
Cost of Removal		0	0	0	0
Other Debits (Please Specify):		0	0	0	0
Other Debits (Please Specify):		0	0	0	0
Other Debits (Please Specify):		0	0	0	0
Other Debits (Please Specify):		0	0	0	0
Total Debits		0	0	0	0
Balance End of Year		0	457,280	0	457,280

Name of Respondent Shiloh Falls Utilities, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 10/02/2021	Year of Report 12/31/2020
CAPITAL STOCK (201 - 204)			
	Common Stock	Preferred Stock	
(a)	(b)	(c)	
Par or stated value per share	-	-	
Shares Authorized	1,000	-	
Shares issued and outstanding	1,000	-	
Total par value of stock issued	1,000	-	
Dividends declared per share for year	0	0	
RETAINED EARNINGS (215)			
	Appropriated	Unappropriated	
(a)	(b)	(c)	
Balance first of year	-	(280,767)	
Changes during year NET INCOME/(NET LOSS)	-	(14,956)	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Balance end of year	0	(295,723)	
PROPRIETARY CAPITAL (218)			
	Proprietor	Partner	
(a)	(b)	(c)	
Balance first of year	-	-	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Changes during year (Please Specify)	-	-	
Balance end of year	0	0	
LONG-TERM DEBT (224)			
Obligation including Issue & Maturity Dates	Interest Rate	Year End Balance	
(a)	(b)	(c)	
Debt #1	0.00%	-	
Debt #2	0.00%	-	
Debt #3	0.00%	-	
Debt #4	0.00%	-	
Debt #5	0.00%	-	
Debt #6	0.00%	-	
Debt #7	0.00%	-	
Debt #8	0.00%	-	
Debt #9	0.00%	-	
Debt #10	0.00%	-	
Debt #11	0.00%	-	
Debt #12	0.00%	-	
Total Long-Term Debt		0	

Description (a)	Water (b)	Sewer (c)	Other (d)	Total (e)
--------------------	--------------	--------------	--------------	--------------

[illegible]

Report all info concerning rate, management, construction, advertising, labor relations, or other professional services rendered to the Utility for which total payments during the year to any Corp, Ptnshp, indiv, or organization of any kind, amounted to \$500 or more.

[illegible]

Name of Respondent Shiloh Falls Utilities, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 10/02/2021	Year of Report 12/31/2020
CONTRIBUTIONS IN AID OF CONSTRUCTION (271)			
Description (a)	Water (b)	Sewer (c)	Total (d)
Balance First of Year	-	193,881	193,881
Add Credits During Year	-	-	-
Less Charges During Year	-	-	-
Balance End of Year	0	193,881	193,881
Less Accumulated Amortization	-	161,568	161,568
Net Contributions in Aid of Construction	0	32,314	32,314
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)			
Report below all developers or contractors agreements for which cash or property was received during the year (a)	Indicate "Cash" or "Property" (b)	Water (c)	Sewer (d)
Contractor or Developer #1		-	-
Contractor or Developer #2		-	-
Contractor or Developer #3		-	-
Contractor or Developer #4		-	-
Contractor or Developer #5		-	-
Contractor or Developer #6		-	-
Contractor or Developer #7		-	-
Contractor or Developer #8		-	-
Contractor or Developer #9		-	-
Contractor or Developer #10		-	-
Contractor or Developer #11		-	-
Contractor or Developer #12		-	-
Contractor or Developer #13		-	-
Contractor or Developer #14		-	-
Contractor or Developer #15		-	-
Contractor or Developer #16		-	-
Contractor or Developer #17		-	-
Contractor or Developer #18		-	-
Contractor or Developer #19		-	-
Contractor or Developer #20		-	-
Contractor or Developer #21		-	-
Contractor or Developer #22		-	-
Contractor or Developer #23		-	-
Contractor or Developer #24		-	-
Contractor or Developer #25		-	-
Contractor or Developer #26		-	-
Contractor or Developer #27		-	-
Contractor or Developer #28		-	-
Contractor or Developer #29		-	-
Contractor or Developer #30		-	-
Total Credits During Year		0	0

Name of Respondent		This Report is:		Date of Report	Year of Report
Shiloh Falls Utilities, Inc.		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 10/02/2021	10/02/2021
SEWER UTILITY PLANT ACCOUNTS					
Acct No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	-	-	-	-
352	Franchises	-	-	-	-
353	Land & Land Rights	81,000	-	-	81,000
354	Structures & Improvements	500,913	2,950	-	503,863
360	Collection Sewers - Force	-	-	-	-
361	Collection Sewers - Gravity	-	-	-	-
362	Special Collecting Structures	-	-	-	-
363	Services to Customers	-	-	-	-
364	Flow Measuring Devices	-	-	-	-
365	Flow Measuring Installations	-	-	-	-
370	Receiving Wells	-	-	-	-
371	Pumping Equipment	-	-	-	-
380	Treatment & Disposal Equipment	163,046	-	-	163,046
381	Plant Sewers	-	-	-	-
382	Outfall Sewer Lines	-	-	-	-
389	Other Plant & Miscellaneous Equipment	-	-	-	-
390	Office Furniture & Equipment	-	-	-	-
391	Transportation Equipment	-	-	-	-
392	Stores Equipment	-	-	-	-
393	Tools, Shop & Garage Equipment	-	-	-	-
394	Laboratory Equipment	-	-	-	-
395	Power Operated Equipment	-	-	-	-
396	Communication Equipment	-	-	-	-
397	Miscellaneous Equipment	-	-	-	-
398	Other Tangible Plant	-	-	-	-
	Total Sewer Plant	744,959	2,950	-	747,909

Name of Respondent
Shiloh Falls Utilities, Inc.

This Report is:
(1) ☒ An Original
(2) ☐ A Resubmission

Date of Report
(Mo, Da, Yr)
10/02/2021

Year of Report
12/31/2020

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - SEWER

Account Number (a)	Account (b)	Average Service Life in Years (c)	Average Salvage Value in Percent (d)	Depreciation Rate Applied* (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accumulated Depreciation Balance End of Year (i)
354	Structures & Improvements	30	0.00%	0.00%	325.155	-	16,700	341,855
360	Collection Sewers - Force	-	0.00%	0.00%	-	-	-	-
361	Collection Sewers - Gravity	-	0.00%	0.00%	-	-	-	-
362	Special Collecting Structures	-	0.00%	0.00%	-	-	-	-
363	Services to Customers	-	0.00%	0.00%	-	-	-	-
364	Flow Measuring Devices	-	0.00%	0.00%	-	-	-	-
365	Flow Measuring Installations	-	0.00%	0.00%	-	-	-	-
370	Receiving Wells	-	0.00%	0.00%	-	-	-	-
371	Pumping Equipment	-	0.00%	0.00%	-	-	-	-
380	Treatment & Disposal Equipment	25	0.00%	0.00%	108,903	-	6,522	115,425
381	Plant Sewers	-	0.00%	0.00%	-	-	-	-
382	Outfall Sewer Lines	-	0.00%	0.00%	-	-	-	-
389	Other Plant & Miscellaneous Equipment	-	0.00%	0.00%	-	-	-	-
390	Office Furniture & Equipment	-	0.00%	0.00%	-	-	-	-
391	Transportation Equipment	-	0.00%	0.00%	-	-	-	-
392	Stores Equipment	-	0.00%	0.00%	-	-	-	-
393	Tools, Shop & Garage Equipment	-	0.00%	0.00%	-	-	-	-
394	Laboratory Equipment	-	0.00%	0.00%	-	-	-	-
395	Power Operated Equipment	-	0.00%	0.00%	-	-	-	-
396	Communication Equipment	-	0.00%	0.00%	-	-	-	-
397	Miscellaneous Equipment	-	0.00%	0.00%	-	-	-	-
398	Other Tangible Plant	-	0.00%	0.00%	-	-	-	-
Totals					434,058	0	23,222	457,280

*State basis used for percentages used in schedule.

Name of Respondent		This Report is:	Date of Report	Year of Report
Shiloh Falls Utilities, Inc.		(1) <u>X</u> An Original	(Mo, Da, Yr)	
		(2) <u> </u> A Resubmission	10/02/2021	12/31/2020
SEWER OPERATION & MAINTENANCE EXPENSE				N/A
Acct No.	Description (a)	Amount (b)		
701	Salaries & Wages - Employees	-		
703	Salaries & Wages - Officers, Directors & Stockholders	-		
704	Employee Pensions & Benefits	-		
710	Purchased Sewage Treatment	-		
711	Sludge Removal Expense	6,790		
715	Purchased Power	17,735		
716	Fuel for Power Production	-		
718	Chemicals	-		
720	Materials & Supplies	949		
730	Contractual Services	17,389		
740	Rents	-		
750	Transportation Expense	-		
755	Insurance Expense	585		
765	Regulatory Commission Expense	-		
770	Bad Debt Expense	-		
775	Miscellaneous Expenses	1,262		
	Total Sewer Operation & Maintenance Expense	44,710		

SEWER CUSTOMERS				
Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)
Metered Customers:				
5/8 Inch	-	-	-	-
3/4 Inch	-	-	-	-
1.0 Inch	286	5	-	291
1.5 Inch	-	-	-	-
2.0 Inch	9	-	-	9
2.5 Inch	-	-	-	-
3.0 Inch	-	-	-	-
4.0 Inch	-	-	-	-
6.0 Inch	-	-	-	-
8.0 Inch	-	-	-	-
Other (Please Specify)	-	-	-	-
Other (Please Specify)	-	-	-	-
Other (Please Specify)	-	-	-	-
Unmetered Customers	-	-	-	-
Total Customers	295	5	0	300

Name of Respondent	This Report is:		Date of Report	Year of Report
Shiloh Falls Utilities, Inc.	(1) _X_ An Original	(2) A Resubmission	(Mo, Da, Yr) 10/02/2021	12/31/2020
PUMPING EQUIPMENT				
Description*** (a)	Lift Station #1 (b)	Lift Station #2 (c)	Lift Station #3 (d)	Lift Station #4 (e)
Make, Model, or Type of Pump	Myers	Peabody Barnes	Myers	Hydromatic
Year Installed	2001	2001-2013	2001	2005
Rated Capacity (GPM)	170 GPM@ 10" Head	35 GPM	200 GPM@10' 40GPM@80'	48 GPM@ 26' Head
Size (HP)	3 Horsepower	3 Horsepower	5 Horsepower	5 Horsepower
Power (Electric/Mechanical)	Electric	Electric	Electric	Electric
Make, Model or Type of Motor	Myers	Peabody Barnes	Myers	Hydromatic

SERVICE CONNECTIONS				
Description*** (a)	Service Connection #1 (b)	Service Connection #2 (c)	Service Connection #3 (d)	Service Connection #4 (e)
Size (Inches)	1 1/4	1 1/4		
Type (PVC, VCP, etc)	PVC			
Average Length (Feet)	60			
Connections-Beginning of Year	286	9	-	-
Connections-Added during Year	5	-	-	-
Connection-Retired during Year	-	-	-	-
Connections-End of Year	291	9	0	0
Number of Inactive Connections	-	-	-	-

COLLECTING MAINS, FORCE MAINS, & MANHOLES			
Description (a)	Collecting Mains (b)	Force Mains (c)	Manholes (d)
Size (Inches)		2",3",4",6"	8"
Type		PVC	Concrete
Length/Number-Beginning of Year	-	31,960	3
Length/Number-Added During Year	-	-	-
Length/Number-Retired During Year	-	-	-
Length/Number-End of Year	0	31960	3

***If more space is needed to list equipment please attach additional sheets as necessary.

Lift Station #5 - The Greens

Make, Model, or Type of Pump

Year Installed

Rated Capacity

Size

Power

Type

Pump #1

Myers

2011

48 GPM

5 Horsepower

Electric

Myers

Pump #2

Myers

2011

48GPM

5 Horsepower

Electric

Myers

Name of Respondent Shiloh Falls Utilities, Inc.	This Report is: (1) <u>X</u> An Original (2) A Resubmission		Date of Report (Mo, Da, Yr) 10/02/2021	Year of Report 12/31/2020
TREATMENT PLANT				
Description*** (a)	Treatment Facility #1 (b)	Treatment Facility #2 (c)	Treatment Facility #3 (d)	Treatment Facility #4 (e)
Manufacturer	Alamo Filter, Trogon UV System			
Type	Pressure System			
Steel or Concrete	Stainless Steel Trough			
Total Capacity	72,000 GPD			
Average Daily Flow	36,000 GPD			
Effluent Disposal	Spray Irrigation			
Total Gallons of Sewage Treated	17,116,600			
MASTER LIFT STATION PUMPS				
Description*** (a)	Master Pump #1 (b)	Master Pump #2 (c)	Master Pump #3 (d)	Master Pump #4 (e)
Manufacturer	Hydromatic	Griswold		
Capacity (GPM)	50 GPM	50 GPM		
Size (HP)	2 Horsepower	15 Horsepower		
Power (Electric/Mechanical)	Electric	Electric		
Make, Model, or Type of Motor	Hi Head Ejector	Suction Pump		
OTHER SEWER SYSTEM INFORMATION				
Present Number of Equivalent Residential Customer's * being served				170.53
Maximum Number of Equivalent Residential Customer's * that the system can efficiently serve				400
Estimated Annual Increase in Equivalent Residential Customers *				5
* Equivalent Residential Customers = (Total Gallons Treated / 365 Days) / 275 Gallons Per Day.				
Total Gallons Treated includes both sewage treated and purchased sewage treatment.				
State any plans and estimated completion dates for any enlargements of this system:				
<u>N/A</u>				
If the present systems do not meet environmental requirements, please submit the following:				
<u>A. An evaluation of the present plant or plants in regard to meeting the requirements.</u>				
<u>B. Plans for funding and construction of the required upgrading.</u>				
<u>C. The date construction will begin.</u>				
What is the percent of the certificated area that have service connections installed?				
<u>72.75%</u>				

***If more space is needed to list equipment please attach additional sheets as necessary.

Name of Respondent		This Report is:		Date of Report	Year of Report			
Shiloh Falls Utilities, Inc.		(1) <input checked="" type="checkbox"/> An Original		(Mo, Da, Yr)				
		(2) <input type="checkbox"/> A Resubmission		10/02/2021	12/31/2020			
ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER								
Account Number	Account	Average Service Life in Years	Average Salvage Value in Percent	Depreciation Rate Applied	Accumulated Depreciation Balance Previous Year	Debits	Credits	Accumulated Depreciation Balance End of Year
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
304	Structures & Improvements	-	0.00%	0.00%	-	-	-	-
305	Collecting & Impounding Reservoirs	-	0.00%	0.00%	-	-	-	-
306	Lake, River & Other Intakes	-	0.00%	0.00%	-	-	-	-
307	Wells & Springs	-	0.00%	0.00%	-	-	-	-
308	Infiltration Galleries & Tunnels	-	0.00%	0.00%	-	-	-	-
309	Supply Mains	-	0.00%	0.00%	-	-	-	-
310	Power Generating Equipment	-	0.00%	0.00%	-	-	-	-
311	Pumping Equipment	-	0.00%	0.00%	-	-	-	-
320	Water Treatment Equipment	-	0.00%	0.00%	-	-	-	-
330	Distribution Reservoirs & Standpipes	-	0.00%	0.00%	-	-	-	-
331	Transmission & Distribution Mains	-	0.00%	0.00%	-	-	-	-
333	Services	-	0.00%	0.00%	-	-	-	-
334	Meter & Meter Installations	-	0.00%	0.00%	-	-	-	-
335	Hydrants	-	0.00%	0.00%	-	-	-	-
339	Other Plant & Miscellaneous Equipment	-	0.00%	0.00%	-	-	-	-
340	Office Furniture & Equipment	-	0.00%	0.00%	-	-	-	-
341	Transportation Equipment	-	0.00%	0.00%	-	-	-	-
342	Stores Equipment	-	0.00%	0.00%	-	-	-	-
343	Tools, Shop & Garage Equipment	-	0.00%	0.00%	-	-	-	-
344	Laboratory Equipment	-	0.00%	0.00%	-	-	-	-
345	Power Operated Equipment	-	0.00%	0.00%	-	-	-	-
346	Communication Equipment	-	0.00%	0.00%	-	-	-	-
347	Miscellaneous Equipment	-	0.00%	0.00%	-	-	-	-
348	Other Tangible Plant	-	0.00%	0.00%	-	-	-	-
Totals					-	-	-	-

*State basis used for percentages used in schedule.

Name of Respondent	This Report is:	Date of Report	Year of Report
Shiloh Falls Utilities, Inc.	(1) <u> X </u> An Original	(Mo, Da, Yr)	
	(2) A Resubmission	10/02/2021	12/31/2020

WATER OPERATION & MAINTENANCE EXPENSE

Acct No.	Description (a)	Amount (b)
601	Salaries & Wages - Employees	-
603	Salaries & Wages - Officers, Directors & Stockholders	-
604	Employee Pensions & Benefits	-
610	Purchased Water	-
615	Purchased Power	-
616	Fuel for Power Production	-
618	Chemicals	-
620	Materials & Supplies	-
630	Contractual Services	-
640	Rents	-
650	Transportation Expense	-
655	Insurance Expense	-
665	Regulatory Commission Expense	-
670	Bad Debt Expense	-
672	Miscellaneous Expenses	-
	Total Water Operation & Maintenance Expense	0

WATER CUSTOMERS

Description (a)	Customers First of Year (b)	Additions (c)	Disconnections (d)	Customers End of Year (e)
Metered Customers:				
5/8 Inch	-	-	-	-
3/4 Inch	-	-	-	-
1.0 Inch	-	-	-	-
1.5 Inch	-	-	-	-
2.0 Inch	-	-	-	-
2.5 Inch	-	-	-	-
3.0 Inch	-	-	-	-
4.0 Inch	-	-	-	-
6.0 Inch	-	-	-	-
8.0 Inch	-	-	-	-
Other (Please Specify)	-	-	-	-
Other (Please Specify)	-	-	-	-
Other (Please Specify)	-	-	-	-
Unmetered Customers	-	-	-	-
Total Customers	0	0	0	0

PUMPING AND PURCHASED WATER STATISTICS				
Description (1) (a)	Water Purchased for Resale (b) in thousands	Water Pumped from Wells (c) in thousands	Total Water Pumped and Purchased (d) in millions	Water Sold To Customers (e)
January	-	-	-	-
February	-	-	-	-
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	-	-	-	-
Total for the Year	-	-	-	-

Indicate below the identity of any utilities or vendors purchasing water for resale.

This image shows a single page of white paper with horizontal black lines, resembling notebook paper. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

(1) Please state measurement of units sold (i. e. gallons).

Name of Respondent Shiloh Falls Utilities, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 10/02/2021	Year of Report 12/31/2020
---	--	---	-------------------------------------

WELLS AND WELL PUMPS

Description*** (a)	Well #1 (b)	Well #2 (c)	Well #3 (d)	Well #4 (e)
Year Constructed				
Type of Well Construction				
Type of Well Casing				
Depth of Well (Feet)				
Diameter of Well (Feet)				
Pumping Capacity (GPM)				
Motor Size (HP)				
Yields of Well (GPD)				
Auxiliary Power				

RESERVOIRS

Description*** (a)	Reservoir #1 (b)	Reservoir #2 (c)	Reservoir #3 (d)	Reservoir #4 (e)
Construction (Steel, Concrete, Pneumatic)				
Capacity (Gallons)				
Ground or Elevated				

HIGH SERVICE PUMPING

Motor Description*** (a)	Motor #1 (b)	Motor #2 (c)	Motor #3 (d)	Motor #4 (e)
Manufacturer				
Type				
Rated Horsepower				
Pump Description*** (a)	Pump #1 (b)	Pump #2 (c)	Pump #3 (d)	Pump #4 (e)
Manufacturer				
Type				
Capacity in Gallons per Minute				
Average Number of Hours Operated Per Day				
Auxiliary Power				

***If more space is needed to list equipment please attach additional sheets as necessary.

Name of Respondent Shiloh Falls Utilities, Inc.	This Report is: (1) <u>X</u> An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 10/02/2021	Year of Report 12/31/2020
---	--	---	-------------------------------------

SOURCE OF SUPPLY

List for each source of supply:

Description	Source #1	Source #2	Source #3	Source #4
Gallons per day of source				
Type of Source				

WATER TREATMENT FACILITIES

List for each water treatment facility:

Description	Facility #1	Facility #2	Facility #3	Facility #4
Type				
Make				
Gallons per day capacity				
Method of Measurement				

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility.

Present Equivalent Residential Customer's * now being served	
Maximum Equivalent Residential Customer's * that the system can efficiently serve	
Estimated annual increase in Equivalent Residential Customers *	
* Equivalent Residential Customer= (Total Gallons Sold / 365 days) / 350 Gallons Per Day	

List fire fighting facilities and capacities:

List percent of certificated area where service connections are installed

What are the current needs and plans for system upgrading and/or expansion

State the name and address of any engineers that plans for system upgrading and/or expansion have been discussed with

Name of Respondent Shiloh Falls Utilities, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 10/02/2021	Year of Report 12/31/2020
SUPPLEMENTAL FINANCIAL DATA TO THE ANNUAL REPORT			
Rate Base			
Additions:			
Plant In Service		747,909	
Construction Work in Progress			
Property Held For Future Use			
Materials & Supplies			
Working Capital Allowance			
Other Additions - Common Plant Alloc from Parent Company			
Other Additions (Please Specify)			
Total Additions to Rate Base		747,909	
Deductions:			
Accumulated Depreciation		457,510	
Accumulated Deferred Income Taxes			
Pre 1971 Unamortized Investment Tax Credit			
Customer Deposits			
Contributions in Aid of Construction			
Other Deductions (Please Specify)			
Other Deductions (Please Specify)			
Total Deductions to Rate Base		457,510	
Rate Base		290,399	
Adjusted Net Operating Income			
Operating Revenues:			
Residential		38,379	
Commercial		12,096	
Industrial			
Public Authorities			
Multiple Family			
Fire Protection			
All Other		1,000	
Total Operating Revenues		51,475	
Operating Expenses:			
Operation		44,710	
Depreciation		23,222	
Amortization		(6,463)	
Taxes Other Than Income Taxes		4,962	
Income Taxes			
Total Operating Expense		66,431	
Net Operating Income		(14,956)	
Other (Please Specify)			
Other (Please Specify)			
Adjusted Net Operating Income		(14,956)	
Rate of Return (Line 49 / Line 25)		-5.15%	
All amounts should be calculated in a manner consistent with the last Rate Order issued by the Commission for this Company.			

Company Name:	Shiloh Falls Utilities, Inc.
Report Period:	12/31/2020
Report Date:	10/02/2021

INCOME STATEMENT:

	Amount for 1st Reference	Amount for 2nd Reference	Difference
1. Line 20 on F3, Col. "C" agrees w/line 22on W3, Col. "B"	-	-	0
2. Line 20 on F3, Col. "D" agrees w/line 23on S3, Col. "B"	44,710	44,710	(0)
3. Line 21 on F3, Col. "F" agrees w/line 39 on F5, col. "F"	23,222	23,222	0
4. Line 21 on F3, col. "C" agrees w/line 32 on W2, col. "H"	-	-	0
5. Line 21 on F3, col. "D" agrees w/line 30 on S2, col. "H"	23,222	23,222	0
7. Line 25 on F3 col. "F" agrees w/lines 22-28 minus line 7 on F7, col. "E"	4,962	4,386	576
8. Line 26 on F3, col. "F" agrees w/line 10 on F7, col. "E"	-	-	0
9. Line 26 on F3, col. "F" agrees w/line 21 on F7, col. "E"	-	-	0

BALANCE SHEET:

	Amount for 1st Reference	Amount for 2nd Reference	Difference
1. Line 10 on F4, col. "C" agrees w/line 16 on F5, col. "F".	747,909	747,909	(0)
2. Line 10 on F4, col. "C" agrees w/lines 34, W1, col. "F" & 32, S1, col. "F".	747,909	747,909	(0)
3. Line 11 on F4, col. "C" agrees w/line 52 on F5, col. "F".	457,280	457,280	0
4. Line 11 on F4, col. "C" agrees w/lines 32, W2, col. I & 30, S2, col. I	457,280	457,280	0
5. Line 27 on F4, col. "C" agrees w/line 10 on F6, col. "B".	1,000	1,000	0
6. Line 28 on F4, col. "C" agrees w/line 10 on F6, col. "C".	-	-	0
7. Line 30 on F4, col. "C" agrees w/line 24 on F6, cols. "B" & "C".	(295,723)	(295,723)	0
8. Line 31 on F4, col. "C" agrees w/line 37 on F6, cols. "B" & "C".	-	-	0
9. Line 37 on F4, col. "C" agrees w/line 55 on F6, col. "C".	-	-	0
10. Line 41 on F4, col. "C" agrees w/line 32 on F7, col. "E".	576	576	(0)
11. Line 48 on F4, col. "C" agrees w/line 13 on F8, col. "D".	32,314	32,314	0
12. Line 8 on F8, col. "D" agrees w/line 55 on F8, cols. "C & D".	-	-	0

Payee	Total	Invoice Date
Charles Wilkerson	\$ 3,788.00	4/6/2022
Craig Crestman	\$ 500.00	10/4/2021
Craig Crestman	\$ 3,375.00	3/3/2022
Gerald Townsend	\$ 1,951.00	4/1/2022
LI Smith & Associates	\$ 6,000.00	1/11/2022
Lowe's Receipts Total	621.53	Misc.
Mid-South Eng	\$ 5,447.50	12/31/2021
Mid-South Eng	\$ 1,850.00	1/31/2022
Mid-South Eng	\$ 2,250.00	3/31/2022
Mid-South Eng	\$ 1,075.00	2/28/2022
Mid-South Eng	\$ 6,512.50	4/30/2022
Mid-South Eng	\$ 8,975.00	5/31/2022
Mid-South Eng	\$ 18,040.00	8/2/2022
Mid-South Eng	\$ 7,837.50	8/31/2022
Quality Outdoor Products	\$ 9,220.84	3/25/2022
RaeKar	\$ 535.10	4/13/2022
River City Concrete	\$ 118.53	4/28/2022
Wayne Wilkerson Receipts	204.12	Misc.
Williams Supply & Lumber	\$ 423.93	3/30/2022
Williams Supply & Lumber	\$ 38.27	3/30/2022
Williams Supply & Lumber	\$ 21.21	3/30/2022
Williams Supply & Lumber	\$ 279.59	3/31/2022
TOTAL	\$ 79,064.62	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Vance L. Broemel, Esq.
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207
Vance.Broemel@ag.tn.gov

Karen H. Stachowski, Esq.
Senior Assistant Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Division
P.O. Box 20207
Nashville, TN 37202-0207
Karen.Stachowski@ag.tn.gov

This the 7th day of July 2023.



Katherine Barnes